

MICROECONOMICS OF DEVELOPMENT
Course Requirements

This course is the first part of the Development Sequence. It addresses issues in the microeconomics of development. It is taught by Elisabeth Sadoulet for the first half of the semester and Ethan Ligon for the second half. The Spring semester will be taught by Ted Miguel. It will address issues in growth and public policy.

In the course of the semester, you will be given 2 types of assignments.

1. Research ideas (2)

Twice in the semester, you will write a one-page statement on a research idea of your choice related to a microeconomic development issue. It should include a presentation of the issue (don't forget to explain why it is important), a statement of why the issue comes about (identify trade-offs, constraints, outcomes, including if this is the case heterogeneity in outcomes), a testable hypothesis, and the strategy (data, analysis) that would be followed to test the hypothesis. These two research ideas should explore different subjects, not build on each other.

2. Longer assignments (3)

- 2 comprehensive assignments that will include both some model writing and solving, and an empirical part.
- Assignment 3: A short (not more than 8 pages) research proposal. This is expectedly built on the most promising of the two research ideas presented earlier in the semester. The proposal should include
 - An introduction motivating the subject chosen and the specific contributions that you intend to make.
 - Then a synthesis of 3 papers that would serve as the basis for the development of your proposal. This synthesis should be a sharp description/assessment of the papers that you have chosen, with emphasis on what you find most interesting in and want to retain from them, and their limits/errors that justify your own research.
 - In the proposal itself, you should advance a working hypothesis. You should then use/extend a theoretical model and develop a strategy to test some of its derived propositions.

The theoretical model should be based on at least one of your three selected articles. Extensions are often developed by incorporating in the model an idea taken from another paper or applying the idea to a problem that is posed differently.

For the empirical strategy, particular attention should be given to the feasibility and pertinence of the tests that you propose, in terms of required information and identification.

3. Deadlines: Late assignments will not be accepted

Thursday, September 7: Research idea #1

Thursday, September 28: Assignment #1

Thursday, October 19: Research idea #2

Thursday, November 9: Assignment #2

Tuesday, November 30: Assignment #3: Research proposal

Final examination Monday, December 11 - 10am-11:30am - 201 Giannini Hall

4. Course grade

The grade will be based on the following items:

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|------------------------------|-----|
| Three assignments (20% each) | 60% |
| Midterm examination, | 20% |
| Final examination, | 20% |

Research ideas are not graded. However, non-completion of any of them will induce a lowering of the overall class grade by up to a full grade point.

The mid-term and final examinations will be based on class notes, assigned readings (usually one per class), and lessons from the assignments.

5. Office hours

Elisabeth Sadoulet: Fridays, 3:30-5:00 pm, 213 Giannini Hall, sadoulet@are.

Ethan Ligon: Mondays, 1:00-2:00pm, 331 Giannini Hall, ligon@are.

Information will be posted on the course homepage as it becomes available
<http://are.Berkeley.EDU/courses/ARE251/2006/index.html>