

Development Economics

Courses At Cornell University



2010

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The following packet was assembled in May-June 2010 by Ivi Demi at the request of Professor Chris Barrett as background information for Cornell faculty and students in development economics. The syllabi provided are the most recent (2008 or more recent) for courses taught by Profs. Barrett, Basu, Berry, Christy, Fields, Kanbur, Lee, Pinstруп-Andersen, Prasad, and Sahn that might broadly be thought of as falling under the general heading of "development economics." Syllabi provided were retrieved from professors directly or relevant course websites.

Faculty Websites:

Chris Barrett - http://aem.cornell.edu/faculty_sites/cbb2/

Kaushik Basu - <http://www.arts.cornell.edu/econ/kb40/>

Jim Berry - <http://www.arts.cornell.edu/econ/jwb295/>

Ralph Christy - http://aem.cornell.edu/faculty_content/christy.htm

Gary Fields - <http://www.ilr.cornell.edu/directory/gsf2/>

Ravi Kanbur - <http://www.kanbur.aem.cornell.edu/>

David Lee - http://aem.cornell.edu/faculty_content/lee.htm

Per Pinstруп-Andersen - http://epe.cornell.edu/faculty/pinstrup_andersen.htm

Eswar Prasad - <http://prasad.aem.cornell.edu/>

David Sahn - <http://www.nutrition.cornell.edu/che/bio.cfm?netid=des16>

Instructor	Course Name	Semester Last Offered	Semester Next Offered	Frequency Regularly Offered	Course Description
Barrett, Chris	AEM 4551/CRP 6490/SOC 4450: Comparative Perspectives in Poverty Reduction Policy	Spring 2010	Not sure	Experimental in spring 2010 ... maybe alternating years?	This course builds student understanding of facts about poverty domestically and internationally and of different policies intended to reduce the incidence and persistence of poverty. It exposes students to different disciplinary and geographic perspectives on issues of poverty dynamics and socioeconomic mobility and to the evidence on different policy interventions.
Barrett, Chris	AEM 7620: The Microeconomics of International Development	Fall 2008	Not sure	Every other year ... but may discontinue during IGERT period (2010-2014)	Focuses on models of individual, household, firm/farm, and market behavior in low- and middle-income developing economies. Topics include agricultural land, labor, and financial institutions; technology adoption; food security and nutrition; risk management; intra-household analysis; reciprocity networks; and product/factor markets analysis. Emphasizes empirical research.
Barrett, Chris	AEM 7650: Development Microeconomics Graduate Research Seminar	Spring 2010	Fall 2010	Every semester	Graduate students and the instructor present draft research proposals, papers, and preliminary thesis results for group review and discussion. Students who actively participate by offering written and oral comments on others' work receive 1 credit. Students who also present their own proposal or paper receive 2 credits. Presentations last 75 minutes and thus represent a substantial investment of time. Students who present a second proposal or paper receive 3 credits.

Basu, Kaushik/ Berry, Jim (Spring 2011)	ECON 7730: Economic Development	Spring 2009	Spring 2011	Every other spring	Concerned with theoretical and applied works that seek to explain economic development, or lack thereof, in countries at low-income levels. Specific topics vary each semester.
Berry, Jim	ECON 3710: Development Economics	Spring 2010	Spring 2011	Every spring	Examines microeconomic issues in developing countries, with an emphasis on recent research in the field. Studies the theoretical and empirical aspects of current economic and policy questions. Topics include education, health and nutrition, insurance and credit, gender and family, agricultural contracts, and corruption.
Christy, Ralph	AEM 4420: Emerging Markets	Fall 2009	Fall 2010	Every fall	Provides a framework for examining the effectiveness of marketing strategies in economies in transition and identifying the challenges and opportunities for firms in low-income economies to access industrial markets. Appraises the risk of entering markets in low-income economies and assesses the political, legal, cultural, and economic forces. Analyzes and discusses case studies of companies.
Fields, Gary	ECON 7720/ILRLE 7490: Economics of Development	Fall 2008	Fall 2010	Every fall	Analytical approaches to the economic problems of developing nations. Topics include old and new directions in development economics thinking, the welfare economics of poverty and inequality, empirical evidence on who benefits from economic development, labor market models, and public policy evaluation. Prerequisites: First-year graduate economic theory and econometrics (Economics 6090 and 6100, 6130 and 6140, 6190 and 6200).

Fields, Gary	ILRIC 6350: Labor Markets, Income Distribution, and Globalization	Spring 2009	Spring 2011	Every spring	The first half of the course is on distribution and development: theory and evidence. The second half is on labor markets in a globalized world.
Kanbur, Ravi	AEM 6670/ECON 7700: Topics in Development Economics	Spring 2010	Spring 2012	Every other spring	Topics vary from year to year but may include poverty, inequality, intra-household allocation, structural adjustment, and debt. Examination is by term paper.
Kanbur, Ravi	AEM 7350/ECON 7350: Topics in Public Economics	Spring 2010	Spring 2012	Every other spring	Topics vary from year to year, but may include Theory of Public Goods, Regulation and Enforcement, and Optimal Taxation. Examination is by term paper, where the general concepts may be applied to developed or developing countries.
Lee, David	AEM 6600: Agroecosystems, Economic Development, and the Environment	Spring 2010	Spring 2011	Every spring	Examines selected topics in agricultural and economic development, technology assessment, ecosystem management and the environment, with a focus on developing countries. Topics include production, poverty, and environmental tradeoffs; sustainable technology development; trade and environment linkages; economics of conservation and development; and alternative methodologies for analyzing these interactions. Readings emphasize the economic literature, but also draw from the biophysical sciences, ecosystem management, and the broader social sciences.
Pinstrup-Andersen, Per	AEM 4450/NS 4450: Food Policy for Developing Nations	Fall 2009	Fall 2010	Every fall	Comprehensive presentation and discussion of policy options for a sustainable global food system, with focus on developing countries. Topics include economic policy related to nutrition, health, consumption, production, natural resource management, trade, markets, gender roles, armed conflict, and ethics. A social entrepreneurship

					approach based on case studies and active participation by students will be used.
Pinstrup-Andersen, Per	AEM 6420/NS 6420: Globalization, Food Safety, and Nutrition	Fall 2009	Fall 2010	Every fall	Directed readings course with a weekly 50-minute discussion session. The course is aimed at graduate students in nutrition, agricultural economics, and other relevant fields, who wish to explore how globalization may affect poverty, food security, and nutrition in developing countries and how national policies and international agreements and institutions may influence the outcome. The discussion sessions are based on assigned readings for each week.
Prasad, Eswar	AEM 4540/ECON 4540: China's and India's Growth Miracles	Fall 2009	Fall 2010	Every fall	This is an advanced undergraduate course that will cover topics in international finance and open economy macroeconomics. The course will be organized around a detailed examination of the growth experiences of China and India as a device for illustrating and delving into key analytical concepts.
Prasad, Eswar	AEM 7670/ECON 7670: Topics in International Finance	Fall 2009	Fall 2010	Every fall	This course will provide a selective overview of topics at the cutting edge of academic research and policy debates about the international financial system. Main areas will include the effects of financial globalization on growth, volatility, and the transmission of business cycles. We will also examine the determinants of the direction and composition of capital flows, and analyze the implications of the rising prominence of hedge funds, sovereign wealth funds, and other institutional investors. This course is intended for advanced Ph.D. students, especially those in search of thesis topics, and will

					require extensive student involvement in preparing research proposals and critiques of existing literature.
Sahn, David	NS 4570: Health, Poverty, and Inequality: A Global Perspective	Fall 2009	Fall 2010	Every fall	The course focuses on issues of global health inequality. We explore the nature and extent of global inequalities in health, and the possible policy responses to improving health and well-being, and reducing observed disparities. We examine global health inequalities at various levels, including across countries, at the national level, and even within the household. Likewise, the class examines the implications of the health crisis that afflicts the poorest countries, especially in Africa. Special attention is given to problems such as malnutrition and HIV/AIDS. The ethics of dealing with problems of global health inequality, as well as some policy options are also discussed. The latter issue of how to most cost-effectively address global health problems is the subject of class projects.
Sahn, David	NS 6850/ECON 7710: Empirical Methods for the Analysis of Household Data: Applications to Health, Education, and Poverty	Spring 2009	Spring 2011	Every other spring	Course description: This is an advanced course that explores recent empirical research that relies on the analysis of household survey data. It focuses on issues of multidimensional poverty, health, nutrition, and education. The course covers empirical methods as they apply to a series of measurement and modeling issues, as well as the evaluation of interventions and public policy. While we briefly review underlying theory and econometric techniques, the course attempts to bridge the gap between theory and practice, addressing issues such as model identification, functional form, estimation techniques to control

					<p>for endogeneity and heterogeneity, and so forth. In addition, we review various empirical and measurement issues such as the multidimensional nature of poverty and benefit incidence. We also focus on the literature in the areas of anthropometry, HIV/AIDS, and cognitive outcomes, examining both the non-experimental and program evaluation literature.</p>
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Future Semester Offerings

Fall 2010	Spring 2011	Fall 2011	Spring 2012
AEM 4420: Emerging Markets	AEM 6600: Agroecosystems, Economic Development, and the Environment	AEM 4420: Emerging Markets	AEM 6600: Agroecosystems, Economic Development, and the Environment
AEM 4450/NS 4450: Food Policy for Developing Countries	AEM 7650: Development Microeconomics Graduate Research Seminar	AEM 4450/NS 4450: Food Policy for Developing Countries	AEM 6670/ECON 7700: Topics in Development Economics
AEM 4540/ECON 4540: China's and India's Growth Miracles	ECON 3710: Development Economics	AEM 4540/ECON 4540: China's and India's Growth Miracles	AEM 7350/ECON 7350: Topics in Public Economics
AEM 6420/NS 6420: Globalization, Food Safety, and Nutrition	ILRIC 6350: Labor Markets, Income Distribution, and Globalization	AEM 6420/NS 6420: Globalization, Food Safety, and Nutrition	AEM 7650: Development Microeconomics Graduate Research Seminar
AEM 6940/ECON 6940/NS 6990: Graduate Special Topics in Applied Economics and Management (Part One)	NS 6850/ECON 7710: Empirical Methods for the Analysis of Household Data: Applications to Health, Education, and Poverty	AEM 6940/ECON 6940/NS 6990: Graduate Special Topics in Applied Economics and Management (Part One)	ECON 3710: Development Economics
AEM 7650: Development Microeconomics Graduate Research Seminar		AEM 7650: Development Microeconomics Graduate Research Seminar	ILRIC 6350: Labor Markets, Income Distribution, and Globalization
AEM 7670/ECON 7670: Topics in International Finance		AEM 7670/ECON 7670: Topics in International Finance	
ECON 7720/ILRLE 7490: Economics of Development		ECON 7720/ILRLE 7490: Economics of Development	
NS 4570: Health, Poverty, and Inequality: A Global Perspective		NS 4570: Health, Poverty, and Inequality: A Global Perspective	

Following are the syllabi for the listed courses in the order they are presented in the table of contents.

COURSE SYLLABUS**AEM 4420 – Emerging Markets**

Lecture: Wednesday, 7:30 – 9:30pm in Warren 131 (sections listed at end of this document)

This course provides students with a framework for examining the effectiveness of marketing strategies in economies in transition, and for identifying the challenges and opportunities for firms in low-income economies to access markets in developed countries. The risk of entering markets in low-income economies will be appraised and assessment of the political, legal, cultural, and economic forces will be discussed. Case studies of companies, industries, and economies will be analyzed.

Course Objective:

To develop an understanding of the process of planning and executing the concepts of pricing, promotion, and distribution of ideas, products and services in emerging markets (EM).

Emphasis is placed primarily on the marketing decisions facing a private firm manager, but the marketing issues confronting public policy makers are considered also.

Students will be expected to:

- 1) Apply fundamental analytical tools to various marketing problems in emerging markets;
- 2) Identify the marketing challenges and opportunities specific to selected consumer product and industrial product industries, and
- 3) Present sound, well-reasoned arguments regarding the role of marketing in both private and public organizations within emerging markets.

Instructors:

Ralph D. Christy Edward Mabaya Laura Cramer

204 Warren Hall 207 Warren Hall 204 Warren Hall

rdc6@cornell.edu, 255-2194 em37@cornell.edu, 255-7531 lkc9@cornell.edu, 255-8846

Office Hours: Tuesdays 4:00- 5:00pm or by

appointment **Administrative Assistant:**

Carol Thomson

106 Warren Hall

cmt8@cornell.edu , 255-5464

Administrative T.A's

Maleeha Rizwan Tianli Zhao BethRobertson

436 Warren Hall 433 Warren Hall

mr637@cornell.edu tz49@cornell.edu

bar78@cornell.edu

Required Text and Cases:

✓ *Ralph D. Christy. Emerging Markets Handbook (EMH), Applied Economics and Management, Cornell University 2009.*

✓ *Ralph D. Christy (eds), 2004. Achieving Sustainable Communities in a Global Economy: Alternative Private Strategies and Public Policies. WSP, Singapore*

✓ *Compilation of Case Studies*

COURSE OUTLINE

PART 1: MARKETS, PROPERTY RIGHTS AND CAPITAL

Week

1 EMERGING MARKETS: AN INTRODUCTION (Sept. 2)

Why study emerging markets? What is market-led development?

Forces: Trade barriers falling, information technology, competition in matured markets, buying power in emerging markets, FDI

Global Business Paradigm Shifts

What are emerging markets?

Readings:

- ✓ R. Christy (2009). Chapter 1, *Emerging Markets Handbook (EMH)*, Applied Economics and Management, Cornell University, Ithaca, NY.
- ✓ Kotler, Philip. (1988). The potential contributions of marketing thinking to economic development. *Research in Marketing*. Supplement 4, 1988. pp 1-10. Edit by Kumcu Erdogan and A Fuat Firat.
- ✓ Savitt, Ronald. (1988). The state of the art in marketing and economic development. *Research in Marketing*. Supplement 4, 1988. pp 11-37. Edit by Kumcu Erdogan and A Fuat Firat.

Section (Case & Assignment)

Guidelines for Preparing a Written Case Report (Class Handout) – Discussion/Presentation

2 THEORIES OF MARKETS (Sept. 9)

Key Concepts: Market, Marketing, Strategic Behavior, Emerging Markets, Market Failure...

Theories and conceptual frameworks...

Readings:

- ✓ Christy, *EMH*, Chapter 2
- ✓ C.K. Prahalad and Allen Hammond. Serving the World's Poor, Profitably. *Harvard Business Review*, September 2002.

Section (Case & Assignment)

C.K Prahalad and A. Hammond. Serving the World's Poor, Profitably. *Harvard Business Review*, September 2002: Pro or Con? **(Group Presentation)**

Market-led Strategies are positive influences on the Economic Development of Emerging Markets: Pro or Con? **Assignment A, due Sept. 9**

3 THE LEGAL FOUNDATION AND INSTITUTIONS FOR MARKET-BASED ECONOMIES (Sept. 16)

Property Rights

Corporate Governance

Contract Enforcement

Rule of Law

Corruption and Economic Development

Prof. R. D. Christy & Dr. E. Mabaya Page 3 Fall 2009 EMP - Cornell University

Readings:

- ✓ O'Driscoll, Gerald P. and Lee Hoskins. Property rights: the key to economic development. Policy Analysis No. 482, August 2003. <http://www.cato.org/pubs/pas/pa482.pdf>
- ✓ Hernando de Soto, Chapter 1. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000).
- ✓ Vogl Frank. (2007). Global Corruption: Applying Experience and Research to Meet a Mounting Crisis. *Business and Society Review*, Vol. 112 (2), pp 171- 190.
- ✓ Restraining arbitrary state action and corruption (1997). In *World Development Report*: Chapter 6.
- ✓ Bardhan, Pranab. (1997). Corruption and development: A review of Issues. *Journal of Economic Literature*, Vol. XXXV, pp. 1320-1346.

Section (Case & Assignment)

Harvard Business Case Studies (HBCS), "Sub continental Telecommunications Solutions" (1995)
– Report #1, due Sept. 16

Case Study "Business Corruption in China" **Assignment B, due Sept. 16**

4 FINANCIAL MARKETS AND ECONOMIC PROGRESS (9/23)

Emerging Financial Markets and Economic Growth and Development

Foreign Direct Investment and Economic Progress

Financial Crises: Mexico 1994-95, Asia 1997-8, South American (Argentina, Brazil) 2001-02

Readings:

- ✓ Christy, *EMH*, Chapter 3 and 4
- ✓ Beim, David O., & Calomiris, Charles W. (2001). *Emerging Financial Markets*. Chapter 2. pp. 67-74. New York: McGraw-Hill.

Section (Case & Assignment)

Financial Crises: Mexico 1994-95, Asia 1997-98, South American (Argentina, Brazil) 2001-02
(Group Presentations).

5 MICRO-FINANCE INSTITUTIONS (Sept. 30) – Part 1**Readings:**

- ✓ Christy, *EMH*, Chapter 5
- ✓ Morduch, J. (1999). The Microfinance Promise. *Journal of Economic Literature*, 37(4), 1569-1614.

Section (Case & Assignment)

HBCS, "Micro Insurance Agency: Helping the Poor Manage Risk" – **Assignment C, due Sept. 30**

MICRO-MARKETS ENTERPRISE (Sept. 30) – Part 2

- Entrepreneurial-Centered Economic Development

Readings:

- ✓ Christy, *EMH*, Chapter 9
- ✓ Wenner, Mark (2004). Financial Market Integration and the Fate of Small and Micro Business Lending in Emerging Economies; Chapter 6 in Ralph D. Christy (eds), 2004. *Achieving Sustainable Communities in a Global Economy: Alternative Private Strategies and Public Policies*

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PART 2: PLANNING, STRATEGY AND EVALUATION

Week

6 MARKET ORIENTED STRATEGIC PLANNING (Oct. 7)

Readings:

- ✓ Christy, *EMH*, Chapter 6
- ✓ Illbury Chantell and Clem Sunter. *The Mind of a Fox: Scenario Planning in Action*

Section (Case & Assignment)

HBSC: "Sandhar Technologies Group, LTD" - **Report #2, due Oct. 7**

7 MARKET STRATEGY (Oct. 15)

Market Strategy and Network Building (SODP Presentation, Dr. Mabaya)

Transfer of Technology

Readings:

- ✓ Christy, *EMH*, Chapter 7
- ✓ Omta S.W.F, Jacques H. Trienekens and George Beers. Chain and network science: A research framework. *Journal on Chain and Network Science*, 2001- Vol. 1, No. 1.
- ✓ M. Porter (1996). What is strategy? *Harvard Business Review*, November- December 1996.

