Course Description
This course is part of the graduate sequence in development economics. The second half of the course will be taught by Professor Jeremy Magruder. The main aim of this course is to develop student skills in reading and writing papers in empirical micro-economic development. In particular, I will spend time working through a few papers in detail rather than attempting a synthesis of the literature. In addition, I will provide an introduction to the relevant econometric methods when appropriate.

Textbooks
Deaton (1997) is a great reference for empirical work and if you are considering writing an applied thesis, I strongly encourage you to purchase a copy. Bardhan and Udry (1999) is a textbook type treatment and while not comprehensive, is a good introduction to some of the material we will cover. Ray (1998) is an undergraduate text and often a useful place to start.
Prerequisites: I will assume familiarity with the microeconomics and econometrics covered in the first year ARE (or Econ) Ph.D. sequence.

Course Requirements
I expect you to do the required reading and to participate in class discussion. Papers marked with two asterisks will be discussed in some detail during lecture while the others are recommended reading. The figures in parentheses below are the absolute weights used in computing the grade for the course. In particular, the presentation, referee report and problem set from my half of the course will count for 40% of your total grade for the course and the (common) research proposal which is due at the end of the semester will count for 20% of your total grade.
Presentation (10%): Each student is expected to be part of a group that will make one joint presentation on a paper of my choosing and lead class discussion on it. The presentations will be scheduled by the third week of class and I will provide more details on the format and expectations.
Referee Reports (10%): Each student will write a referee report on any one of the following three papers: Rosenzweig and Udry (2014), Jensen and Miller (2017) or Kala (2017). Alain de Janvry has a useful guide on how to write a referee report that is also available on the course web-site. Due: September 18 In Class

Research Proposal (20%): Each student will write a proposal on a development topic that could serve as the basis for a second-year paper. There will only be one research proposal due for the entire course (i.e. for both this and the second half of the course). Due: December 1 in Instructor Mailbox

Problem Set (20%): Finally, there will be one problem set. The exercise that will involve a substantial amount of work with data (and using STATA is recommended). Due: October 11 in Class

Other Details
- We will make extensive use of the course https://bcourses.berkeley.edu/courses/1463645 throughout the quarter. Lecture handouts, problem sets and solutions will all be posted on coursework. In addition, important announcements about office hours, times and locations will also be made on coursework. Please make sure to check the site regularly.

- A good way to learn STATA is to use it to carry out the empirical exercise. STATA is available at Berkeley via Citrix (see here for more information). Students are welcome to use any other statistical package that they wish to use (and R and MATLAB are possible alternatives). A useful resource for working with STATA is here. You can also purchase a student version of STATA for your own computer but that is not required for the course. The appendix in Deaton (1997) contains STATA code for the empirical analyses in the book and it is instructive to examine these in some detail.

- Engaging with scholars’ work in seminars is an integral part of becoming an economist and all students are actively encouraged to attend the Economic Development Seminar on Mondays and the Development Lunch on Tuesdays. In addition, the ARE Seminar and the Political Economy Seminar at the Haas School often have development speakers as well.

Statement on Accommodation of Religious Creed

We will follow the guidelines set out by the university that are available here.

Statement on Accommodation for Pregnancy and Parenting

In compliance with Title IX of the Education Amendments of 1972, and with the California Education Code, Section 66281.7, it is the official policy of the University of California at Berkeley to not discriminate against or exclude any person on the basis of pregnancy or related conditions, and to provide reasonable

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2Available at https://goo.gl/xiqWWP.
3Available at https://goo.gl/LEm9ru.
4http://are.berkeley.edu/courses/ARE251/2004/assignments/RRGuidelines.pdf
5http://guides.lib.berkeley.edu/Citrix
6https://stats.idre.ucla.edu/stata/modules/
7http://guide.berkeley.edu/religious-creed-policy/
accommodations to students as appropriate. I will make allowances for medically necessary absences for pregnancy and related conditions and make reasonable accommodations for classes, exams, and problem sets. For more information about accommodations for students who are pregnant or parenting, please contact the Office for the Prevention of Harassment and Discrimination.\footnote{http://ophd.berkeley.edu/}

**Statement on Academic Integrity**

Any test, paper or report submitted by you and that bears your name is presumed to be your own original work that has not previously been submitted for credit in another course unless you obtain prior written approval to do so from your instructor. If you are not clear about the expectations for completing an assignment or taking a test or examination, be sure to seek clarification from me beforehand.

Academic dishonesty and misconduct will be handled according to university regulations with no exceptions. Please see the relevant sections on academic integrity at UCB Official Notices.\footnote{http://teaching.berkeley.edu/campus-policies-regarding-teaching-and-learning#ai}

**Out of Class Collaboration**

You are allowed to work together in groups for the problem set, but each student must turn in an individual problem set with their own solutions. It is not a violation of this policy to submit essentially the same answer on a problem set as another student, but is a violation of this policy to submit a close to exact copy. Academic dishonesty and misconduct will be handled according to university regulations with no exceptions.

**COURSE OUTLINE**

1 Tools

Econometrics of Household Surveys


Non-Parametric and Semi-parametric Methods

Deaton (1997) (Chapter 3.2 and 3.3). From an applied perspective, Silverman (1986), Jones and Wand (1995) are both quite good and Yatchew (2003) is also useful.

Resampling Methods

Deaton (1997) (Chapter 1.4). Efron and Tibshirani (1994) is a good introduction to applying the bootstrap as is Horowitz (2001). For a good introduction to the bootstrap as well as to subsampling, see Politis et al. (1999).

Causal Inference and Experiments

2 The Agricultural Household Model and Separation

BARDHAN, P. AND C. UDRY (1999): Development Microeconomics, Oxford University Press (Chapters 1 and 2)


3 Economics of Scale


Tools: Kernel Density Estimation, Non-parametric Regressions, Semi-Parametric Methods (Partially linear model, Fourier flexible forms)

4 Credit

Ch. 7 of BARDHAN, P. AND C. UDRY (1999): Development Microeconomics, Oxford University Press


**Tools:** Neyman-Rubin Notation, Experimental Designs, Local Average Treatment Effects (LATE), Multiple Testing.

**Micro-Finance**


**Tools:** Dynamic Discrete Choice Models.

### 5 Learning and Technology Adoption


6 Psychology and Development I: Time Preferences


7 Randomized Experiments and Structural Models (Mostly Education)

See here for a general overview.


References


