This course is the second of a three-part graduate sequence on development economics, focusing mainly on microeconomic topics. The goal of this sequence is to introduce students to the central issues in development economics and to explore the application of microeconomic analysis to gain deeper insights into these questions. Prof. Seema Jayachandran taught the Fall course; Prof. Lori Beaman will teach the Spring course. To satisfy the field requirement, you must the entire sequence.

I will assume that you have taken the first-year graduate sequences in microeconomics and econometrics.

The goal of this course is to prepare you for research in development economics. This quarter is organized topically, starting with production and allocation in households, then discussing risk, insurance, saving and credit, and continuing with agricultural technology and markets.

Graduate Office Hours
Tuesdays 3:30pm – 5:00pm

Zoom address when necessary: https://northwestern.zoom.us/my/cudry

Course Requirements (% of final grade):

A primary goal of this course is a critical reading of the current literature on the empirical microeconomics of development. I expect you to do all of the required reading and to participate in class discussion. This will include guiding the discussion on one paper. Papers eligible for presentation are marked with a double asterisk. (25%)

2 referee reports. (25%)


Final project: an outline of a research project on any topic in development economics. This can build on your research proposal from the Fall or be a new project. Deadline 1: 1/31 in class: a 1-2 paragraph proposal for your project. Tell me if you are building on your proposal from the Fall, or starting something new. If the former, include your proposal from the Fall and propose what you will do this term. If the later, state the new research question and a plan for addressing it. Deadline 2: 3/18. Research outline, length and content as determined from stage 1 (50%).
You are encouraged to attend the Development Lunch on Wednesdays and the Development Workshop on Thursdays. Students in their second year and above who anticipate having development faculty as advisors are expected to attend these regularly.

Other Policies

Accessibility

Any student requesting accommodations related to a disability or other condition is required to register with AccessibleNU (accessiblenu@northwestern.edu; 847-467-5530) and provide professors with an accommodation notification from AccessibleNU, preferably within the first two weeks of class. All information will remain confidential.

Sexual Misconduct and Reporting

Northwestern University is committed to fostering an environment where students are safe and free from sexual misconduct. Confidential resources are available to those who have experienced sexual misconduct. Faculty, instructors, and TAs are not confidential resources and are required to report incidents of sexual misconduct, whether discussed in your assignments or in person, to the Office of Equity, which can provide information about resources and options. I encourage students who have experienced sexual misconduct to talk with someone to get support. For more information, including how to request interim protective measures and academic accommodations or file a complaint, see the Get Help page.

Discrimination and Sexual Harassment

Northwestern University's Policies on Discrimination, Harassment, and Sexual Misconduct apply to all members of the University community, including students, staff, faculty, and third parties. Any student, staff, or faculty member, or third party, who believes that they have been discriminated against or harassed on the basis of their race, color, religion, national origin, sex, sexual orientation, gender identity, gender expression, pregnancy, parental status, marital status, age, disability, citizenship, veteran status, genetic information or any other classification protected by law, should contact the Office of Equity at (847) 467-6571. Additional information about the University's discrimination and harassment policies, including the campus resources available to assist individuals with discrimination or harassment concerns, is available online on the Office of Equity website. Students, staff, and faculty who report harassment, discrimination, or sexual misconduct are also protected under the University's Policy on Non-Retaliation.
Class Schedule

1. Agricultural households

January 3: Neoclassical separation


Jan 5: Gender and Distribution

Deaton, *The Analysis of Household Surveys* Chapter 4.2


Jan 10: Intrahousehold Decision-Making – Income pooling?


Pitt, Mark, Mark Rosenzweig and MD Nazmul Hassan. 2010. “Short- and Long-Term Health Effects of Burning Biomass in the Home in Low-Income Countries”


Jan 12: Collective Households


Attanasio, Orazio and Valerie Lechene. 2014. “Efficient Responses to Targeted Transfers” *Journal of Political Economy*


Jan 19: Production and Household Efficiency


Beaman, Lori, Dean Karlan and Christopher Udry 2020. “Households, Gender and Family on Farms in Mali”


Jan 24: Contingency day

2. Risk

Jan 26: Foundations


Jan 31: Saving


Feb 2: The Efficient Allocation of Risk


Feb 7: Microfinance 1 – Prof. Dean Karlan

Feb 9: Microfinance 2 – Prof. Dean Karlan

Feb 14: Barriers to Efficient Risk Sharing


Feb 16: Barriers to Saving


Feb 21: Equilibrium Effects


**Balboni, Clare, Oriana Bandiera, Robin Burgess, Maitreesh Ghatak, Anton Heil. (2020) “Why Do People Stay Poor?”

Feb 23: Returns to Capital


3. Agriculture

Feb 28: Technology

*Suri, Tavneet and Christopher Udry. 2022. “Agricultural Technology in Africa” JEP


March 2: Learning


**Hanna, Rema, Sendhil Mullainathan, and Joshua Schwartzstein. 2014. Learning through noticing: theory and experimental evidence in farming. QJE.
March 7: Social Learning


Karlan et al “Information, Market Access and Risk: Addressing Constraints to Agricultural Transformation in Ghana” Manuscript: Northwestern