Section (Case & Assignment)

HBSC, "Novartis Agricultural Discovery Institute, Inc. (A)" (2000) –**Assignment D, due Oct. 15**
EMP "FICA Seeds" - (Group Case Study Discussion)

8 CUSTOMERS (Oct. 21)

Readings:

- ✓ Christy *EMH*, Chapter 7

Section (Case & Assignment)

HBSC: "Splash Corporation (A): Competing with the Big Brands" - **Report #3, due Oct. 21**

9 COMPETITION (Oct. 28)

- What is Competition?
- Competitors Analysis

Readings:

- ✓ Christy, *EMH*, Chapter 7
- ✓ Scherer, F.M. The Welfare Economics of Competition and Monopoly, Chapter 2, *Industrial Market Structure and Economic Performance*. 1990

Section (Case & Assignment)

- HBSC: "Robert Mondavi and the Wine Industry" – **Report #4, due Oct. 28** Prof. R. D. Christy & Dr. E. Mabaya Page 5 Fall 2009 EMP - Cornell University

10 TARGET MARKETING (Nov. 4)**Readings:**

- ✓ Christy, *EMH*, Chapter 7

Section (Case & Assignment)

- WildFoods: Commercializing Natural Products to Improve Rural Livelihoods in Southern Africa– **Assignment E, due Nov. 4**

11 EVALUATING THE PERFORMANCE OF MARKETING EFFORTS: SUMMARY AND SYNTHESIS (Nov. 11)**Readings:**

- ✓ Christy, *EMH*, Chapter 7
- ✓ Khanna. T, Krishna G. Palepu and Jayant Sinha. “Strategies That Fit Emerging Markets” Harvard Business Review; June 2005, Vol. 83 Issue 6, pp. 63 – 76.

Section (Case & Assignment)

Case Study “Singapore Airlines: Global Challenges” (2004), **Assignment F, due Nov. 11**
Strategies That Fit Emerging Markets

PART 3: GLOBAL FIRM AND ECONOMIC PROGRESS*Week***12 NATIONAL FIRMS IN GLOBAL MARKETS (Nov. 18)**

- Contracts
- Joint Ventures
- Foreign Direct Investments

Readings:

- ✓ Christy, *EMH*, Chapter 8
- ✓ Ehrlich, E.M and Schwartz E. Engaging the Global Enterprise to Promote Economic Development; Chapter 1 in Ralph D. Christy (eds), 2004. Achieving Sustainable Communities in a Global Economy: Alternative Private Strategies and Public Policies

Section (Case & Assignment)

HBCS: “Natura: Global Beauty Made in Brazil”, **Report #5, due Nov. 18**

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THANKSGIVING RECESS (Nov. 25)

13 CREATING AN ENABLING ENVIRONMENT (Dec. 2)

- Economic Correctness
- Corporate Social Responsibility
- Global Business Principles
- What Happens When Governments and Markets Fail?

Readings:

- ✓ Christy, EMH, Chapter 10
- ✓ Stauber, Karl N. (2001). Why invest in rural America- and how? A critical public policy question for the 21st century. *Economic Review*, Vol. 2, No. 2. pp. 57-87.
- ✓ Porter M. E. "The Competitive Advantage of the Inner City" Harvard *Business Review*, May- June 1995.

Section (Case & Assignment)

- Martin, Roger L. "The Virtue Matrix: Calculating the Return on Corporate Responsibility" *Harvard Business Review*, March 2002. – (Group Case Study Discussion)
- HBCS: "Starbucks and Conservation International" (2002). **Assignment G, due Dec. 2**

DISCUSSION SECTIONS SCHEDULE

Wed 9:30-10:30pm Warren 201

Thurs. 10:10-11:00am Warren 361

Thurs. 2:45-3:35 pm Warren 261

Friday 10:10-11:00am Warren 361

Friday 2:30-3:25pm Warren 361

GRADING POLICY:

Class Participation/ Presentation 10%

Assignments/ Case Summaries 10%

Case Study Analysis 40% (The highest 4 of 5)

Final Project 40% (Due on Friday, December 4, 2009)

CORNELL UNIVERSITY
Nutritional Sciences 4450
Applied Economics and Management 4450
Towards a Sustainable Global Food System:
Food Policy for Developing Countries
Fall 2009, T R 10:10-11:25 a.m.
3 credits

Instructor: Per Pinstrup-Andersen (pp94)
305 Savage Hall (255-9429)

Office Hours: Tuesdays and Wednesdays, 2:00-4:00 p.m.

TA: Emily Bielecki (emb56)

213 Savage Hall (255-2968)

Office Hours: Wednesdays, 9:30-11:30 a.m.; Thursdays, 2:45-4:00 p.m.

Assistant: Mary-Catherine French (mcf4)

Website: <http://www.blackboard.cornell.edu>

<http://cip.cornell.edu/gfs>

Venue: 200 Savage

Description: This course is about government policy for the global food system with emphasis on developing countries. A social entrepreneurship approach based on case studies prepared for this course and active participation by students and instructor will be used. The lectures, topics and cases to be covered are listed below. Except for the lectures and discussions, each session will be dedicated to one case, to be presented by a team of three students and discussed by all students in the course. The team should prepare a two-page written answer to the case assignment and give a 10-15 minute oral presentation to the class. The written note and PowerPoint presentations must be emailed to the instructor (pp94@cornell.edu) and to the teaching assistant (emb56@cornell.edu) by 8:30 a.m. on the morning of the scheduled oral presentation. The written note and PowerPoint presentations will be posted on the Blackboard site. The instructor will present a short summary during the last 5-10 minutes of each session, highlighting the key lessons from the case and placing them in a broader context. In order for this participatory approach to work, it is essential that all students read the case to be discussed and any other relevant readings prior to class, as well as each draft textbook chapter and view each lecture prior to the relevant session. All cases, lectures, and draft chapters are available on the following web site: <http://www.blackboard.cornell.edu>. i-Clickers are required for the course and can be purchased at the Cornell Store.

Course Grades: Each student will be graded on his/her team's oral and written presentation of the case-specific assignments (1/3), his/her class participation in the

discussion (1/3), and the average grade from the mid-term and final exam (1/3). Only letter grades will be given. An absolute grading scale is used: 100-97 % = A+, 96-93 % = A, 92-90 % = A-, 89-87 % = B+, 86-83 % = B, 82-80 % = B-, etc. less than 60% = F. The instructor determines all graded assignments. Students will have an opportunity to appeal their grades within two weeks from the date grades are returned.

Academic Integrity: Every student in this course is expected to abide by the Cornell University Code of Academic Integrity. Any work a student submits for academic credit will be the student's own work.

Topics, Lectures and Cases:

Introduction and General Policy Issues

Aug. 27. Course Outline, the Social Entrepreneurship Approach and Lecture 2: Nature and Implementation of Food Policy

Sep. 1. Team Formation and Lecture 1: The Global Food System and Driving Forces

Sep. 3. Discussion of Lectures and Chapters 1 and 2.

Health, Nutrition, Food Security, and Poverty Policies

Sep. 8. Discussion of Chapters 3, 4 and 5 and Videotaped Lecture 3: Health, Nutrition, Food Security and Poverty Policies

Sept. 10. Case 3-1: HIV/AIDS, Gender and Food Security in SSA

Sept. 15. Case 3-7: Biofortification as a Vitamin A Deficiency Intervention in Kenya

Sept. 17. Case 3-9: The Nutrition Transition and Obesity in China

Sept. 22. Case 5-1: PROGRESA: An Integrated Approach to Poverty Alleviation in Mexico

Sept. 24. Case 4-2: Surviving Shocks in Ethiopia: The Role of Social Protection for Food Security

Production, Supply, and Natural Resource Management Policies

Sep. 29. Discussion of Chapters 7 and 8 and Videotaped Lecture 4: Production, Supply and Natural Resource Management Policies

Oct. 1. Case 7-1: The 2002 Malawi Famine

Oct. 6. Case 7-6: Policy Measures for Pastoralists in Niger

Oct. 8. Case 8-4: Allocating Irrigation Water in Egypt

Oct. 15. Case 8-3: Environment and Health in Rural Kazakhstan: Linking Agricultural Policy and Natural Resource Management to Rural Welfare

Domestic Market Policies

Oct. 20. Discussion of Chapter 6 and Videotaped Lecture 5: Domestic Market Policies

Oct. 20. Mid-Term Exam, 7:30-9:00 pm, 100 Savage Hall

- Oct. 22. Case 6-2: A Revolution in the Making: The Case of Agro-Food Retailing in India
- Oct. 27. Case 6-4: Smallholder Farmers' Access to Markets for High-Value Agricultural Commodities in India
- Oct. 29. Case 6-1: Concentration in Agribusiness and Marketing: A Case Study of Arla Foods
- Nov. 3. Case 6-10: The Growing Trend of Farmers' Markets in the United States
- Governance, Institutions, Trade, and Globalization Policies**
- Nov. 5. Discussion of Chapters 9 and 10 and Videotaped Lecture 6: Governance, Institutions, Trade and Globalization Policies
- Nov. 10. Case 10-1: Globalization and the Nutrition Transition: A Case Study
- Nov. 12. Case 9-5: The Sugar Controversy
- Nov. 17. Case 10-8: The Coffee Crisis: Is Fair Trade the Solution?
- Nov. 19. Case 10-5: The Impact of U.S. Subsidies on West African Cotton Production
- Ethics, Hunger, and Food Policies**
- Nov. 24. Discussion of Chapter 11 and Videotaped Lecture 7: Ethics, Hunger and Food Policies
- Dec. 1. Case 11-1: Food Policy and Social Movements: Reflections on the Right to Food Campaign in India
- Conclusions**
- Dec. 3. Class Discussion: Bringing it all together.
- Dec. 16. Final Exam, 2:00-4:00 pm, 219 Ives Hall

AEM/ECON 4540**China's and India's Roles in the World Economy**

Fall 2009

Professor Eswar Prasad

The growing economic might of China and India and their increasing integration into global trade and finance have put them firmly on the center stage of the world economy. In this course, we will undertake a comparative analysis of the growth experiences of these countries through the twin lenses of international finance and development economics. We will examine the roles of trade and financial openness, institutions, government policies, and labor markets in determining the trajectory of growth. In particular, we will focus on the roles of domestic financial sector development and international financial integration, and the interaction between them, in the process of economic development. This will essentially serve as a guided tour through key concepts in international trade and finance. Finally, we will discuss growth prospects for China and India, the myriad domestic and external challenges that they face in sustaining high growth, and the implications for the world at large.

Prerequisites: Intermediate-level courses in macroeconomics, international economics, and econometrics/statistics.

Lecture hours: Wednesdays, 10:10 a.m. - 12:35 p.m.

245 Warren Hall

Grading: Letter grade only. Grade will be based on assignments, term paper and class participation

Credits: 3

Teaching Assistant: Rahul Anand (ra254)

TA's Office Hours: Tuesdays 2:00 p.m. - 4:30 p.m.

431 Warren Hall

Course Support: Carol Thomson (cmt8)

106 Warren Hall

2

COURSE SCHEDULE**Week 1, September 2****Week 2, September 9****Topic: Determinants and Implications of Growth Patterns in China and India**

*Bosworth, Barry, and Susan Collins, 2008, "Accounting for Growth: Comparing China and India," *Journal of Economic Perspectives*, Vol. 22:1, pp. 45-66.

Gordon, James, and Poonam Gupta, 2004, "Understanding India's Services Revolution," IMF Working Paper No. 04/171.

*Kochhar, Kalpana, Utsav Kumar, Raghuram Rajan, Arvind Subramanian, and Ioannis Tokatlidis, 2006. "India's Pattern of Development: What Happened, What Follows?" *Journal of Monetary Economics*, Vol. 53, pp. 981-1019

Guo, Kai, and Papa N'Diaye, 2009, "Employment Effects of Growth Rebalancing in China" IMF Working Paper 09/169.

*Prasad, Eswar, 2009, "Is China's Growth Miracle Built to Last?" *China Economic Review*, Vol. 20:1, pp. 103-123.

"Reserve Army of Underemployed," *The Economist*, Sept 4th 2008.

In addition to this material, we will have guest presentations about data resources

available at Cornell to work on China and India, and also to generate comparative perspectives with other emerging market economies. Some data issues (and potential pitfalls) will also be discussed.

Week 3, September 16

Topic: Balance of Payments, Exchange Rates

*Callen, Timothy, 2007, "PPP Versus the Market: Which Weight Matters," *Finance and Development*, Vol. 44:1.

*Catao, Luis, 2007, "Why Real Exchange Rates," *Finance and Development*, Vol. 44:3, pp. 46-47.

*Mankiw, Gregory, N., 2002, *Macroeconomics*, fifth edition, Worth Publishers. Section 5.3, pp. 127-141. [On reserve at the library]

3

Week 4, September 23

Topic: Capital Controls, Capital Account Liberalization

Bhagwati, Jagdish, 1998, "The Capital Myth: The Difference between Trade in Widgets and Dollars," *Foreign Affairs*, Vol. 7:3, pp. 7-12.

Kose, Ayhan, and Eswar Prasad, 2004, "Liberalizing Capital," *Finance and Development*, Vol. 41:3, pp. 50-51.

*Kose, Ayhan M., Eswar Prasad, Kenneth Rogoff, and Shang-Jin Wei, 2007, "Financial Globalization: Beyond the Blame Game," *Finance and Development*, Vol. 44:1, pp. 9-13.

Lane, Philip R., and Sergio L. Schmukler, 2006, "The International Financial Integration of China and India," World Bank manuscript.

*Prasad, Eswar, 2009, "Some New Perspectives on India's Approach to Capital Account Liberalization," *Brookings India Policy Forum*, Volume 5 (2008/09).

*Prasad, Eswar, and Shang-Jin Wei, 2008, "China's Approach to Capital Inflows: Patterns and Possible Explanations," in *International Capital Flows* edited by Sebastian Edwards (University of Chicago Press).

*Reddy, Y.V., 2007, "Point of View: Converting a Tiger," *Finance and Development*, Vol. 44:1, pp. 20-23.

Rodrik, Dani, 1998, "Who Needs Capital-Account Convertibility?" Essays in International Finance, No. 207 (Princeton, NJ: Princeton University Press).

Stiglitz, Joseph, 2004, "Capital-Market Liberalization, Globalization, and the IMF," *Oxford Review of Economic Policy*, Vol. 20:1, pp. 57-71.

Week 5, September 30

Topic: Exchange Rate Regimes, Monetary Policy

*Goodfriend, Marvin, and Eswar Prasad, 2007, "A Framework for Independent Monetary Policy in China," *CESifo Economic Studies*, Vol. 53:1, pp. 2-41.

Goldstein, Morris, 2005, "Renminbi Controversies," Washington, DC: Peterson Institute for International Economics manuscript.

*Goldstein, Morris, and Nicholas Lardy, 2008, "China's Exchange Rate Policy: An Overview of Some Key Issues," in *Debating China's Exchange Rate Policy*, ed. Goldstein, Morris, and Nicholas Lardy (Washington, DC: Peterson Institute for International Economics).

4

Keidel, Albert, 2005, "China's Currency: Not the Problem," Carnegie Endowment for International Peace, Policy Brief No. 39.

*McKinnon, Ronald, 2007, "Why China Should Keep its Exchange Rate Pegged to the Dollar: A Historical Perspective from Japan," *International Finance*, Vol. 10:1, pp. 43-70.

Prasad, Eswar, Thomas Rumbaugh, and Qing Wang, 2005, "Putting the Cart Before the Horse? Capital Account Liberalization and Exchange Rate Flexibility in China," *China and the World Economy*, Vol. 13:4, pp. 3-20.

*Prasad, Eswar, 2007, "Exchange Rate Flexibility in China: Why It Really Matters and How to Make Progress," Testimony at the Senate Finance Committee Hearing on "Risks and Reform: The Role of Currency in the U.S.–China Relationship", March 28.

Posted at <http://prasad.aem.cornell.edu>.

Reinhart, Carmen M., and Kenneth S. Rogoff, 2004, "The Modern History of Exchange Rate Arrangements: A Reinterpretation," *Quarterly Journal of Economics*, Vol. 119:1, pp. 1-48.

Week 6, October 7

Topic: Trade Liberalization, Composition of International Trade

*Amiti, Mary, and Caroline Freund, 2007, "China's Export Boom," *Finance and Development*, Vol. 44:3, pp. 38-41.

Branstetter, Lee, and Nicholas Lardy, 2006, "China's Embrace of Globalization", NBER Working Paper #12373.

*Cui, Li, 2007, "China's Growing External Dependence," *Finance and Development*, Vol. 44:3, pp. 42-45.

Guo, Kai, and Papa N'Diaye, 2009, "Is China's Export-Oriented Growth Sustainable?" IMF Working Paper 09/172.

Hoekman, Bernard, and Aditya Mattoo, 2008, "Services Trade and Growth," Policy Research Working Paper No. WPS 4461. World Bank.

Lemoine, Françoise and Deniz Unal-Kesenci, 2007, "China and India in International Trade: from Laggards to Leaders?" CEPII Working Paper No. 2007-19.

5

Week 7, October 14

Topic: Finance and its Role in Growth

Allen, Franklin, Jun Qian, and Meijun Qian, 2005, "Law, Finance, and Economic Growth in China," *Journal of Financial Economics*, Vol. 77, pp. 57-116.

Chamon, Marcos, and Eswar Prasad, 2008, "Why are Saving Rates of Urban Households in China Rising?" IMF Working Paper 08/145.

Dobson, Wendy, and Anil Kashyap, 2006, "The Contradiction in China's Gradualist Banking Reforms," *Brookings Papers on Economic Activity*, pp. 103-148.

Feyzioglu, Tarhan, Nathaniel John Porter, and Elöd Takáts, 2009, "Interest Rate Liberalization in China," IMF Working Paper No. 09/171.

Feyzioglu, Tarhan, 2009, "Does Good Financial Performance Mean Good Financial Intermediation in China?" IMF Working Paper No. 09/170.

*Prasad, Eswar, 2007, "Reform and Liberalization of China's Financial Sector," Testimony at the U.S. House of Representatives Committee on Financial Services Hearing on "U.S. Interests in the Reform of China's Financial Sector", June 6.

Posted at <http://prasad.aem.cornell.edu>

*Prasad, Eswar, and Raghuram Rajan, 2008, "Next Generation Financial Reforms for India," *Finance and Development*, Vol. 45:3, pp. 23-27.

*Setser, Brad, 2006, "The Chinese Conundrum: External Financial Strength, Domestic Financial Weakness," *CESifo Economic Studies*, Vol. 52:2, pp. 364-395.

Week 8, October 21

Topic: Macroeconomic Policies and Growth in India

Guest Lecture by Dr. Kalpana Kochhar, IMF

*Before class, read the latest IMF Staff Report on India (for 2008), available online at: <http://www.imf.org/external/pubs/cat/longres.cfm?sk=23025.0>

There are also some interesting analytical chapters in the IMF's Selected Issues Paper: <http://www.imf.org/external/pubs/cat/longres.cfm?sk=23022.0>

6

Week 9, October 28

Topic: Sustainability of Growth, Domestic and External Risks, Comparative Perspectives on Long-Term Growth Prospects

*Blanchard, Olivier, and Francesco Giavazzi, 2006, "Rebalancing Growth in China: A Three-Handed Approach," *China and the World Economy*, Vol. 14:4, pp. 1-20.

Goldstein, Morris, and Nicholas R. Lardy, 2004, "What Kind of Landing for the Chinese Economy?" Policy Brief No. PB04-7 Washington, DC: Peterson Institute for International Economics.

*Huang, Yasheng, and Tarun Khanna, 2003, "Can India Overtake China?" *Foreign Policy* July-August, pp. 74-81.

*Lardy, Nicholas, 2006, "China: Toward a Consumption-driven Growth Path," Policy Brief 06-6, Washington, DC: Peterson Institute for International Economics.

*Perkins, Dwight, and Thomas Rawski, 2007, "Forecasting China's Economic Growth Over the Next Two Decades," Harvard University manuscript.

*Prasad, Eswar, 2009, "Is China's Growth Miracle Built to Last?" *China Economic Review*, Vol. 20:1, pp. 103-123.

Rosen, Daniel, and Trevor Houser, 2007, "China Energy: A Guide for the Perplexed," *China Balance Sheet*, CSIS.

Week 10, November 4

Topic: Policies and Growth Prospects in China and the Asian Region

Guest Lecture by Dr. Joshua Felman, IMF

Before class, read the latest IMF Staff Report on China (for 2006), available online at: <http://www.imf.org/external/pubs/cat/longres.cfm?sk=20060.0>

*IMF Asian Regional Economic Outlook (May 09)

www.imf.org/external/pubs/ft/reo/2009/APD/eng/areo0509.pdf

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Week 11, November 11

Guest Lecture by Dr. Indermit Gill, Chief Economist, Europe and Central Asia Region and Director of the World Development Report 2009, World Bank.

World Development Report, 2009

www.worldbank.org/wdr2009

Week 12, November 18

Topic: Different Approaches to Reform, Socio-Political Considerations

Keidel, Albert, 2007, "China Regional Disparities: The Causes and Impact of Regional Inequalities in Income and Well-Being," Carnegie Endowment for International Peace.

Lau, Lawrence, Gerard, Roland, and Yingyi Qian, 2000, "Reform without Losers: An

Interpretation of China's Dual-Track Approach to Transition," *Journal of Political Economy*, Vol. 108:1, pp. 120-143.

*Prasad, Eswar, and Raghuram Rajan, 2006, "Modernizing China's Growth Paradigm," *American Economic Review*, Vol. 96:2, pp. 331-336.

Qian, Yingyi, 2003, "How Reform Worked in China?" in Dani Rodrik, editor, *In Search of Prosperity: Analytic Narratives on Economic Growth*, Princeton University Press, pp. 297-333.

Ravallion, Martin, and Shaohua Chen, 2007, "China's (Uneven) Progress Against Poverty," *Journal of Development Economics*, Vol. 82:1, pp. 1-42.

Ravallion, Martin, and Shaohua Chen, 2001, "When Economic Reform is Faster Than Statistical Reform: Measuring and Explaining Income Inequality in Rural China," *Oxford Bulletin of Economics and Statistics*, Vol. 61:1, pp. 33-56.

*Xiaolian, Hu, 2007, "China's Approach to Reform," *Finance and Development*, Vol. 44:3, pp. 36-37.

Week 13, November 25

Review Session

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Week 14, December 2

Topic: Implications of China's and India's Emergence and Future Growth for World Economy

McKinnon, Ronald, and Gunther Schnabl, 2008, "China's Financial Conundrum and Global Imbalances," Stanford Economics Working Papers 07-005.

*Prasad, Eswar, 2009, "Rebalancing Growth in Asia," NBER Working Paper No. 15169.

Bussolo, Maurizio, De Hoyos, Rafael E., Medvedev, Denis and Van der Mensbrugghe, Dominique, 2007, "Global Growth and Distribution: Are China and India Reshaping the World?" World Bank Policy Research Working Paper No. 4392

*Nayyar, Deepak, 2008, "China, India, Brazil and South Africa in the World Economy: Engines of Growth?" Working Paper DP2008/05, World Institute for Development Economic Research (UNU-WIDER).

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BACKGROUND READINGS & REFERENCE MATERIALS

The Oxford Companion to Economics in India, edited by Kaushik Basu, Oxford University Press, 2007.

China's Growth and Integration into the World Economy, edited by Eswar Prasad, IMF Occasional Paper No. 232, 2004.

The Chinese Economy: Transitions and Growth, Barry Naughton, MIT Press, 2007.

China and India: Learning from Each Other, edited by Jahangir Aziz, Steven Dunaway, and Eswar Prasad, IMF Press, 2007.

India After Gandhi: The History of the World's Largest Democracy, Ramachandra Guha, HarperCollins, 2007.

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COURSE ASSIGNMENTS AND REQUIREMENTS

Common Points about Formatting, Submission of Assignments

1. All text should be double-spaced (except footnotes and references, which can be single-spaced).
2. Use 12-point font (important: do not use smaller font size), at least 1" margins on all

sides.

3. Put on the subject line “4540: Assignment I” or whatever the relevant document is.

4. Email the documents in pdf format to Rahul Anand (ra254) and Carol Thomson (cmt8).

5. Put your name at the top right corner of each assignment.

Assignment I

Growth Data

(due Friday, September 11 @ noon)

Assignment II

Trade Balance and Exchange Rates

(due Friday, September 25 @ noon)

Assignment III

Data Note

(due Monday, October 5 @ noon)

Structure: This assignment involves original research work. At least one table or figure (more is fine) that you have created yourself, along with at most one page of doublespaced text describing the data and what’s interesting about it. You can replicate existing work with new data or using data for a different country but should not directly reproduce existing tables or figures from anyone else’s work.

Sample data notes from private sector analysts are on the course blackboard site.

Assignment IV

Research Note

(due Friday, October 16 @ noon)

Structure: This assignment involves original research work—it can be (but does not have to be) related to your work for the previous assignment, but needs to be much more substantive and original. More original work (rather than a derivative of someone else’s work) will receive a higher grade. One lead-in paragraph (200 words at most) summarizing highlights of your findings and their implications. Then analyze the data, with supporting charts and/or tables, and discuss implications. You do not need to extensively cite previous literature, but you should acknowledge explicitly (at least in a footnote) if your work is building on or is an extension of someone else’s work. [See next page for format]

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Format: Maximum of three pages of double-spaced text. Tables and figures do not count towards 3-page limit.

Assignment V

Paper Proposal

(due Monday, October 26 @ noon)

Structure: Brief summary of question you plan to address, why it is interesting (from analytical and policy angles), how you plan to address it, how it builds upon and differs from existing work, what data and methodology you plan to use, and preliminary results or at least some plots/tables showing your data. It can be (but does not have to be) related to the topic(s) of the two previous assignments.

Format: Maximum of 3 pages of double-spaced text. References, tables, figures do not count towards 3-page limit.

Assignment VI

Preliminary Draft of Paper**(due Monday, November 16 @ noon)**

Same structure and format as final draft (see below). I do not expect a full and polished paper but you should have made significant progress on your paper relative to your proposal, including at least a few key charts and tables. This is also an opportunity to get detailed feedback on your paper before handing in your final version.

Assignment VII**Final Draft of Paper****(due Monday, December 7 @ noon)**

Structure: Introduction should state the main problem, motivate why it is interesting and summarize the key findings of your paper. Paper should contain clear descriptions of data and methodology; literature review (if relevant, but keep this to 1-2 pages at most); main results and their implications; and a brief concluding section that discusses implications of your analysis/results and could also mention ideas for extending the analysis.

Format: Maximum 20 pages of text, including references and appendixes but excluding figures and tables (which can be at the end of the paper). Proofread paper carefully before submitting.

Send final draft of paper by email to me (eswar.prasad), with cc to Rahul Anand (ra254) and Carol Thomson (cmt8). Put "4540: Final Paper" in the subject line of the email. Paper must be received by deadline, or you will receive an incomplete on the course and your eventual final grade will be reduced. No exceptions.

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Indicative Grade Allocation

Assignment I: 5 percent

Assignment II: 10 percent

Assignment III: 10 percent

Assignment IV: 15 percent

Assignments V-VII: 60 percent (10+20+30)

AEM 4551/CRP 6490/SOC 4450 Comparative Perspectives in Poverty Reduction Policy

Spring 2010

Mon/Wed 2:55-4:10 PM

146 Myron Taylor Hall (Institute for Social Science conference room)

(Directions to the Institute for Social Sciences in Myron Taylor Hall can be found at:

<http://www.socialsciences.cornell.edu/about.html#Dir>)

Chris Barrett Susan Christopherson

Applied Economics & Management City & Regional Planning

cbb2@cornell.edu smc23@cornell.edu

Telephone: 607-255-4489 Telephone: 607-255-8772

315 Warren Hall 204 Sibley Hall

TEACHING ASSISTANT:

Graduate TA: Hope Michelson (hcm23@cornell.edu)

COURSE OBJECTIVE:

This course aims to build student awareness and understanding of facts about poverty domestically and internationally and of policies intended to reduce the incidence and persistence of poverty. The course exposes students to varied disciplinary and geographic perspectives on issues of poverty dynamics and socioeconomic mobility and to the evidence on a range of policy interventions. Sponsored by the Institute for the Social Sciences 2008-11 theme project on Persistent Poverty and Upward Mobility (<http://socialsciences.cornell.edu/0811/desc.html>).

COURSE PREREQUISITES:

Open to juniors, seniors and graduate students by application. By January 10, submit a one page statement of interest to Profs. Barrett and Christopherson, identifying prior relevant academic training and personal and/or professional experience that will enable contributions to the seminar and prepare the student to fully engage with the course material. All applicants will be notified of their status by January 18.

READINGS:

The readings are posted on the course Blackboard site. The Iceland book is available through the Campus Store.

HOME PAGE:

The course home page is on Blackboard. The page provides you with announcements, information about the course, links to the syllabus, lecture notes, useful web sites, and all the usual, good things available on Blackboard sites. We strongly recommend that you check the course web site frequently during the semester, especially for announcements prior to class.

ACADEMIC INTEGRITY:

We strictly enforce Cornell's Code of Academic Integrity. We strongly encourage you to discuss course material with your classmates outside of class. However, the written work you turn in and the oral presentations you make must be entirely your own. At the minimum, a violation of the code of academic integrity will result in a failing course grade.

GRADES AND POINT ALLOCATION:

There is no "curve" in this class; you are not competing against your classmates.

Exercise Points

Weekly discussion questions 50%

Course term paper 50%

There are no examinations in this course.

No extensions are granted. Late or missed assignments will receive a grade of zero.

WEEKLY DISCUSSION QUESTIONS:

Each week, students will be expected to reflect on the readings and lecture presented on Wednesday and prepare a set of questions for discussion the following Monday. These questions should be posted to the course Blackboard site by Sunday at 4pm so that everyone can review the questions before the Monday discussion. The questions should be in short paragraph form and provide a context for how and why the question emerges from the

lecture and readings. Examples of question format will be provided on the blackboard site. Questions will be graded for the understanding they evince of the readings and lecture and for their contribution to stimulating a useful group discussion in class.

TERM PAPER:

Each student will be required to write a 10-20 page research paper. The paper should take the form of a critical, interpretive literature review focused on a topic related to the course. A list of possible topics will be provided but each student will work out a topic with one of the instructors. The paper will be graded on the thoughtfulness and comprehensiveness of the literature review and whether it illuminates key questions in the topical area. Papers will also be graded on the overall quality of the written product. Students with writing problems are urged to seek help from the Cornell Writing Center in order to improve the quality of their papers. The paper will be due May 14.

OFFICE HOURS:

Prof. Barrett's spring 2010 office hours are Tuesdays 2:00-3:00 PM in 158B Myron Taylor Hall and Wednesdays 10:00 AM – 12 noon in 315 Warren Hall. Outside those times, please feel free to email questions to me or to call for an appointment; feel free to drop by my office any time, but please understand that I may not be available without prior notice. Prof. Christopherson's regular office hours are 1:30-2:45 M/W by appointment. To make an appointment, email me and let me know the reason for the appointment so I can prepare. I also make appointments outside these hours when necessary. I can deal with many problems by email and respond rapidly.

TA office hours will be held in Ms. Michelson's office, 425 Warren, Thursdays 3:00-4:30 PM

COURSE OUTLINE:

The course consists of several modules, each with lecture and discussion sessions. After the first week, discussions will be held on Mondays, lectures on Wednesdays. The intent is that students absorb the lecture material and associated reading, then prepare the discussion questions due on Sunday for Monday's in-class seminar discussions. This sequencing allows students ample time to absorb and reflect on the core material and strikes a good balance between faculty lectures and more inclusive discussions.

Key

CB=Chris Barrett, D=Discussion, GL = Guest lecture, L=Lecture, SC=Susan Christopherson

Week #:Dates Monday Wednesday

1: Jan 25-27 L: Introduction (SC) Poverty/Mobility Concepts/Measures (CB)

Readings: I. Sawhill and R. Haskins (2009), "5 Myths About Our Land of Opportunity," Washington Post

John Iceland, 2006. Poverty in America (2nd Edition). Berkeley, CA: University of California Press, chapters 1-3, pp 1-37

Julia Isaacs (2008). "International Comparisons of Economic Mobility". In R. Haskins and I. Sawhill (eds.) Getting Ahead or Losing Ground: Economic Mobility in America. Washington, DC: The Brookings Institution.

S. Chen and M. Ravallion (2009), "The Changing Profile of Poverty in the World," Chap. 2 in J. von Braun, R.V. Hill and R. Pandya-Lorch, eds., The Poorest and Hungry (Washington: IFPRI).

M. Lipton and M. Ravallion (1995), "Poverty and Policy," chap. 42 in J. Berhman and T.N. Srinivasan, eds., Handbook of Development Economics, Vol. 3 (Amsterdam: North-Holland).

M.R. Carter and C.B. Barrett (2006), "The Economics of Poverty Traps and Persistent Poverty: An Asset-Based Approach," Journal of Development Studies. 42, 2, pp. 178-199.

S. Alkire and J.Foster (2009), "Counting and Multidimensional Poverty," chap. 3 in von Braun et al., The Poorest and Hungry.

2: Feb 1-3 D: Concepts/Measures

Module 1: Domestic Poverty Policy

2: Feb 1-3 L: Spatial/Racial Dimensions (SC)

Readings: Iceland (2006), Poverty in America, Chapters 4, 5, 6, pp. 38-117

Brookings Institution (2008), Learning from Concentrated Poverty in America: A Synthesis of Themes from Case Studies in Washington, D.C.

3: Feb 8-10 D: Spatial/Racial Dimensions (SC) L: Spatial/Racial Dimensions (SC)

Readings: Frey, W.H., A. Berube, A. Singer, J.H. Wilson (2009). Getting Current: Recent Demographic Trends in Metropolitan America. Washington, DC: The Brookings Institution.

T. Slack et al. (2009). Poverty in the Texas Borderlands and Lower Mississippi Delta: A Comparative Analysis of Differences By Family Type. Demographic Research, 20, 15 (April): pp 353-376;

T. Hertz (2007). Changes in the Volatility of Household Income in the United States: A Regional Analysis. Washington, DC: Brookings Institution

Squires, G.D. and C.E. Kubrin (2005). "Privileged places: Race, uneven development and the geography of opportunity in urban America," Urban Studies, 42(1): 47-68.

4: Feb 15-17 D: Spatial/Racial Dimensions (SC)

Module 2: International Poverty Policy

4: Feb 15-17 L: Transfers, targeting & safety nets (CB)

Readings: M. Ravallion (2006), "Transfers and Safety Nets in Poor Countries: Revisiting the Trade-Offs and Policy Options," in A.V. Banerjee, R. Benabou and D. Mookherjee, eds., Understanding Poverty (Oxford University Press).

A. Fiszbein and N. Schady (2009), Conditional Cash Transfers: Reducing Present and Future Poverty (Washington: World Bank), overview chapter.

D. Coady, M. Grosh and J. Hoddinott (2004), "Targeting Outcomes Redux," World Bank Research Observer 19, 1, pp. 61-85.

M.R. Carter and C.B.Barrett (2007), "Asset Thresholds and Social Protection," IDS Bulletin 38,3, pp. 34-44.

5: Feb 22-24 D: Transfers/targeting/safety nets L: Agricultural and rural dev't (CB)

Readings: World Bank, World Development Report 2008: Agriculture for Development, chaps. 1 and 3.

P. Collier (2008), "The Politics of Hunger: How Illusion and Greed Fan the Food Crisis," Foreign Affairs, 87, pp. 67-79.

R. Evenson and D. Gollin (2003), "Assessing the Impact of the Green Revolution, 1960 to 2000," Science 300, pp. 758-762.

C.B. Barrett (in press), "Food Systems and the Escape from Poverty and Ill-Health Traps in sub-Saharan Africa," in P. Pinstrip-Andersen, ed., (Ithaca: Cornell University Press).

6: Mar 1-3 D: Agricultural and rural development

Module 3: Human Capital

6: Mar 1-3 GL: Health in developing countries (David Sahn)

Readings: Deaton, Angus. (2006). "Global Patterns of Income and Health: Facts, Interpretations, and Policies." UNU WIDER annual lecture.

Schultz, T. Paul (2008), "Health Human Capital and Economic Development," Yale University working paper.

7: Mar 8-10 D: Health in DCs GL: Education and US poverty (Steve Morgan)

Readings: Monica Davey (2005), "A Child Held Behind", New York Times

Lareau, Annette (1987), "Social Class Differences in Family-School Relationships: The Importance of Cultural Capital." Sociology of Education 60:73-85.

Hallinan, Maureen T. and Jeanie Oakes (1994), Exchange with sub-articles titled "Tracking: From Theory to Practice" and "More than Misapplied Technology: A Normative and Political Response to Hallinan on Tracking." Sociology of Education 67:79-91.

Downey, Douglas B., Paul T. von Hippel, and Beckett A. Broh (2004), "Are Schools the Great Equalizer? Cognitive Inequality during the Summer Months and the School Year." American Sociological Review 69:613-35.

8: Mar 15-17 D: Education GL: Food security in rich countries (Christine Olson)

Reading: Pelletier DL, Olson CM and Frongillo EA. Food insecurity, hunger and

undernutrition. In Bowman BA and Russell RM (eds), *Present Knowledge in Nutrition*, 9th edition, volume 2, pages 906-922. Washington DC: International Life Sciences Institute, 2006.

9: Mar 29-31 D: Food security

Module 4: Demography and Labor Markets

9: Mar 29-31 GL: Work-based anti-poverty policy (J. Matsudaira)

Readings: Moffitt, Robert A. (2003) "The Negative Income Tax and the Evolution of U.S. Welfare Policy," *Journal of Economic Perspectives*, 17(3), 119-140

Card, David and Alan Krueger (1995) *Myth and Measurement: The New Economics of the Minimum Wage*, Chapter 1.

10: Apr 5-7 D: Work-based policy GL: Demographic Approaches (Dan Lichter)

Readings: Sara McLanahan. 2009. "Fragile Families and the Reproduction of Poverty." *Annals of the American Academy of Political and Social Science* 621:111-131.

Cancian, Maria and Debra Reed. 2009. "Family Structure, Childbearing, and Parental Employment: Implications for the Level and Trend in Poverty." Chapter 4 in *Changing Poverty, Changing Policies* ed. By Maria Cancian and Sheldon Danziger, (New York: Russell Sage Foundation.)

Heuveline, Patrick and Matthew Weinshenker. 2008. "The International Child Poverty Gap: Does Demography Matter?" *Demography* 45:173-191.

Sampson, Robert J., and Patrick Sharkey. 2008. "Neighborhood Selection and the Social Reproduction of Concentrated Racial Inequality." *Demography* 45:1-29.

Lichter, Daniel T., Domenico Parisi, Michael Taquino, and Brian Beaulieu. 2008.

"Race and the Micro-Scale Concentration of Poverty." *Cambridge Journal of Regions, Economy and Society* 1:51-67.

11: Apr 12-14 D: Demographic approaches GL: Job Access/Mobility (M. Freedman)

Readings: Keith Ihlanfeldt, *Spatial Mismatch Between Jobs and Residences within Urban Areas*, *Cityscape*, 1(1), 1994: 219-244.

Katherine M. O'Regan and John M. Quigley, "Accessibility and Economic

Opportunity," in *Essays in Transportation Economics and Policy*, J. Gomez-Ibanez et al., eds. Brookings Institution, 1999: 437-468.

Ellen, Ingrid Gould, and Margery Austin Turner, "Does Neighborhood Matter?

Assessing Recent Evidence," *Housing Policy Debate* 8(4): 833-866.

12: Apr 19-21 D: Job Access/Mobility

Module 5: Political Economy of Poverty

12: Apr 19-21 GL: Africa (Nic van de Walle)

Readings: Nicolas van de Walle (2009), "The Institutional Origins of Inequality in Sub Saharan Africa", *Annual Review of Political Science*.

David Stasavage (2005), "Democracy and Education Spending in Africa," *American Journal of Political Science* 49, 2:343-358.

J. P. Olivier de Sardan (1999) "A moral economy of corruption in Africa?", *Journal of Modern African Studies* 37: 25-52

Michael Bratton and Eric Chang (2006), "State Building and Democratization in Sub-Saharan Africa" *Comparative Political Studies* 39,9:1059-1083.

13: Apr 26-28 D: Africa GL: OECD countries (Chris Anderson)

Readings: Rueda, F. David. 2005. "Insider-Outsider Politics in Industrialized Democracies: The Challenge to Social Democratic Parties." *American Political Science Review* 99 (1): 61-74.

Cusack, Thomas, Torben Iversen, and Philipp Rehm. 2006. "Risks At Work: The Demand and Supply Sides of Government Redistribution." *Oxford Review of Economic Policy* 22 (3): 365-389.

Alesina, Alberto, Rafael Di Tella, and Robert MacCulloch. 2004. "Inequality and Happiness: Are Europeans and Americans Different?" *Journal of Public Economics* 88 (9-10): 2009-2042.

Anderson, Christopher J., and Pablo Beramendi. 2008. "Income, Inequality, and

Electoral Participation." In *Democracy, Inequality, and Representation: A Comparative Perspective*, ed. Pablo Beramendi and Christopher J. Anderson. New York: Russell Sage Foundation.

14: May 3-5 D: OECD countries L: Wrap-up (SC/CB)

Readings: Lepianka, D., W. Van Oorschot and J. Gelissen (2009), "Popular Explanations of Poverty: A Critical Discussion of Empirical Research," *J. Soc. Pol.*, 38,3, pp.421–438.

M. Ravallion (2009), "Evaluation in the Practice of Development," *World Bank Research Observer* 24, 1: pp. 29-53.

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CORNELL UNIVERSITY
Nutritional Science 6420
Applied Economics and Management 6420
Globalization, Food Security, and Nutrition
Section 2
Fall 2009, Wednesdays, 10:10 am – 11:00 am
2 credits

Instructor: Per Pinstруп-Andersen, 305 Savage Hall (255-9429), pp94

Office Hours: Tuesdays and Wednesdays, 2:00-4:00 p.m.

Web Site: <http://www.blackboard.cornell.edu>

Assistant: Mary-Catherine French, 307 Savage Hall (255-9429), mcf4

Venue: 232 Savage Hall

Description:

This is a 2-credit hour directed readings course with 13 discussion sessions throughout the semester.

The course is developed for graduate students in nutrition, agricultural economics, and other relevant

fields who wish to explore how globalization may affect poverty, food security, and nutrition in developing countries and how national policies and international agreements and institutions may

influence the outcome. The discussion sessions will be based on assigned readings for each session. In

order to facilitate such discussions, the number of students will be limited to 12. A basic understanding

of economics and nutrition is a prerequisite and students should contact Per Pinstруп-Andersen (pp94@cornell.edu) for permission to enroll.

Required Readings:

A schedule of required readings and a reference list are attached. All readings are available on the

Blackboard site.

Graded Assignments:

There are 12 graded assignments for this course. Each assignment, consisting of two typed pages, is due

at the time of the session covering the topic of the assignment. *Note that a score of zero will be assigned for any assignment missed without prior approval.*

The professor determines all graded assignments. Students will have an opportunity to appeal their

assignment grades.

Appeals:

To have any graded material reevaluated, submit an appeal directly to the professor via e-mail explaining and justifying your position concisely and clearly. Supportive citations from discussion

sessions and/or course readings will bolster your request for additional consideration. The deadline for

appeals is two weeks from the date grades are returned.

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Academic Integrity:

Every student in this course is expected to abide by the Cornell University Code of Academic Integrity.

Any work a student submits for academic credit will be the student's own work.

Course Grades:

A written summary of the main points for each of the assigned readings for the session must be submitted to the instructor at each discussion session except as noted in the schedule. The summary

must not exceed two typed pages. Each of the 12 summaries will be graded and together they will

account for 75% of the final grade. The remaining 25% of the final grade will be based on participation

in class discussion.

An absolute grading scale is used: 97-100% = A+, 93-96% = A, 90-92% = A-, 87-89% = B+, 83-86% =

B, 80-82% = B-, etc. Less than 60% = F.

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NS6420/AEM6420

FALL 2009 SCHEDULE OF DISCUSSIONS and READINGS

(Subject to Change)

All sessions are held from 5:30 pm-6:20 pm, except Session 4 (September 22) which will be held from

6:00-6:50 pm; and Session 6 (October 8), which will be held from 6:30 pm – 7:20pm

Session 1: Overview of the Course and the Global Food Situation

September 2 (No Assigned Readings and No Assignments)

Session 2: What is Globalization?

September 8 Readings:

- Stiglitz, 2002, Preface and Chapter 1.
- World Commission, 2004b., Chapter II.2.
- Bardhan, Bowles, and Wallerstein, 2006, Introduction.
- Dunning, 2003, Chapter 1.

Session 3: Globalization, Equity, and Poverty

September 15 Readings:

- United Nations, 2003a., Chapter 1.
- Winters, McCulloch and McKay, 2004, pp. 72-115.
- Nissanke and Thorbecke, 2007, Chapter 2.
- Bardhan, 2007, Chapter 6.
- Dinello and Squire, 2005, Chapter 1.
- Ajayi, 2005, Chapter 3.

Session 4: Globalization and Food Security

September 22 Readings:

6:00-6:50pm

- Madeley, 1999.
- FAO, 2005, Chapter 6.

- von Braun, 2008, Chapter 2.

Sessions 5: Food Safety

September 29 Readings:

- Caswell and Friis Bach, 2007, Chapter 16.
- Josling, Roberts, and Orden, 2004, Chapter 5.

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Sessions 6: Globalization, Health, and Nutrition

October 8 Readings:

6:30-7:20 pm

- Babinard and Pinstруп-Andersen, 2001, Brief 5.
- Pinstруп-Andersen, 2007a, pp. 187-198.
- Hawkes, 2008, Chapter 7.

October 13 NO CLASS

Sessions 7: Globalization, Agriculture, and the Environment

October 20 Readings:

- von Braun and Diaz-Bonilla, 2008, Chapter 1.
- Narayanan and Gulati, 2008, Chapter 4.
- Pinstруп-Andersen and Watson, 2009.

Session 8: Globalization and Agricultural Trade Policies

October 27 Readings:

- Koning and Pinstруп-Andersen, 2007, Chapter 1.
- Murphy, 2007, Chapter 13.
- Hoda and Gulati, 2007, Chapter 2.
- Watkins, 2008, Chapter 5.
- Murphy, 2008, Essay 2.
- Ahluwalia, 2008, Essay 3.

Session 9: Globalization, Agricultural Research and Technology, and Intellectual Property Rights

November 3

Readings:

- Pardey, Koo and Nottenburg, 2004.
- Sell, 2002, Chapter 8.
- Pinstруп-Andersen and Mengistu, 2008, Chapter 3.

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Session 10: Globalization, Markets, and Transnational Corporations

November 10 Readings:

- Reardon and Barrett, 2000, pp. 195-205.
- Korten, 2001, Part III.
- Reardon and Timmer, 2008, Chapter 6.

Session 11: Governance and Institutions at the International Level

November 17 Readings:

- Nayyar, 2002a., Chapter 1.
- Nayyar, 2002b, Chapter 14.
- World Commission, 2004d, Chapter III.2.
- Diaz-Bonilla, 2008, Chapter 8.

Session 12: Policies and Institutions at the National Level

November 24 Readings:

- World Commission, 2004c, Chapter III.1.
- Page, 2007, Briefing Paper 14.
- Panagariya, 2004, pp. 1149-1171.
- Paarlberg, 2008, Essay 5.

Session 13: Globalization, Hunger, and Ethics**December 1 Readings:**

- World Commission, 2004a, Chapter I.
- Pinstруп-Andersen, 2007b, Chapter 2.
- Marinoff, 2007, Chapter 3.
- Pinstруп-Andersen, 2005, pp. 1097-1112.
- Aziz, 2008, Essay 4.

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- Ajayi, S.I. 2005. Sub-Saharan Africa: The Myth and the Reality, Chapter 3. In Dinello, N. and Squire, L. (Eds), *Globalization and Equity*, pp, 67-97. Cheltenham; Northampton: Edward Elgar Publishing, Inc.
- Aziz, S. 2008. Changing Paradigms During Globalization, Essay 4. In von Braun, J. and Diaz-Bonilla, E. (Eds.), *Globalization of Food and Agriculture and the Poor*, pp. 289-298. Delhi: Oxford University Press.
- Babinard, J., and P. Pinstруп-Andersen. 2001. Nutrition. In E. Diaz-Bonilla and S. Robinson, *Shaping Globalization for Poverty Alleviation and Food Security*. Focus 8, IFPRI Policy Brief 5. Washington, DC: IFPRI.
- Bardhan, P., Bowles, S., and Wallerstein, M. 2006. Introduction. In P. Bardhan, S. Bowles, and M. Wallerstein (Eds.) *Globalization and Egalitarian Redistribution*, pp. 1-5. Princeton, New Jersey: Princeton University Press.
- Bardhan, P. 2007. Globalization and Rural Poverty. In M. Nissanke and E. Thorbecke (Eds.), *The Impact of Globalization on the World's Poor* (Chapter 6, pp. 145-162). New York: Palgrave MacMillan.
- Caswell, J. and C. Friis Bach. 2007. Food Safety Standards in Rich and Poor Countries, Chapter 16. In Pinstруп-Andersen, P. and P. Sandøe (Eds.) *Ethics, Hunger and Globalization: In Search of Appropriate Policies*, pp 281-304. Dordrecht: Springer Verlag.
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- Food and Agriculture Organization of the United Nations. 2005. Trade and Food Security, Chapter 6. In *Agricultural Trade and Poverty: Can Trade Work for the Poor? The State of Food and Agriculture (SOFA)*, pp. 80-97. Rome: FAO.
- Hawkes, C. 2008. Globalization of Agrifood Systems and the Nutrition Transition, Chapter 7. In von Braun, J. and Diaz-Bonilla, E. (Eds.), *Globalization of Food and Agriculture and the Poor*, pp. 215-244. Delhi: Oxford University Press.
- Hoda, A. and Gulati, A. 2007. The Quest for Reform: The WTO Agreement on Agriculture. In *WTO Negotiations on Agriculture and Developing Countries* (Chapter 2, pp. 12-40). Baltimore: The Johns Hopkins University Press.
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- Josling, T., Roberts, D., and Orden, D. 2004. Food Safety and Control of Human Health Hazards, Chapter 5. In *Food, Regulation, and Trade: Toward a Safe and Open Global System*, pp. 101-126. Washington, DC: Institute for International Economics.
- Koning, N. and P. Pinstrup-Andersen. 2007. Agricultural Trade Liberalization and the Least Developed Countries-Introduction, Chapter 1. In N. Koning and P. Pinstrup-Andersen (Eds.), *Agricultural Trade Liberalization and the Least Developed Countries*, pp. 1-12. Berlin; Heidelberg; New York: Springer Publishing.
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- Murphy, S. 2007. The WTO Agricultural Negotiations and the Least Developed Countries: Limitations and Options, Chapter 13. In N. Koning and P. Pinstrup-Andersen (Eds.), *Agricultural Trade Liberalization and the Least Developed Countries*, pp. 233-249. Berlin; Heidelberg; New York: Springer Publishing.
- Murphy, S. 2008. Agriculture and Market Power, Essay 2. In von Braun, J. and Diaz-Bonilla, E. (Eds.), *Globalization of Food and Agriculture and the Poor*, pp. 181-188. Delhi: Oxford University Press.
- Narayanan, S. and Gulati, A. 2008. Globalization and Smallholders: A Review of Issues, Approaches, and Tentative Conclusions, Chapter 4. In von Braun, J. and Diaz-Bonilla, E. (Eds.), *Globalization of Food and Agriculture and the Poor*, pp. 131-153. Delhi: Oxford University Press.
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**Agroecosystems, Economic Development and the Environment
AEM 6600**

Spring Semester, 2010

Instructor: Prof. David R. Lee, 441 Warren Hall, 255-7685 (O), DRL5@cornell.edu

Lecture: 12:20am-1:35pm, Monday & Wednesday, 201 Warren Hall

Credits: 3-4 (1-credit optional weekly session – see below)

Course Summary: This course examines selected topics in economic and agricultural development, technology assessment, ecosystem analysis and environmental management, with a focus on developing countries. Topics covered include sustainable economic development; the tradeoffs between production, poverty, and environmental outcomes; tradeoffs in conservation and development; assessment and adoption of low-input sustainable technologies; climate change, development and growth; biotechnology impacts; trade and environment linkages; and alternative methods for analyzing these interactions. Readings and lectures emphasize the economic literature, but draw widely from the biophysical sciences, ecosystem management, and the broader social sciences. Enrollment by graduate students outside of economics, as well as those in economics fields, is encouraged. A special weekly session focusing on the economic literature may be scheduled for one extra course credit.

Course Outline:

Week/Topic

Introduction to course; sustainability and approaches to sustainable development.

Production, poverty and environment linkages – macro-level tradeoffs, the Environmental Kuznets Curve, etc.

3 Production, poverty and environment linkages – micro (household)-level tradeoffs, alternative analytical frameworks and case studies

- 4 Ecosystem and agroecosystem analysis – principles of ecosystem management, applications to agricultural development and natural resource management.

Ecosystem valuation and environmental services.

- 6 Sustainable technology adoption – technological options and case studies, Green Revolution vs. low external input systems, biophysical vs. economic assessment.
- 7 Conservation and development – biophysical and economic tradeoffs, integrated conservation and development paradigm, social dimensions.
- 8 Climate change, agriculture and development
- 9 *Spring Break*
- 10 Biotechnology and development – implications of biotechnology innovations for developing countries.
- 11 Trade, environment and development – implications for developing countries.
- 12 Institutional issues in agriculture, conservation and development – governance, institutions, international public goods.

13-14 Student paper presentations

Meeting hours: Monday and Wednesday: 12:20-1:35PM, 201 Warren Hall. An additional one-credit, one-hour weekly section may be arranged for economics students, depending on enrollment and student interest.

Prerequisites: Limited to graduate students. S-U grades optional. Auditing OK.

Readings: A list of required and optional readings for each week's classes will be made available the previous week. Reading lists, required readings and necessary citations will be available on the course's Blackboard web site.

Grading: Based on course paper (60%) and final written take-home exam (40%). Depending on enrollment, an article review and critique may be included as part of the grade. Anticipated paper length is 20-25 pages (approx.). Paper proposals will be due March 17. Presentation based on the papers will be given (approximately 10-12 minutes each) during the last two weeks of class. Additional guidelines on the proposal, paper and presentation will be available later in the semester.

Contact Information:

Professor David R. Lee: Office – 441 Warren Hall. Phone: 255-7685.

Email: DRL5@cornell.edu. Office hours are 2:00pm – 3:00pm Tuesday and Thursday, or for an appointment, please phone or email the instructor.

Course Administrative Assistant: Carol Thomson, 106 Warren Hall, Phone: 255-5464.

Email: cmt8@cornell.edu.

Ravi Kanbur 309 Warren Hall x57966 sk145@cornell.edu

AEM 6670/ECON7700 Topics in Development Economics

Spring 2010. Prerequisite: Basic graduate courses in AEM or ECON, or equivalent with Instructor's permission. Class meets: Wednesdays 7pm-10pm. Location: Warren 345. This course is targeted to graduate students who have done the basic courses and are now looking to develop Doctoral or Masters thesis topics. It is not a standard "lectures plus written test" course. There will be lectures, but the core of the course is independent reading and research leading to a term paper. All those registered for the course will be required to do the term paper. In close interaction with me, each student will define and develop a specific topic, do a literature search and critical review, highlight some open questions for research and, hopefully, make some headway on one or more of these questions. The term paper is expected to be around 35 pages double space, all-inclusive, in length. There will be a presentation of the term paper to the class towards the end of the semester.

The overall plan for the semester is as follows. During the first weeks I will lecture on topics of interest to me, suggesting ideas for research and literatures for review. Students will present papers from the literature. During the last weeks of the semester students will make presentations based on their term papers. In between, students will work independently on the papers, with frequent and structured interaction with me, requiring the submission of different drafts of the term paper. Extensive office hours, during which students will come and discuss their work with me, form an important part of this course. Students are asked to contact my assistant **Sue Snyder (sms237@cornell.edu, x48856)** to fix up appointments.

Among the topics on which term papers are invited this semester are **Poverty, Inequality and Labor**. This is to be interpreted broadly, covering classical labor issues as well as income distribution, poverty, and household economics including gender. The themes are suggestive but not restrictive. I will be happy to discuss with students topics that fall outside this spread.

The papers I will cover during my lectures include the following, and students are invited to look at them to get an idea of the content and coverage of the course:

Ravi Kanbur, "Globalization, Growth and Distribution: Framing the Questions", September, 2007. Forthcoming in Ravi Kanbur and A. Michael Spence (Eds.) *Equity and Growth in a Globalizing World*, Forthcoming 2010.

<http://www.arts.cornell.edu/poverty/kanbur/GrowthCommissionPaper.pdf>

Ravi Kanbur, "Macro Crises and Targetign Transfers to the Poor", April, 2009. Paper prepared for the Growth Commission. Revised version forthcoming in *Journal of Globalization and Development*, 2009.

<http://www.kanbur.aem.cornell.edu/papers/MacroCrisesAndTargetingThePoor.pdf2>

Nancy Chau, Hideaki Goto and Ravi Kanbur, "Middlemen, Non-Profits and Poverty", September, 2009.

<http://www.kanbur.aem.cornell.edu/papers/ChauGotoKanburMddlemen9.2.09.pdf>

The Time Table for the semester is as follows.

1/27 Office Hours 10am-6pm; Lecture 7pm-10pm 1/28 Office Hours 10am-6pm

2/3 Office Hours 10am-6pm; Lecture 7pm-10pm 2/4 Office Hours 10am-6pm

2/10 Office Hours 10am-6pm; Lecture 7pm-10pm 2/11 Office Hours 10am-6pm; 2/15
Deadline for submission of 5 page outline

2/17 Office Hours 10am-6pm; Lecture 7pm-10pm 2/18 Office Hours 10am-6pm;

2/22 Deadline for submission of 10 page outline

2/24 Office Hours 10am-6pm 2/25 Office Hours 10am-6pm

3/3 Office Hours 10am-6pm 3/4 Office Hours 10am-6pm

3/8 Deadline for Submission of 20 page draft

3/10 Office Hours 10am-6pm 3/11 Office Hours 10am-6pm

3/31 Office Hours 10am-6pm 4/1 Office Hours 10am-6pm

4/7 Office Hours 10am-6pm 4/8 Office Hours 10am-6pm

4/12 Deadline for submission of 35 page draft. NO EXCEPTIONS.

4/14 Office Hours 10am-6pm; Class Presentations 7pm-10 pm 4/15 Office Hours 10am-6pm

4/21 Office Hours 10am-6pm; Class Presentations 7pm-10 pm 4/22 Office Hours 10am-6pm

4/28 Office Hours 10am-6pm; Class Presentations 7pm-10 pm 4/29 Office Hours 10am-6pm
5/5 Office Hours 10am-6pm 5/6 Office Hours 10am-6pm
5/8 6pm. Deadline for final submission of term paper. NO EXCEPTIONS. HALF GRADE
PENALTY FOR EACH DAY OF DELAY.

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Ravi Kanbur 309 Warren Hall x57966 sk145@cornell.edu

AEM 7350/ECON7350 Topics in Public Economics

Spring 2010. Prerequisite: Basic graduate courses in AEM or ECON, or equivalent with Instructor's permission. Class meets: Thursdays 7-10 pm. Location: Warren 360.

This course is targeted to graduate students who have done the basic courses and are now looking to develop Doctoral or Masters thesis topics. It is not a standard "lectures plus written test" course. There will be lectures, but the core of the course is independent reading and research leading to a term paper. All those registered for the course will be required to do the term paper. In close interaction with me, each student will define and develop a specific topic, do a literature search and critical review, highlight some open questions for research and, hopefully, make some headway on one or more of these questions. The term paper is expected to be around 35 pages double space, all-inclusive, in length. There will be a presentation of the term paper to the class towards the end of the semester.

The overall plan for the semester is as follows. During the first weeks I will lecture on topics of interest to me, suggesting ideas for research and literatures for review. Students will present papers from the literature. During the last weeks of the semester students will make presentations based on their term papers. In between, students will work independently on the papers, with frequent and structured interaction with me, requiring the submission of different drafts of the term paper. Office hours, during which students will come and discuss their work with me, form an important part of this course. Students are asked to contact my assistant **Sue Snyder (sms237@cornell.edu, x48856)** to fix up appointments.

Among the topics on which term papers are invited this semester are on **Voluntary Provision of Public Goods**, and on **Regulation and Enforcement**.

On the former, students can look at the special issue of *Journal of Public Economics*, Volume 91, No. 9, September 2007, edited by James Andreoni and Ravi Kanbur. As will become clear, the "private provision of public goods" is a metaphor for a wider range of issues in public economics.

On the latter, students are invited to look at: Arnab Basu, Nancy Chau and Ravi Kanbur, "Turning a Blind Eye: Costly Enforcement, Credible Commitment, and Minimum Wage Laws", February, 2009, forthcoming in *Economic Journal*.

<http://www.arts.cornell.edu/poverty/kanbur/BasuChauKanburTurningABlindEye.pdf> The joint determination of regulations/laws and their enforcement raises a number of important analytical and policy issues in public economics.

The above themes are suggestive, not restrictive. I will be happy to discuss with students topics for term papers that might fall outside this spread. 2

The Time Table for the semester is as follows.

1/27 Office Hours 10am-6pm 1/28 Office Hours 10am-6pm; Lecture 7pm-10pm
2/3 Office Hours 10am-6pm 2/4 Office Hours 10am-6pm; Lecture 7pm-10pm
2/10 Office Hours 10am-6pm 2/11 Office Hours 10am-6pm; Lecture 7pm-10pm 2/15
Deadline for submission of 5 page outline
2/17 Office Hours 10am-6pm 2/18 Office Hours 10am-6pm; Lecture 7 pm-10 pm
2/22 Deadline for submission of 10 page outline
2/24 Office Hours 10am-6pm 2/25 Office Hours 10am-6pm
3/3 Office Hours 10am-6pm 3/4 Office Hours 10am-6pm
3/8 Deadline for Submission of 20 page draft
3/10 Office Hours 10am-6pm 3/11 Office Hours 10am-6pm
3/31 Office Hours 10am-6pm 4/1 Office Hours 10am-6pm
4/7 Office Hours 10am-6pm 4/8 Office Hours 10am-6pm
4/12 Deadline for submission of 35 page draft. NO EXCEPTIONS.
4/14 Office Hours 10am-6pm 4/15 Office Hours 10am-6pm; Class Presentations 7pm-10 pm
4/21 Office Hours 10am-6pm 4/22 Office Hours 10am-6pm; Class Presentations 7pm-10 pm
4/28 Office Hours 10am-6pm 4/29 Office Hours 10am-6pm; Class Presentations 7pm-10 pm
5/5 Office Hours 10am-6pm 5/6 Office Hours 10am-6pm³
5/8 6pm. Deadline for final submission of term paper. NO EXCEPTIONS. HALF GRADE
PENALTY FOR EACH DAY OF DELAY.

AEM 7620: The Microeconomics of International Development

Fall 2008

Instructors:

Chris Barrett Felix Naschold

315 Warren Hall 313a Warren Hall

255-4489 254-1593

cbb2@cornell.edu fn23@cornell.edu

Office hours: T 11:15-12:45 and F 8:30-9:45 AM W and F 11:45 AM -1:00 PM

Course time, location and website:

WF 10:10-11:45

Warren 245

<http://moodle.cit.cornell.edu/>

Course description: This course is designed for students with graduate level training in microeconomics and econometrics and an interest in international development. It focuses on the specification, estimation and interpretation of models of individual, household, firm/farm, and market behavior. A wide range of topics are covered. The intent is to provide an in depth survey of the research frontiers in various areas of the microeconomics of international development. Students from other fields are welcome and prior background will be taken into consideration in evaluating students' course papers.

Our basic philosophy in this course is to assist the transition from student to scholar. We do not assign homework or exams and do not expect anyone to read everything on the syllabus. Rather, the intent is to expose students to seminal bits of several interrelated literatures, to explain the mechanics of key theories and methods, to encourage students to think critically about what these literatures tell us about microeconomic behavior in the low-income world, and to help train them how to undertake original research of their own as well as to offer constructive criticism of others' research.

Course prerequisites: Completion of the first year Ph.D. course sequence in microeconomic theory (ECON 609/610/669) and econometrics (AEM 710/711 or ECON 619/620), or our permission. History shows that motivated M.S. candidates and Ph.D. candidates from allied disciplines also fare well in the course if they are willing to invest time in understanding at least the intuition of the more advanced material. Students are welcome to audit or to take the course on an S/U basis.

Evaluation: Grades will be based on a term paper (60%) and two 2-3 page formal referee reports of current working papers (40%). The working papers available for critique will be identified in the first week or two of the course. A 2-5 page, typewritten proposal for the term paper is due **not later than Wednesday, October 29**. The proposal must clearly identify the question(s) or puzzle(s) the paper aims to address, the literature into which this work fits, and the basic modeling approach to be followed. The paper need not be turned in this semester; students can take an incomplete and finish the paper over the following year, if they prefer. Any student not turning in a paper by November 1, 2009, will receive a failing grade.

2

Readings: Our detailed lecture notes are available on the course Moodle web site, for which you self-enroll. There is no course text, but we encourage students to purchase a copy of Angus Deaton's *The Analysis of Household Surveys: A Microeconometric Approach to Development Policy* (Johns Hopkins University Press, 1997). It is no longer in print so the Campus Store is unable to order new copies. However, it is still available from many sellers on Amazon.com. It is also available as an online book through Cornell library. For easy access there is a link from the

7620 course website. All other readings are either available as e-journal articles through Cornell library or will be posted on the course web site. Core readings, which you are strongly encouraged to read, are denoted by an asterisk (*). Where no publication source is listed, the paper is an unpublished working paper. The reading list below uses the following abbreviations:

AER *American Economic Review*

AJAE *American JI of Agricultural Economics*

EDCC *Economic Dev't and Cultural Change*

EJ *Economic Journal*

ETAI P. Bardhan, ed., *The Economic Theory of Agrarian Institutions* (Oxford, 1989).

ETRA *Econometrica*

HBS K. Hoff, A. Braverman and J.E. Stiglitz, eds., *The Economics of Rural Organization: Theory, Practice and Policy* (Oxford, 1993).

HAE B.Gardner and G. Rausser, eds., *Handbook of Agricultural Economics* (Elsevier, 2002).

HDE H.Chenery and T.N.Srinivasan, eds. (Vols. 1 and 2), or J.Behrman and T.N. Srinivasan, eds. (Vols. 3A/3B), *Handbook of Development Economics* (Elsevier, various years).

JAЕ *J. of African Economies*

JDE *J. Development Economics*

JDS *J of Development Studies*

JEL *J of Economic Literature*

JEP *J of Economic Perspectives*

JHR *Journal of Human Resources*

JPE *Journal of Political Economy*

OEP *Oxford Economic Papers*

QJE *Quarterly J of Economics*

REStat *Rev Economics and Statistics*

REStud *Review of Economic Studies*

WD *World Development*

I. KEY MODELING AND ESTIMATION METHODS

IA. Household and Intra-household Models

IA1. Separable and Nonseparable Household Models [August 29-September 12]

*I.Singh, L.Squire, and J.Strauss, *Agricultural Household Models* (1986), intro and chap. 1

*A. De Janvry, M.Fafchamps, and E. Sadoulet, "Peasant Household Behavior With Missing Markets: Some Paradoxes Explained," *EJ* (1991)

*C.Barrett, S. Sherlund and A. Adesina, "Shadow Wages, Allocative Inefficiency, and Labor Supply in Smallholder Agriculture" *Agricultural Economics* (2008).

*H. Jacoby, "Shadow Wages and Peasant Family Labour Supply: An Econometric Application to the Peruvian Sierra," *REStud*, 60, 3 (1993): 903-921.

D. Benjamin, "Household Composition, Labor Markets and Labor Demand: Testing for Separation in Agricultural Household Models," *ETRA* (1992).

C. Barrett and P. Dorosh, "Farmers' Welfare and Changing Food Prices: Nonparametric Evidence from Rice in Madagascar," *AJAE* (August 1996): 656-669.

J. Newman and P. Gertler, "Family Productivity, Labor Supply and Welfare in a Low Income Country," *JHR* 29, 4 (1994): 989-1026.

3

IA2. Intrahousehold Models [September 12-19]

*A. Deaton, chapter 4.2

*C. Udry, "Gender, "Agricultural Production, and the Theory of the Household," *JPE* (1996).

L. Haddad and R. Kanbur, "How Serious is the Neglect of Intra-Household Inequality?" *EJ* (1990): 866-881.

S. Dercon and P. Krishnan, "In Sickness and in Health: Risk Sharing within Households in Rural Ethiopia," *JPE* (2000): 688-727.

M. Pitt, M. Rosenzweig, and M. Hassan, "Productivity, Health, and Inequality in the Intrahousehold

Distribution of Food in Low-Income Countries," *AER*, 1990: 1139-1156.

L. Haddad and R. Kanbur, "Is There An Intrahousehold Kuznets Curve? Some Evidence from the Philippines?" *Public Finances/Finances Publiques* (1992).

N. Folbre, "Household Production in the Philippines: A Non-Neoclassical Approach," *EDCC* (1984).

J. McPeak and C. Doss (2006), "Are Household Production Decisions Cooperative? Evidence On Pastoral Migration and Milk Sales From Northern Kenya," *AJAE* 88:525-541.

H. Alderman et al. "Unitary Versus Collective Models of the Household: Is It Time To Shift The Burden of Proof?" *World Bank Research Observer* (1995)

L. Haddad, J. Hoddinott, and H. Alderman, eds., *Intrahousehold Resource Allocation in Developing Countries: Methods, Models and Policy* (Johns Hopkins, 1996).

IB. Causal Inference: Experiments and Instruments [September 19]

*Rodrik, D. (2008). *The new development economics: We shall experiment, but how shall we learn?* Cambridge, MA, Harvard University.

*Banerjee, A., P. Bardhan, K. Basu, R. Kanbur and D. Mookherjee (2005). "New Directions in Development Economics: Theory or Empirics." *Economic and Political Weekly* 40(40).

*Keane, M. P. (forthcoming). "Structural vs. Atheoretic Approaches to Econometrics." *Journal of Econometrics*.

Heckman, J. J. and J. A. Smith (1995). "Assessing the Case for Social Experiments." *Journal of Economic Perspectives* 9(2): 85-110.

Hoddinott, J., J. A. Maluccio, J. R. Behrman, R. Flores and R. Martorell (2008). "Effect of a nutrition intervention during early childhood on economic productivity in Guatemalan adults." *The Lancet* 371(9610): 411-416.

Duflo, E., R. Glennerster and M. Kremer (2008). *Using Randomization in Development Economics Research: A Toolkit. Handbook of Development Economics Volume 4.*

T. P. Schultz and J. Strauss. Amsterdam, North-Holland: 3895-3962.

Miguel, E. and M. Kremer (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities." *Econometrica* 72(1): 159-217.

Gertler, P. (2004). "Do Conditional Cash Transfers Improve Child Health? Evidence from PROGRESA's Control Randomized Experiment." *American Economic Review* 94(2): 336-341.

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Behrman, J. R. and J. Hoddinott (2005). "Programme Evaluation with Unobserved Heterogeneity and Selective Implementation: The Mexican PROGRESA Impact on Child Nutrition." *Oxford Bulletin of Economics & Statistics* 67(4): 547-569.

II. CONSUMPTION, NUTRITION, RISK AND POVERTY TRAPS

IIA. Consumption, nutrition, and health [September 24-26]

*A. Deaton, chapter 4.1

*Behrman, J., M. Rosenzweig and A. Foster (1997). "The Dynamics of Agricultural Production and the Calorie-Income Relationship: Evidence from Pakistan." *Journal of Econometrics* 77: 187-207.

*Strauss, J. and D. Thomas (1998). "Health, nutrition and economic development." *Journal of Economic Literature* 36(2): 766-817.

Behrman, J. R. and A. B. Deolalikar (1987). "Will Developing Country Nutrition Improve with Income? A Case Study for Rural South India." *Journal of Political Economy* 95(3): 492.

Bouis, H. E. and L. J. Haddad (1992). "Are estimates of calorie-income fxelasticities too high? : A recalibration of the plausible range." *Journal of Development Economics* 39(2): 333-364.

IIB. Consumption Smoothing: Savings, credit and insurance [September 26 – October 8]

*A. Deaton, chap. 6.2-6.5

*Townsend, R. (1994). "Risk and Insurance in Village India." *Econometrica* 62: 539-591.

*Gertler, P. and J. Gruber (2002). "Insuring Consumption Against Illness." *American Economic Review* 92(1): 51-70.

Behrman, J., A. Foster and M. Rosenzweig (1997). "Dynamic savings decisions in agricultural environments with incomplete markets." *Journal of Business & Economic Statistics* 15(2): 282.

Besley, T. J. (1995). Savings, credit and insurance. *Handbook of Development Economics* Volume 3A. J. Behrman and T. Srinivasan. Amsterdam, Elsevier Science.

Udry, C. (1994). "Risk and Insurance in a Rural Credit Market: An Empirical Investigation in Northern Nigeria." *The Review of Economic Studies* 61(3): 495-526.

Ligon, E., J. P. Thomas and T. Worrall (2002). "Informal Insurance Arrangements with Limited Commitment: Theory and Evidence from Village Economies." *The Review of Economic Studies* 69(1): 209-244.

Townsend, R. M. (1995). "Financial systems in Northern Thai villages." *Quarterly Journal of Economics* 110(4): 1011-1046.

Morduch, J. (2004). *Consumption Smoothing Across Space: Testing Theories of Risk-Sharing in the ICRISAT Study Region of South India. Insurance against Poverty*. S. Dercon. Oxford, Oxford University Press.

Chavas, J.-P. (2004). *Risk Analysis in Theory and Practice*. London, Elsevier. Chapter 5 on Stochastic Dominance.

5

Barrett, C. B., B. J. Barnett, M. R. Carter, S. Chantarat, J. W. Hansen, A. G. Mude, D. E.

Osgood, J. R. Skees, C. G. Turvey and M. N. Ward (2007). Poverty traps and climate risk: Limitation and opportunities of index-based risk financing. IRI Technical Report 07-02, International Research Institute for Climate and Society.

Coate, S. and M. Ravallion (1993). "Reciprocity without commitment : Characterization and performance of informal insurance arrangements." *Journal of Development Economics* 40(1): 1-24.

De Weerd, J. (2004). Risk-sharing and endogenous network formation. Insurance against poverty. S. Dercon. Oxford, Oxford University Press.

Vanderpuye-Orgle, J. and C. B. Barrett (forthcoming). "Risk management and social visibility." *African Development Review*.

IIC. Risk, vulnerability, variability and chronic poverty [October 10-15]

*Ligon, E. and L. Schechter (2002). Measuring vulnerability: The director's cut. WIDER.

*Banerjee, A. (2004). The Two Poverties. Insurance against poverty. S. Dercon. Oxford, Oxford University Press.

Foster, J. E. (forthcoming). A Class of Chronic Poverty Measures. Poverty dynamics: Towards interdisciplinary approaches. T. Addison, D. Hulme and R. Kanbur. Oxford, Oxford University Press.

Calvo, C. and S. Dercon (2007). Chronic poverty and all that: The measurement of poverty over time. Centre for the Study of African Economies Working Paper 263. Oxford, Oxford University.

Naschold, F. (2008). Measuring poverty over time: Accounting for Income Variability and the intertemporal distribution of poverty. Ithaca, Cornell University.

Cruces, G. (2005). Income fluctuations, poverty and well-being over time: Theory and Application to Argentina. Distributional Analysis Research Program Discussion Paper 76. London, London School of Economics.

IID. Welfare Dynamics and Poverty Traps [October 15 - 24]

*Carter, M. R. and C. B. Barrett (2006). "The economics of poverty traps and persistent poverty: An asset-based approach." *Journal of Development Studies* 42(2): 178-199.

*Dercon, S. (1998). "Wealth, risk and activity choice: cattle in Western Tanzania." *Journal of Development Economics* 55: 1-42.

*Banerjee, A. and A. Newman (1993). "Occupational choice and the process of development." *Journal of Political Economy* 101: 274-298.

*Rosenzweig, M. R. and H. P. Binswanger (1993). "Wealth, Weather Risk and the Composition and Profitability of Agricultural Investments." *Economic Journal* 103(416): 56-78.

Zimmerman, F. J. and M. R. Carter (2003). "Asset smoothing, consumption smoothing and the reproduction of inequality under risk and subsistence constraints." *Journal of Development Economics* 71(2): 233-260.

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Azariadis, C., J. Stachurski and N. D. Philippe Aghion and Steven (2005). Chapter 5 Poverty Traps. *Handbook of Economic Growth*, Elsevier. Volume 1, Part 1: 295-384.

Lybbert, T., C. B. Barrett, S. Desta and D. L. Coppock (2004). "Stochastic wealth dynamics and risk management among a poor population." *Economic Journal* 114: 750-777.

Carter, M. R. and J. May (2001). "One Kind of Freedom: Poverty Dynamics in Postapartheid

South Africa." *World Development* 29(12): 1987-2006.

Adato, M., M. R. Carter and J. May (2006). "Exploring poverty traps and social exclusion in South Africa using qualitative and quantitative data." *Journal of Development Studies* 42(2): 226-247.

Moser, C. and A. Felton (2007). *The Construction of an Asset Index Measuring Asset Accumulation in Ecuador*. Chronic Poverty Research Center Working Paper 87. Washington, DC, Brookings Institutions.

Antman, F. and D. McKenzie (2007). "Poverty traps and nonlinear income dynamics with measurement error and individual heterogeneity." *Journal of Development Studies* 43(6): 1057-1083.

Barrett, C. B., M. R. Carter and M. Ikegami (2008). *Poverty traps and social protection*. Ithaca and Madison, Cornell University and University of Wisconsin.

Naschold, F. (2008). *Modeling household asset dynamics: New methods with an application to rural India*. Ithaca, Cornell University.

III. PRODUCTIVITY, AGRARIAN CONTRACTS AND FACTOR MARKETS

IIIA. Smallholder Productivity

IIIA1. Inverse Farm Size-Productivity Relationship [Oct 29 – Nov. 5]

*G. Feder, "The Relation Between Farm Size and Farm Productivity: The Role of Family Labor, Supervision and Credit Constraints," *JDE* 18 (1985): 297-313.

*M. Carter, "Identification of the Inverse Relationship Between Farm Size and Productivity: An Empirical Analysis of Peasant Agricultural Production," *OEP* 36 (1984): 131-145.

R. Heltberg, "Rural Market Imperfections and the Farm Size-Productivity Relationship: Evidence from Pakistan," *WD* 26, 10 (1998): 1807-1826.

C.B. Barrett, "On Price Risk and The Inverse Farm Size-Productivity Relationship," *JDE* 51, 2 (December 1996): 193-215.

Bhalla, Surjit S., and Prannoy Roy, "Mis-Specification in Farm Productivity Analysis: The Role of Land Quality," *OEP* 40 (1988): 55-73.

D. Benjamin, "Can Unobserved Land Quality Explain the Inverse Productivity Relationship?" *JDE* (Feb. 1995): 51-84.

J.J. Assuncao and J.H.B. Braido (2007), "Testing Household-Specific Explanations For the Inverse Productivity Relationship", *AJAE* 89(4): 980-990.

R.L. Lamb (2003), "Inverse Productivity: Land Quality, Labor Markets, and Measurement Error," *JDE* 71: 71-95.

IIIA2. Efficiency Frontier Estimation [Nov. 7 – 12]

7

*M. Ali and D. Byerlee, "Economic Efficiency of Small Farmers in a Changing World: A Survey of Recent Evidence," *Journal of International Development*, 3, 1 (1991): 1-27.

*C. Barrett, "How Credible Are Estimates of Peasant Allocative, Scale or Scope Efficiency? A Commentary," *Journal of International Development* (1997).

*S. Sherlund, C. Barrett, and A. Adesina, "Smallholder Technical Efficiency Controlling For Environmental Production Conditions" *JDE* (2002).

S. Kumbhakar and A. Bhattacharyya, "Price Distortions and Resource-Use Efficiency in Indian Agriculture: A Restricted Profit Function Approach," *REStat* (1992): 231-239.

IIIB. Technology adoption [Nov. 14 - 21]

- *G. Feder, R. Just, and D. Zilberman, "Adoption of Agricultural Innovations in Developing Countries: A Survey," *EDCC* 33 (1985): 255-298.
- *A. Foster and M. Rosenzweig, "Learning By Doing and Learning from Others: Human Capital and Technical Change in Agriculture," *JPE* (1995).
- *T. Conley and C. Udry, "Learning About a New Technology: Pineapple in Ghana," Yale working paper (2007).
- L. Cameron, "The Importance of Learning in the Adoption of High-Yielding Variety Seeds," *AJAE* 81 (Feb. 1999): 83-94.
- T. Besley and A. Case, "Modeling Technology Adoption in Developing Countries," *AER* 83 (May 1993): 396-402.
- R. Just and D. Zilberman, "Stochastic Structure, Farm Size and Technology Adoption in Developing Agriculture," *OEP* 35 (1983): 307-328.
- T.-K. Kim, A. Hallam and D. Hayes, "Technology Adoption Under Price Uncertainty," *JDE* (January 1992)
- D. Hennessy, "Stochastic technologies and the adoption decision," *JDE* 54 (1997).
- C.M. Moser and C.B. Barrett, "The Complex Dynamics of Smallholder Technology Adoption: The Case of SRI in Madagascar," *Agricultural Economics* (2006).
- III.C. Agrarian contracts** [Nov 26 – Dec 5]
- *K. Otsuka, H. Chuma and Y. Hayami, "Land and Labor Contracts in Agrarian Economies: Theories and Facts," *JEL* (1992).
- *M. Eswaran and A. Kotwal, "A Theory of Contractual Structure in Agriculture," *AER* 75, 3 (1985): 352-367.
- * R. Shaban, "Testing Between Competing Models of Sharecropping," *JPE* 95, 5 (1987).
- *J.-J. Laffont and M.S. Matoussi, "Moral Hazard, Financial Constraints and Sharecropping in El Oulja," *REStud* (July 1995)
- *A. Foster and M. Rosenzweig, "A Test for Moral Hazard in the Labor Market: Contractual Arrangements, Effort and Health," *REStat*, May 1994: 213-227.
- C. Bell, "A Comparison of Principal-Agent and Bargaining Solutions: The Case of Tenancy Contracts," *ETAI*.
- J.E. Stiglitz, "Incentives and Risk Sharing in Sharecropping," *REStud* 41, 2 (1974): 219-155.
- 8
- D. Newbery, "Risk-Sharing, Sharecropping, and Uncertain Labour Markets," *REStud* (1977): 585-594.
- P. Dubois, "Moral Hazard, Land Fertility and Sharecropping in a Rural Area of the Philippines," *JDE* 68:1 (2002): 35-64.
- M. Eswaran and A. Kotwal, "A Theory of Two-Tiered Labor Markets in Agrarian Economies," *AER* (March 1985): 162-177.
- G. Frisvold, "Does Supervision Matter? Some Hypothesis Tests Using Indian Farm-Level Data," *JDE* 43 (1994): 217-238.
- L. Braido (2008), "Evidence on the Incentive Properties of Share Contracts," *J. of Law and Economics* 51: 327-349.

AEM 7650: Development Microeconomics Graduate Research Seminar

Spring 2010

Instructor: Course time, location and website:

Chris Barrett Tuesdays 8:40-9:55

315 Warren Hall Warren 361

255-4489 <http://blackboard.cornell.edu/>

cbb2@cornell.edu

Course description: The seminar provides a forum for graduate students writing an MS or PhD thesis in development microeconomics to present and get feedback on their research ideas and preliminary results. Priority for speaking slots is given to students I supervise; but others are always welcome. Students in their second year or beyond (whether in a MS or PhD program) are expected to present a seminar once each semester. At a minimum, this should be extended notes about their emerging thesis or, better yet, a draft paper. A schedule of presentations is posted on the course Blackboard site.

All presenters must distribute a copy of their paper or discussion notes to the whole group no later than 5 PM on the Friday preceding their seminar in order that everyone has enough time to read it and mark it up before the discussion. Student presenters are responsible for emailing their paper (or notes) to everyone using the Communications/Send Email/All Users option in the Blackboard site. I post the papers to the Course Documents folder on the course Blackboard site. All participants are expected to attend all other seminars, to read and mark up the draft paper in advance of the seminar, then to give the presenter written comments after the seminar (in addition to oral remarks offered during the discussion). This ensures that all presenters get substantive edits that will help their rapid progress towards completing publishable papers and acceptable thesis chapters.

In addition to getting comments on the substance of the talk, presenters also get feedback on the presentation itself. Each week the following week's presenter is responsible for taking notes on the aesthetics of the presentation and offering constructive criticism on slides, speaking style, etc. during the final five minutes of the seminar period (i.e., providing feedback on the cosmetics of the talk rather than the content of the talk). In the last seminar of the semester, the first week's presenter fulfills this function.

Presenters are responsible for picking up any audio-visual equipment they need for their presentation. There is a projector available in Warren 360. Email me or Erin Lentz (ecl4@cornell.edu) if you want to borrow my portable LCD projector.

Evaluation: Grades are S/U only. Audits are permitted.

Readings: Some useful background readings are also posted on the course Blackboard site. These are not required.

Tentative Schedule for Spring 2010

January 19 Russell Toth

January 26 Shung Zhang

February 2 Thomas Walker

February 9 No meeting

February 16 Sommarat Chantararat

February 23 Hope Michelson

March 2 Sudha Narayanan

March 9 Marc Rockmore

March 16 Chayanee Chawanote

March 23 No meeting

March 30 Brian Dillon

April 6 No meeting

April 13 Corey Lang

April 20 Aurelie Harou

April 27 Annemie Maertens

May 4 Felix Naschold
May 11 Kira Villa
May 18 Asare Twum-Barima

September 1, 2009
AEM/ECON 7670
Topics in International Finance
Fall 2009
Wednesdays 5:00 – 7:00 p.m.
Warren 345

Professor Eswar Prasad

This course will provide a selective overview of topics at the cutting-edge of academic research and policy debates about the international financial system. Main areas will include the effects of financial globalization on growth, volatility, and the transmission of business cycles. We will also examine the determinants of the direction and composition of capital flows, and analyze the implications of the rising prominence of hedge funds, sovereign wealth funds, and other institutional investors. We will discuss the causes and effects of the financial crisis and what implications it has for the research agenda in international finance and macroeconomics.

This course is intended for advanced Ph.D. students, especially those in search of thesis topics, and will require extensive student involvement in preparing research proposals and critiques of existing literature. Students will be expected to have basic graduate-level training in modeling techniques and familiarity with empirical tools (both panel data and time series).

There will be no exams. All registered candidates will be required to write a paper in order to receive a passing grade. The course will be graded S/U only.

Background Readings

Foundations of International Macroeconomics, Maurice Obstfeld and Kenneth Rogoff, MIT Press. [OK]

Kose, Ayhan M., Eswar Prasad, Shang-Jin Wei, and Kenneth Rogoff, 2009, "Financial Globalization: A Reappraisal," *IMF Staff Papers*, Vol. 56:1, pp. 8-62. [KPRW]

Structure of Course

Topic 1: Measurement of Financial Openness

A. Measures of Asset Market Integration Based on Price Data

B. Capital Controls

C. De Facto Measures of Integration Based on Quantities—Flows, Stocks

2

D. Evolution of De Facto Measures

E. Brief Presentation on Sources of International Macro Data

References for this lecture can be found in Section III of KPRW. For a different approach to construction of capital control indexes and for detailed chronologies of capital controls in specific emerging markets, see the relevant chapters in: *Capital Controls and Capital Flows in Emerging Economies: Policies, Practices, and Consequences*, 2007, Sebastian Edwards, ed. Chicago, IL: University of Chicago Press.

Chinn, Menzie, and Hiro Ito, 2006, "What Matters for Financial Development? Capital Controls, Institutions, and Interactions," *Journal of Development Economics*, Vol. 61, No. 1, pp. 163-192.

Lane, Philip R., and Gian Maria Milesi-Ferretti, 2007, "The External Wealth of Nations Mark II: Revised and Extended Estimates of Foreign Assets and Liabilities, 1970–2004," *Journal of International Economics*, Vol. 73, No. 2, pp. 223-250.

Schindler, Martin, 2009, "Measuring Financial Integration: A New Data Set," *IMF Staff Papers*, Vol. 56, No. 1, pp. 222-238.

Topic 2: Financial Integration and Growth

A. Macro Evidence

B. FDI and Growth

C. Equity Market Liberalizations and Growth

D. Costs of Capital Controls

References for this lecture can be found in Sections V and VI of KPRW. Additional readings:

Bekaert, Geert, Campbell R. Harvey and Christian Lundblad, 2005, “Does Financial Liberalization Spur Economic Growth,” *Journal of Financial Economics*, Vol. 77, pp. 3-55.

Forbes, Kristin J., 2007, “The Microeconomic Evidence on Capital Controls: No Free Lunch,” in *International Capital Flows*, ed. Sebastian Edwards (Chicago, IL: University of Chicago Press).

Gourinchas, Pierre-Olivier, and Olivier Jeanne, 2006, “The Elusive Gains from International Financial Integration,” *Review of Economic Studies*, Vol. 73:3, pp. 715-41.

Henry, Peter Blair, 2007, “Capital Account Liberalization: Theory, Evidence, and Speculation.” *Journal of Economic Literature*, Vol. 45:4, pp. 887-935.

3

Prasad, Eswar, Raghuram Rajan, and Arvind Subramanian, 2007, “Foreign Capital and Economic Growth,” *Brookings Papers on Economic Activity*, Vol. 1:2007, pp. 153-230.

Rodrik, Dani, 2008, “The Real Exchange Rate and Economic Growth,” *Brookings Papers on Economic Activity*, 2008:2, pp. 365-412.

Topic 3: Risk Sharing

A. International Risk Sharing—Patterns and Channels

B. Intrastate Risk Sharing as a Benchmark

C. Risk Sharing, Specialization and Growth

D. Risk Pooling and GDP-Linked Bonds

Asdrubali, Pierfederico, Bent Sorensen and Oved Yosha, 1996, “Channels of Interstate Risk Sharing: United States 1963-1990,” *Quarterly Journal of Economics*, Vol. 111, pp. 1081-1110.

Athanasoulis, Stefano, and Robert Shiller, 2001, “World Income Components: Measuring and Exploiting Risk Sharing Opportunities,” *American Economic Review*, Vol. 91:4, pp. 1031–54.

Griffith-Jones, Stephany, and Krishnan Sharma, 2006, “GDP-Indexed Bonds: Making it Happen,” DESA Working Paper No. 21, United Nations.

Hess, Gregory, and Eric van Wincoop, 2000, *Intranational Macroeconomics*, Cambridge University Press.

Kalemli-Ozcan, Sebnem, Bent E. Sørensen, and Oved Yosha, 2001a, “Risk Sharing and Industrial Specialization: Regional and International Evidence,” *American Economic Review*, Vol. 93 (3), pp. 903–18.

Kose, M. Ayhan, Eswar Prasad, and Marco Terrones, 2007, “How Does Financial Globalization Affect International Risk Sharing: Patterns and Channels,” IMF Working Paper No. 07/238. Forthcoming in *Journal of Development Economics*.

Lewis, Karen K., 1996, “What Can Explain the Apparent Lack of International Consumption Risksharing?” *Journal of Political Economy*, Vol. 104, No. 2, pp. 267–297.

Obstfeld, Maurice, 1994, “Are Industrial-Country Consumption Risks Globally Diversified?” in *Capital Mobility: The Impact on Consumption, Investment and*

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Growth, eds. L. Leiderman and A. Razin (Cambridge University Press), pp. 13–47.

Obstfeld, Maurice, 1994, “Risk-Taking, Global Diversification and Growth,” *American Economic Review*, Vol. 84, pp. 1310-29.

Prasad, Eswar, Kenneth Rogoff, Shang-Jin Wei and M. Ayhan Kose, 2003, “Effects of Financial Globalization on Developing Countries: Some Empirical Evidence,” *IMF Occasional Paper No. 220*. [Appendix III: Calculating the Potential Welfare Gains from International Risk Sharing]

Topic 4: Volatility, Crises

A. Financial Integration and Macroeconomic Volatility

B. Financial Crises

C. Globalization and the Growth-Volatility Relationship

Acemoglu, Daron, Simon Johnson, James Robinson and Yunyong Thaicharoen, 2003, “Institutional Causes, Macroeconomic Symptoms: Volatility, Crises and Growth,” *Journal of Monetary Economics*, Vol. 50, pp. 49-123.

Aghion, Philippe, and Abhijit Banerjee, 2005, *Volatility and Growth*, Clarendon Lectures, Oxford University Press.

Calvo, Guillermo, Alejandro Izquierdo, and Ernesto Talvi, 2006, “Sudden Stops and Phoenix Miracles in Emerging Markets,” *American Economic Review*, Vol. 96:2, pp. 405-410.

Goldstein, Morris, 2005, “What Might the Next Emerging-Market Financial Crisis Look Like,” Peterson Institute for International Economics, Working Paper 05-7.

Kose, M. Ayhan, Eswar Prasad, and Marco Terrones, 2003, “Financial Integration and Macroeconomic Volatility,” *IMF Staff Papers*, Vol. 50, pp. 119-41.

Kose, M. Ayhan, Eswar Prasad, and Marco Terrones, 2006, “How Do Trade and Financial Integration Affect the Relationship between Growth and Volatility,” *Journal of International Economics*, Vol. 69:1, pp. 176-202.

Levchenko, Andrei A., Romain Ranciere, and Matthias Thoenig, 2008, “Growth and Risk at the Industry Level: The Real Effects of Financial Liberalization,” *Journal of Development Economics*, Vol. 89:2, pp. 210-222.

Martin, Philippe, and Helene Rey, 2006, “Globalization and Emerging Markets: With or Without Crash?” *American Economic Review*, Vol. 96:5, pp. 1631-1651.

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Ranciere, Romain, Aaron Tornell and Frank Westermann, 2007, “Systemic Crises and Growth,” *Quarterly Journal of Economics*, Vol. 123:1, pp. 359-406.

Topic 5: A New Framework: Collateral Benefits and Thresholds

The framework is summarized in Section VII of KPRW. We will go over the specifics of this framework in detail, and critically examine its theoretical basis and empirical relevance. Sections VIII and IX of KPRW contain the key references.

For some evidence and more detailed discussion of a key collateral benefit, see:

Goldberg, Linda S., 2007, “Financial Sector FDI and Host Countries: New and Old Lessons,” *Federal Reserve Bank of New York Economic Policy Review*, Vol. 13, No. 1, pp. 1-17.

Mishkin, Frederic S., 2006, *The Next Great Globalization: How Disadvantaged Nations Can Harness Their Financial Systems to Get Rich* (Princeton, N.J.: Princeton

University Press).

For a detailed literature survey and related evidence on threshold effects, see: Kose, M. Ayhan, Eswar Prasad, and Ashley D. Taylor, 2009, "Thresholds in the Process of International Financial Integration," NBER Working Paper No. 14916.

For skeptical views on this framework, see:

Eichengreen, Barry, 2007, "The Cautious Case for Capital Flows," Presented to Rating Agency Malaysia's conference on "Free Capital Mobility: What's in Store for Asia?" held in Singapore, on August 1, 2007.

Rodrik, Dani, and Arvind Subramanian, 2007, "Why Did Financial Globalization Disappoint," *IMF Staff Papers*, Vol. 56:1, pp. 112-138.

Topic 6: Financial Globalization and Productivity Growth

A. What Drives GDP Growth in the Long Run

B. Do Financial Flows Raise Productivity Growth—Aggregate Flows vs. Components

C. Reconciling Effects of Financial Flows on TFP Growth and GDP Growth

Aoki, Kosuke, Gianluca Benigno and Nobuhiro Kiyotaki, 2005, "Adjusting to Capital Account Liberalization," Working Paper, London School of Economics.

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Bernanke, Ben, and Refet Gurkaynak, 2002, "Is Growth Exogenous? Taking Mankiw, Romer and Weil Seriously," *NBER Macroeconomics Annual*, Vol. 16, pp. 11-57.

Bonfiglioli, Alessandra, 2008, "Financial Integration, Productivity and Capital Accumulation," *Journal of International Economics*, Vol. 76:2, pp. 337-355.

Bosworth, Barry P., and Susan M. Collins, 2003, "The Empirics of Growth: An Update," *Brookings Papers on Economic Activity*, 2003:2, pp. 113-206.

Caselli, Francesco, 2005, "Accounting for Cross-Country Income Differences." in *Handbook of Economic Growth*, eds. Philippe Aghion and Steven Durlauf (The Netherlands: Elsevier Science), pp. 679-741.

Caselli, Francesco, and James Feyrer, 2007, "The Marginal Product of Capital," *Quarterly Journal of Economics*, Vol. 122, No. 2, pp. 535-568.

Hall, Robert E., and Charles I. Jones, 1999, "Why Do Some Countries Produce So Much More Output Per Worker Than Others?" *Quarterly Journal of Economics*, Vol. 114, No. 1, pp. 83-116.

Haskell, Jonathan E., Sonia C. Pereira, and Matthew J. Slaughter, 2007, "Does Inward Foreign Direct Investment Boost the Productivity of Domestic Firms?" *Review of Economics and Statistics*, Vol. 89, No. 3, pp. 482-496.

Henry, Peter B., and Diego Sasson, 2008, "Capital Account Liberalization, Real Wages, and Productivity," NBER Working Paper No. 13880.

Jones, Benjamin F., and Benjamin A. Olken, 2008, "The Anatomy of Start-Stop Growth," *Review of Economics and Statistics*, Vol. 90:3, pp. 582-587.

Kose, M. Ayhan, Eswar Prasad, and Marco Terrones, 2009, "Does Openness to International Financial Flows Raise Productivity Growth?" *Journal of International Money and Finance*, Vol. 28:4, pp. 554-580.

Topic 7: International Business Cycle Transmission

A. Properties of Business Cycles in Emerging Markets

B. How Does Financial Integration Affect Domestic Business Cycles

C. Implications of Financial Integration for Business Cycle Transmission

D. Decoupling or Convergence of International Business Cycles?

Aguiar, Mark, and Gita Gopinath, 2007, "Emerging Market Business Cycles: The Cycle is the Trend," *Journal of Political Economy*, Vol. 115(1), pp. 69-102.

Claessens, Stijn, M. Ayhan Kose and Marco Terrones, 2008, "What Happens During Recessions, Crunches, and Busts?" IMF Working Papers 08/274.

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Claessens, Stijn, M. Ayhan Kose and Marco Terrones, 2009, "Global Financial Crisis: Similar, Yet Different," IMF Working Paper, forthcoming.

Heathcote, Jonathan, and Fabrizio Perri, 2004, "Financial Globalization and Real Regionalization," *Journal of Economic Theory*, Vol. 119:1, pp. 207-243

Kose, M. Ayhan, Eswar Prasad, and Marco Terrones, 2003, "How Does Globalization Affect the Synchronization of Business Cycles," *American Economic Review*, Vol. 93:2, pp. 57-62.

Kose, M. Ayhan, Christopher Otrok, and Eswar Prasad, 2008, "Global Business Cycles: Convergence or Decoupling?" NBER Working Paper No. 14292.

Kose, M. Ayhan, Christopher Otrok, and Charles Whiteman, 2003, "International Business Cycles: World, Region, and Country Specific Factors," *American Economic Review*, Vol. 93, pp. 1216-39.

Topic 8: Global Imbalances: Facts and Implications

A. Uphill Flows of Capital

B. Implications of Capital Flows from Developing to Industrial Countries

C. Adjustment of Global Imbalances

D. Buildup of Foreign Exchange Reserves: Causes and Consequences

Aizenman, Joshua, Brian Pinto and Arthur Radziwill, 2007, "Sources for Financing Domestic Capital--Is Foreign Saving a Viable Option for Developing Countries?" *Journal of International Money and Finance*, Vol. 26:5, pp. 682-702

Blanchard, Olivier, 2007, "Current Account Deficits in Rich Countries," *IMF Staff Papers*, Vol. 54:2, pp. 191-219.

Caballero, Ricardo J., Emmanuel Farhi and Pierre-Olivier Gourinchas, 2008, "An Equilibrium Model of "Global Imbalances" and Low Interest Rates," *American Economic Review*, Vol. 98:1, pp. 358-393.

Curcuru, Stephanie, Tomas Dvorak, and Francis E. Warnock, 2008, "Cross-Border Returns Differentials," *Quarterly Journal of Economics*, Vol. 123:4, pp. 1495-1530.

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Dooley, Michael P., David Folkerts-Landau, and Peter Garber, 2004, "Direct Investment, Rising Real Wages, and the Absorption of Excess Labor in the Periphery," NBER Working Paper No. 10626.

Gourinchas, Pierre-Olivier, and Olivier Jeanne, 2007, "Capital Flows to Developing Countries: The Allocation Puzzle," NBER Working Paper No. 13602.

Gourinchas, Pierre-Olivier, and Helene Rey, 2007, "International Financial Adjustment," *Journal of Political Economy*, Vol. 115, No.4, pp. 665-703.

Jeanne, Olivier, 2007, "International Reserves in Emerging Market Countries: Too Much of a Good Thing?" *Brookings Papers on Economic Activity*, 2007:1, pp. 1-55.

Mendoza, Enrique G., Vincenzo Quadrini, and Jose-Victor Rios-Rull, 2009, "Financial Integration, Financial Development and Global Imbalances," *Journal of Political Economy*, Vol. 117:3, pp. 371-416.

Prasad, Eswar, Raghuram Rajan, and Arvind Subramanian, 2007, "Foreign Capital and Economic Growth," *Brookings Papers on Economic Activity*, Vol. 1:2007, pp. 153-230.

Topic 9: Understanding the Causes and Dynamics of the Global Financial Crisis

A. Origins of the Crisis

B. Relative Importance of Factors Underlying the Crisis

C. Domestic and International Financial Regulation

D. Policy Responses to the Crisis and Exit Strategies

Topic 10: The International Financial Architecture

A. Aid Flows and Remittances

B. Practical Approaches to Capital Account Liberalization

C. New Players: Sovereign Wealth Funds

D. New Roles for International Financial Institutions: ADB, IMF, World Bank etc.

Bulir, Ales, and A. Javier Hamann, 2003, "Aid Volatility: An Empirical Assessment," *IMF Staff Papers*, Vol. 50:1, pp. 64-89.

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Prasad, Eswar, and Raghuram Rajan, 2008, "A Pragmatic Approach to Capital Account Liberalization," *Journal of Economic Perspectives*, Vol. 22:3, pp. 149-172.

Rajan, Raghuram G., and Arvind Subramanian, 2005, "What Undermines Aid's Impact on Growth," IMF Working Paper 05/126.

Rajan, Raghuram G., and Arvind Subramanian, 2008, "Aid and Growth: What Does the Cross-Country Evidence Really Show," *Review of Economics and Statistics*, Vol. 90:4, pp. 643-665.

Truman, Edwin, 2007, "Sovereign Wealth Funds: The Need for Greater Transparency and Accountability," Institute for International Economics, Policy Brief 07-6.

Truman, Edwin, 2008, "A Blueprint for Sovereign Wealth Fund Best Practices," Peterson Institute for International Economics, Policy Brief 08-3.

Topic 11: Implications of Financial Globalization (and the Crisis) for Monetary Policy Frameworks in Emerging Markets

A. Monetary Policy: The New Neoclassical Synthesis

B. Does Financial Openness Make Monetary Policy Less/More Effective, Less/More Relevant

C. Optimal Monetary and Exchange Rate Policies for Emerging Markets

Buiter, Willem, 2008, "Central Banks and Financial Crises", paper presented at the Federal Reserve Bank of Kansas City's Jackson Hole Symposium on "Maintaining Stability in a Changing Financial System."

Goodfriend, Marvin, 2007, "How the World Achieved Consensus on Monetary Policy," *Journal of Economic Perspectives*, Vol.21:4, pp. 47-68.

Goodfriend, Marvin, 2004, "Monetary Policy in the New Neoclassical Synthesis: A Primer," Federal Reserve Bank of Richmond *Economic Quarterly*, Vol. 90:3, pp. 21-45.

Goodfriend, Marvin, and Eswar Prasad, 2007, "A Framework for Independent Monetary Policy in China," *CESifo Economic Studies*, Vol. 53:1, pp. 2-41.

Hammond, Gill, Ravi Kanbur and Eswar Prasad, 2008, "Monetary Policy Challenges for Emerging Market Economies," Brookings Global Economy & Development Working Paper No. 36.

Rogoff, Kenneth, 2006, "Impact of Globalization on Monetary Policy," *Proceedings*, Federal Reserve Bank of Kansas City, pp. 265-305.

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Rose, Andrew, 2007, "A Stable International Monetary System Emerges: Inflation Targeting is Bretton Woods, Reversed," *Journal of International Money and Finance*, Vol. 26:5, pp. 663-81.

Woodford, Michael, 2007, "Globalization and Monetary Control," NBER Working Paper No. 13329.

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Key Dates

Tuesday, September 15: Panel discussion on Global Financial Crisis (Eichengreen, Kuttner, Prasad) Call Auditorium, Kennedy Hall @ **5:00 p.m.**

Tuesday, October 6: Guest lectures by Dr. Ayhan Kose, IMF

Wednesday, October 7: Guest lectures by Dr. Ayhan Kose, IMF

Friday, October 16: Paper proposals due

Wednesday, October 21: Presentations of paper proposals

Friday, November 20: First drafts of papers due

Wednesday, November 24: Presentations of first drafts

Wednesday, December 9: Final drafts of papers due @ noon

Research Proposals

Maximum length of proposal: 10 pages of double-spaced text including cover page and appendixes but excluding references, charts and tables (use 12 point font, at least 1 inch margin on all sides).

Preliminary Drafts of Papers

Maximum length of draft: 20 pages of double-spaced text including cover page and appendixes but excluding references, charts and tables (use 12 point font, at least 1 inch margin on all sides).

Structure, Format for Research Paper

Final draft of paper is due on **Wednesday, December 9 at 12 noon**. No exceptions.

Maximum length of final draft: 25 pages of double-spaced text including cover page and appendixes but excluding references, charts and tables (use 12 point font, at least 1 inch margin on all sides). Cover page should contain an abstract—maximum of 150 words.

Introduction should clearly convey the objective of your paper, provide a clear motivation (why the questions you are addressing are of interest), what the main original contribution of your paper is, and the key results.

12

Do not include an extensive literature survey. In the text, discuss only a few key papers that you are building on. Footnote the remaining papers.

Tables and figures should have self-explanatory titles and footnotes, with axes labeled clearly and showing relevant units.

Empirical work should be described clearly (dataset, variable transformations, exact specifications etc.) in a manner that allows for easy replication by other researchers.

Theoretical work should have clear and consistent notation.

Email all documents to me (eswar.prasad), with cc to Rahul Anand (ra254) and Carol Thomson (cmt8), with the subject line indicating "7670: Proposal" (or whatever the relevant document is).

Development Economics
Economics 3710
SPRING 2010
Department of Economics, Cornell University
MWF 11:15AM-12:05PM – Goldwin Smith Hall G76
INSTRUCTOR: Prof. Jim Berry

OFFICE: Uris Hall 486
 TELEPHONE: (607) 255-6338
 E-MAIL: jwb295@cornell.edu
 OFFICE HOURS: Monday 1-2:30PM

Course Description

This course will cover topics in development economics, focusing on poverty alleviation at the micro-economic level. We will cover a range of issues that attract both research and policy attention in the field, from both a theoretical and applied perspective. The goal of this course is to both understand the microeconomic issues surrounding poverty alleviation and the tools researchers use to study these issues. Thus, we will pay careful attention to the methods and approaches used in the articles that we study.

Prerequisites

The main prerequisite for this course is Econ 3130. A background in econometrics is useful but not required. Some econometrics is useful to understand the empirical papers we will study, and to do the problem sets. An outline of the techniques will be taught during the course as required.

Grading Policy

Grades in this course will be based on the following:

1. Six problem sets (50%)
2. Midterm Exam (25%), tentatively scheduled for Thursday, March 18th at 7:30PM.
3. Final Exam (25%), taking place during finals period

Blackboard

1

You should enroll in the course's Blackboard site by going to <http://blackboard.cornell.edu>. The blackboard site contains the most recent electronic version of this syllabus (which links to the papers). If the syllabus is updated, it will be posted on this site. Problem sets and handouts will also be posted. Solutions to problem sets and exams will only be available in class or in one of the boxes outside of my office.

Handouts

Lecture notes will typically be handed out when we start each topic. These notes will provide an outline of the material covered in class. However, there will be some material covered in lecture that does not appear on the lecture notes, and thus reading the lecture notes should not be viewed as a substitute for coming to class.

Readings

The primary text for this course is Development Economics by Debraj Ray. You will also be

responsible for several chapters of Portfolios of the Poor: How the World's Poor Live on \$2 a Day

by Daryl Collins, Jonathan Morduch, Stuart Rutherford, and Orlanda Ruthven.

We will also cover a number of journal articles. Some of these articles contain technical material

beyond the scope of this course. As you read these articles, it is important to understand the

research questions, the approach and the main findings. You do not need to understand the statistical

techniques not covered in lecture, but you should be able to read and understand the main

tables of results.

Course Outline

Required readings are marked with **. Recommended readings are marked with *.

There are

also a number of supplementary readings for each topic for those of you wishing to understand

the topics in more depth. All of the articles are linked from the electronic version of this syllabus.

Many of these are linked through the library, which require you to enter your Cornell ID and

password. Please see me if you have any trouble accessing any of the articles.

Additional readings

may be added during the semester.

1. Measuring Poverty

**World development indicators 2008, 2008. URL <http://siteresources.worldbank.org/DATASTATISTICS/Resources/WDI08supplement1216.pdf>

**Angus Deaton. Measuring poverty. Princeton Research Program in Development Working

Paper, 2004. URL http://papers.ssrn.com/sol3/papers.cfm?abstract_id=564001

**Abhijit V. Banerjee and Esther Duflo. The economic lives of the poor. Journal of Economic

Perspectives, 21(1):141–167, 2007b. URL [http://encompass.library.cornell.](http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=24284344&site=ehost-live)

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<http://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=24284344&site=ehost-live>. See also the supplementary tables, available at <http://econ-www.mit.edu/files/3792>

*Chap. 1-2 in Collins et al. [2009]

Chap. 8 in Ray [1998]

Martin Ravallion and Shaohua Chen. Dollar a day revisited. World Bank Policy Research

Working Paper 4620, 2008. URL [http://www-wds.worldbank.org/external/default/](http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/09/02/000158349_20080902095754/Rendered/PDF/)

[WDSContentServer/IW3P/IB/2008/09/02/000158349_20080902095754/Rendered/PDF/](http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/09/02/000158349_20080902095754/Rendered/PDF/)

wps4620.pdf

Angus Deaton and Valerie Kozel. Data and dogma: The great indian poverty debate. World

Bank Research Observer, 20:177–199, 2005. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://proquest.umi.com/pqdweb?did=900007731&sid=2&Fmt=6&clientId=8424&RQT=309&VName=PQD

The Millennium Development Goals Report 2009, United Nations, 2009. <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202009%20ENG.pdf>

Human Development Report 2007-2008: Human Development Indicators, United Nations

Development Programme, 2008. http://hdr.undp.org/en/media/HDR_20072008_EN_Complete.pdf

2. Education

(a) Overview

**Anne Case. The primacy of education. In Abhijit V. Banerjee, Roland Benabou, and Dilip Mukherjee, editors, *Understanding Poverty*, chapter 18. Oxford University Press, 2006. URL http://www.princeton.edu/rpds/papers/pdfs/case_primacy_education.pdf

**George Psacharopoulos and Harry Anthony Patrinos. Returns to investment in education:

a further update. *Education Economics*, 12(2):111–134, 08 2004. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://search.ebscohost.com/login.aspx?direct=true&db=a2h&AN=14387855&site=ehost-live

*Esther Duflo. Schooling and labor market consequences of school construction in indonesia: Evidence from an unusual policy experiment. *The American Economic Review*,

91(4):795–813, Sep. 2001. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2677813

(b) Interventions to improve education

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**T. Paul Schultz. School subsidies for the poor: Evaluating the mexican programa pobreza program. *Journal of Development Economics*, 74(1):199–250, 2004. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://dx.doi.org/10.1016/j.jdeveco.2003.12.009

**Abhijit V. Banerjee, Shawn Cole, Esther Duflo, and Leigh Linden. Remedying education:

Evidence from two randomized experiments in india. *Quarterly Journal of Economics*, 122(3):1235–1264, 2007. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.mitpressjournals.org/doi/pdf/10.1162/qjec.122.3.1235

*Paul W. Holland. Statistics and causal inference. *Journal of the American Statistical Association*, 81:945–960, 1986. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2289064

(c) Child Labor

**Christopher Udry. Child labor. In Abhijit V. Banerjee, Roland Benabou, and Dilip Mukherjee, editors, *Understanding Poverty*, chapter 16. Oxford University Press, 2006. URL <http://www.econ.yale.edu/~cru2/pdf/kid.pdf>

**Eric V. Edmonds and Nina Pavcnik. Child labor in the global economy. *The Journal of Economic Perspectives*, 19(1):199–220, Winter 2005. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/4134999

Kaushik Basu. Policy dilemmas for controlling child labor. In Abhijit V. Banerjee, Roland Benabou, and Dilip Mukherjee, editors, *Understanding Poverty*, chapter 17. Oxford University Press, 2006. URL <http://www.arts.cornell.edu/econ/CAE/ChildLaborPolicyPathology5.pdf>

3. Land

**Chap. 11 and 12 in Ray [1998]

**Abhijit V. Banerjee, Paul J. Gertler, and Maitreesh Ghatak. Empowerment and efficiency:

Tenancy reform in west bengal. *The Journal of Political Economy*, 110(2):239–280, Apr. 2002. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/3078449

Joseph E. Stiglitz. Incentives and risk sharing in sharecropping. *The Review of Economic*

Studies, 41(2):219–255, Apr. 1974. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2296714

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4. Health and Nutrition

(a) The impact of poor health on development: microeconomic poverty traps

**Chap 8 and 13 in Ray [1998]

(b) Health and health care in LDCs

**Abhijit Banerjee, Angus Deaton, and Esther Duflo. Wealth, health, and health services in rural rajasthan. *The American Economic Review*, 94(2):326–330, May 2004.

URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/3592904

Abhijit Banerjee and Esther Duflo. Aging and death under a dollar a day. NBER

Working Paper 13683, 2007a. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.nber.org/papers/w13683

papers/w13683

(c) Markets for health products

*Jessica Cohen and Pascaline Dupas. Free distribution or cost-sharing? evidence from a randomized malaria prevention experiment. Mimeo, UCLA, March 2009. URL <http://www.econ.ucla.edu/pdupas/CohenDupas.pdf>

*Nava Ashraf, James Berry, and Jesse Shapiro. Can higher prices stimulate product use? evidence from a field experiment in [z]ambia. Mimeo, Cornell University, October 2009. URL <http://www.arts.cornell.edu/econ/jwb295/clorin.pdf>

5. Gender and Family

- **Shelly Lundberg, Robert Pollak, and Terence Wales. Do husbands and wives pool their resources? evidence from the united kingdom child benefit. *Journal of Human Resources*, 32(3):463–480, 1997. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/146179
- **Esther Duflo and Christopher Udry. Intrahousehold resource allocation in cote d'ivoire: Social norms, separate accounts and consumption choices. NBER Working Paper 10498, 2004. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.nber.org/papers/w10498
- *Christopher Udry. Gender, agricultural production, and the theory of the household. *The Journal of Political Economy*, 104(5):1010–1046, 1996. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2138950
- *Nancy Qian. Missing women and the price of tea in china: The effect of sex-specific earnings on sex imbalance. *Quarterly Journal of Economics*, 123(3):1251–1285, 2008. doi: 10.1162/qjec.2008.123.3.1251. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.mitpressjournals.org/doi/abs/10.1162/qjec.2008.123.3.1251
- *Amartya Sen. More than 100 million women are missing. *The New York Review of Books*, 37(20), 1990. URL <http://www.nybooks.com/articles/3408>
- *Lena Edlund, Hongbin Li, Junjian Li, and Junsen Zhang. Sex ratios and crime: evidence from China's one-child policy. IZA Discussion Paper No. 3214, 2007. URL <http://ftp.iza.org/dp3214.pdf>
- *Vijayendra Rao. The rising price of husbands: A hedonic analysis of dowry increases in rural india. *The Journal of Political Economy*, 101(4):666–677, 1993. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2138743
- Esther Duflo. Grandmothers and granddaughters: Old-age pensions and intrahousehold allocation in south africa. *World Bank Economic Review*, 17(1):1–25, 2003. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://wber.oxfordjournals.org/cgi/reprint/17/1/1
6. Risk, Savings and Insurance
- **Chap. 3-4 in Collins et al. [2009]
- *Christina H. Paxson. Using weather variability to estimate the response of savings to transitory income in thailand. *The American Economic Review*, 82(1):15–33, 1992. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2117600

- *Nava Ashraf, Dean Karlan, and Wesley Yin. Tying odysseus to the mast: Evidence from a commitment savings product in the philippines. *Quarterly Journal of Economics*, 121(2): 635–672, 2006. URL <http://people.hbs.edu/nashraf/qjec20061212.pdf>
- Jonathan Morduch. Microinsurance: The next revolution? In Abhijit V. Banerjee, Roland Benabou, and Dilip Mukherjee, editors, *Understanding Poverty*, chapter 22. Oxford University Press, 2006. URL <http://dri.as.nyu.edu/docs/IO/12607/DRIWP12.pdf>
- Robert M. Townsend. Risk and insurance in village india. *Econometrica*, 62(3):539–591, May 1994. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2951659
- Chap. 15 in Ray [1998]
7. Credit, Credit Constraints and Microcredit
- *Chap. 5 in Collins et al. [2009]
- (a) Credit Constraints
- 6
- *Chap. 14 in Ray [1998]
- *Robert Townsend. Credit, intermediation, and poverty reduction. In Abhijit V. Banerjee, Roland Benabou, and Dilip Mukherjee, editors, *Understanding Poverty*, chapter 23. Oxford University Press, 2006. URL http://cier.uchicago.edu/papers/published/Credit_Intermediation_072004.pdf
- (b) Microcredit
- **Chap. 6 in Collins et al. [2009]
- **Beatriz Armendariz de Aghion and Jonathan Morduch. Microfinance: Where do we stand? In Gharles Goodhart, editor, *Financial development and Economic Growth: Explaining the Links*, chapter 5. Palgrave Macmillan, 2004. URL http://www.nyu.edu/projects/morduch/documents/microfinance/Microfinance_Where_Do_We.pdf
- *Jonathan Morduch. The microfinance promise. *Journal of Economic Literature*, 37(4):1569–1614, Dec. 1999. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2565486
- Abhijit Banerjee, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. The miracle of microfinance? evidence from a randomized evaluation. Mimeo, Jameel Poverty Action Lab, October 2009. URL http://povertyactionlab.org/papers/101_Duflo_Microfinance_Miracle.pdf
8. Institutions
- **Daron Acemoglu, Simon Johnson, and James A. Robinson. The colonial origins of comparative development: An empirical investigation. *The American Economic Review*, 91(5): 1369–1401, 2001. ISSN 00028282. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2677930
- *Abhijit Banerjee and Lakshmi Iyer. History, institutions, and economic performance: The legacy of colonial land tenure systems in india. *The American Economic Review*, 95(4):

1190–1213, 2005. ISSN 00028282. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/4132711

Rafael La Porta, Florencio Lopez-de Silanes, Andrei Shleifer, and Robert W. Vishny. Law

and finance. *The Journal of Political Economy*, 106(6):1113–1155, 1998. ISSN 00223808.

URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2990735

9. Corruption

7

**Andrei Shleifer and Robert W. Vishny. Corruption. *The Quarterly Journal of Economics*,

108(3):599–617, 1993. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2118402

*Benjamin A. Olken. Monitoring corruption: Evidence from a field experiment in indonesia.

Journal of Political Economy, 115(2):200–249, 2007. doi: 10.1086/517935. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://dx.doi.org/10.1086/517935

Paolo Mauro. Corruption and growth. *The Quarterly Journal of Economics*, 110(3):681–712, 1995. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2946696

Simeon Djankov, Rafael La Porta, Florencio Lopez-de Silanes, and Andrei Shleifer. The regulation of entry. *The Quarterly Journal of Economics*, 117(1):1–37. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.jstor.org/stable/2696481

Benjamin A. Olken and Patrick Barron. The simple economics of extortion: evidence from

trucking in Aceh. *Journal of Political Economy*, 117(3):417–452, 2009. URL http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.journals.uchicago.edu/doi/pdf/10.1086/599707

10. Research Methods in Development Economics (time permitting)

**Abhijit V. Banerjee and Esther Duflo. The experimental approach to development economics.

Annual Review of Economics, 1:151–178, 2009. URL <http://arjournals.annualreviews.org/doi/abs/10.1146/annurev.economics.050708.143235>

**Angus Deaton. Instruments of development: Randomization in the tropics, and the search

for the elusive keys to economics development. NBER Working Paper No. 14690, 2009. URL

http://encompass.library.cornell.edu/cgi-bin/checkIP.cgi?access=gateway_standard&url=http://www.nber.org/papers/w14690

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**Cornell University Professor Gary Fields
Department of Economics Fall, 2008**

**Economics 7720
Economic Development**

Course Description: *Analytical approaches to the economic problems of developing nations. Topics include old and new directions in development economics thinking, the welfare economics of poverty and inequality, empirical evidence on who benefits from economic development, labor market models, and public policy evaluation.*

Prerequisites: *First-year graduate economic theory and econometrics (Economics 6090 and 6100, 6130 and 6140, 6190 and 6200).*

Contact Information:

Professor Gary Fields, 354 Ives, gsf2@cornell.edu

Assistant: Darrlyn O'Connell, 385 Ives, dss7@cornell.edu

Readings:

0. About Writing

- William Thomson, "The Young Person's Guide to Writing Economic Theory," Journal of Economic Literature, March, 1999. Read Sections 1-3 and skim the rest.

I. Distribution and Economic Growth: Theory and Evidence

A. Distribution and development: An introduction

- Distribution and Development, Chapter 1.
- Abhijit Banerjee and Esther Duflo, "The Economic Lives of the Poor," Journal of Economic Perspectives, Winter 2007, pp. 141-168.

B. Inequality and growth: Theory and evidence

- Foster and Sen, Chapters A.2-A.4.
- Gary S. Fields and George H. Jakubson. "New Evidence on the Kuznets Curve." Processed. 1994.
- Anthony B. Atkinson and Andrea Brandolini, "The Panel of Countries Approach to Explaining Income Inequality: An Interdisciplinary Research Agenda.," in Stephen L. Morgan, David B. Grusky, and Gary S. Fields, eds., Mobility and Inequality. (Palo Alto, CA: Stanford University Press), Chapter 14.
- Distribution and Development, Chapters 2 and 3. 2

C. Poverty and growth: Theory and evidence

- Anthony B. Atkinson. "On the Measurement of Poverty." Econometrica 55(4), July 1987, pp. 749-764.
- Foster and Sen, Chapter A.6.
- Distribution and Development, Chapters 4 and 5.

D. Income mobility: Theory and evidence

- Stephen L. Morgan. "Past Themes and Future Prospects for Research on Social and Economic Mobility," in Stephen L. Morgan, David B. Grusky, and Gary S. Fields, eds., Mobility and Inequality. (Palo Alto, CA: Stanford University Press, 2006), Chapter 1.
- Distribution and Development, Chapters 6 and 7.

E. Social welfare: Theory and evidence

- Foster and Sen, Chapter A.1.
- Graham Pyatt, "Social Evaluation Criteria," in C. Dagum and M. Zenga, Income and Wealth Distribution, Inequality and Poverty (Berlin: Springer-Verlag, 1989), 243-253.
- Distribution and Development, Chapters 8 and 9.

II. Modeling Employment, Unemployment, Wages, and Labor Markets

- Gary Fields. "Segmented Labor Market Models in Developing Countries," forthcoming in Harold Kincaid and Don Ross, eds., The Oxford Handbook of the Philosophy of Economic Science, Oxford University Press. Available on my website <http://www.ilr.cornell.edu/directory/gsf2>
- John Harris and Michael Todaro. "Migration, Unemployment, and Development: A Two Sector Analysis." American Economic Review, March 1970, pp. 126-142.
- Kaushik Basu, Analytical Development Economics. (Cambridge, MA: MIT Press, 1997), Chapters 7-10.
- Abhijit Banerjee and Andrew Newman, "Occupational Choice and the Process of Development," Journal of Political Economy, 1993, pp. 274-298.
- World Bank, Informality: Exit and Exclusion, Overview chapter, 2007. Available online at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/0,,contentMDK:21345369~pagePK:146736~piPK:146830~theSitePK:258554,00.html>. 3

III. Public Economics and Development Economics

A. Overall framework

- Anthony B. Atkinson and Joseph E. Stiglitz. "Public Economics: Theory and Policy." Lectures on Public Economics (New York: McGraw-Hill Book Co., 1980), pp. 333-350 and 557-563.
- Harvey S. Rosen. Public Finance 3rd edition, (Homewood, IL: Irwin, 1992), pp. 50-57.

B. Application to labor market policies

- Gary Fields. "A Welfare Economic Analysis of Labor Market Policies in the Harris-Todaro Model." Journal of Development Economics, 2005, pp. 127-146.
- Gary Fields, "Labor Market Policy in Developing Countries: A Selective Review of the Literature and Needs for the Future," 2007, processed.

C. Application to other development issues

- George Psacharopoulos and Harry Patrinos, "Returns to Investment in Education: A Further Update." Education Economics, 2004, 12(2): 111-134.
- Martin Ravallion, "Evaluating Anti-Poverty Programs," in T. Paul Schultz and John Strauss, eds., Handbook of Development Economics, Volume 4, 2008. (Amsterdam: North-Holland).
- Timothy Besley and Robin Burgess. "Halving Global Poverty" Journal of Economic Perspectives Summer, 2003, pp. 3-22.
- Esther Duflo, "Field Experiments in Development Economics," in Richard Blundell, Whitney Newey, and Torsten Persson, eds., Advances in Economic Theory and Econometrics. Cambridge University Press., 2006.
- Orasio Attanazio, Adriana Kugler, and Costas Meghir, "Effects of Youth Training in Developing Countries: Evidence from a Randomized Training Program in Colombia," Processed, 2007.
- Dilip Mookerjee, Pranab Bardhan, Kaushik Basu, Abhijit Banerjee, and Ravi Kanbur, "New Directions in Development Economics: Theory or Empirics?" Economic and Political Weekly, 2005.
- Excerpt from Jeffrey Sachs, The End of Poverty.

IV. Nobel Laureates' Contributions to Development Economics Thinking

- Theodore W. Schultz. "Nobel Lecture: The Economics of Being Poor." Journal of Political Economy 88(4), August 1980, pp. 639-651.
- W. Arthur Lewis. "The State of Development Theory." American Economic Review 74(1), March 1984, pp. 1-10. 4

- Amartya Sen. "Development: Which Way Now?" Economic Journal 93 (December, 1983), pp. 745-762.
- Amartya Sen. "Space, Capability, and Inequality." Chapter A.7 of Sen and Foster.
- Joseph Stiglitz. "Towards a New Paradigm for Development: Strategies, Policies, and Processes." Processed. 1998.
- Joseph Stiglitz. "Information and the Change in the Paradigm in Economics," American Economic Review, June, 2002.

*Tuesdays and Thursdays, 6 to 7.15 pm, Uris Hall 498
Spring 2009*

Econ. 7730

ECONOMIC DEVELOPMENT

The aim of this one-semester course is to introduce graduate students to the theoretical foundations of development economics and also to recent advances in the use of empirical methods in the study of developing countries. Students will also be introduced to several selected topics of contemporary research in development economics in order to acquaint them with the art of designing and carrying out their own research. Unlike in previous years, the course this year will be split into two parts, A and B, for which the primary responsibility will be with, respectively, Kaushik Basu and A. Chari. Each of these parts will last for approximately five and a half weeks. The last two weeks will be used for the presentation of student papers. Students taking this course for a letter grade will have to take an end-of-semester, open-book examination and also write a paper and present it in class. Those who take the course for pass or fail will have to simply write a paper at the end of the semester. Class participation will be important for all students. The reading list is longer than what we will be able to cover in class and what anyone can read (with comprehension) in a semester. It is meant to give the student a broad idea of the kind of material that will be covered and to provide a somewhat open field from which to pick and choose. It is also meant to serve as a guide to the student for choosing a topic for the class workshop. We could winnow down the list for you closer to the time of the examination.

Topics and Readings

PART A

[Professor in charge: Kaushik Basu, kb40@cornell.edu]

The book **Analytical Development Economics** by Kaushik Basu (MIT Press, 2003) will be used for a couple of topics and is referred to, in brief, as ADE. The first five topics below cover the early foundations of development economics—the ‘core’—and the remainder are special topics of contemporary interest.

I. The Vicious Circle of Poverty and Multiple Equilibria

ADE Chapter 2, Chapter 3 section 3.4

Hoff, K. and Stiglitz, J. (2001), ‘Modern Economic Theory and Development’, in G. Meier and J. Stiglitz (eds.), **Frontiers of Development Economics**, Oxford University Press.

Bowles, S., Durlauf, S. and Hoff, K. (eds.) (2006), **Poverty Traps**, Princeton: Princeton University Press.

Murphy, K.M., Schleifer, A. and R. Vishny (1989), ‘Industrialization and the Big Push’, **Journal of Political Economy**. [Reprinted in P. Bardhan and C. Udry, eds. (2000), **Readings in Development Economics**, Vol. 1, MIT Press.]

2

Kremer, M. (1993), ‘The O-ring Theory of Economic Development’, **Quarterly Journal of Economics**, vol. 108.

Rosenstein-Rodan, P.N. (1943), ‘Problems of Industrialization of Eastern and South-Eastern Europe’, **Economic Journal**, vol. 53.

Galor, O. and Zeira, J. (1993), ‘Income Distribution and Macroeconomics’, **Review of Economic Studies**, vol. 60.

Banerjee, A. and Newman, A. (1993), ‘Occupational Choice and the Process of

Development', **Journal of Political Economy**, vol. 101. [Reprinted in P. Bardhan and C. Udry, eds. (2000), **Readings in Development Economics**, Vol. 1, MIT Press.]

II. International Debt and Crises

ADE Chapter 6

Stiglitz, J. E. (2002), **Globalization and Its Discontents**, W.W. Norton & Co., Chapter 4.

Basu, K. (2003), 'Globalization and the Politics of International Finance: The Stiglitz Verdict', **Journal of Economic Literature**, September, forthcoming.

Chichilnisky, G. (1980), 'Basic Goods, the Effects of Commodity Transfers and the International Economic Order', **Journal of Development Economics**, vol. 7.

Dooley, M. (1989), 'Debt Relief and Leveraged Buy-Outs', **International Economic Review**, vol. 30.

Rodrik, D. (1997), **Has Globalization Gone too Far?** Washington: Institute for International Economics.

Basu, K. and Morita, H (2006), 'International Credit and Welfare: A Paradoxical Theorem and Its Policy Implications,' **European Economic Review**, vol. 50.

III. The Dual Economy and Migration

ADE Chapters 7 & 8.

Harris, J. and Todaro, M.P. (1970), 'Migration, Unemployment and Development', **American Economic Review**, vol. 60.

Fields, G. (1975), 'Rural-urban Migration, Urban Unemployment and Underemployment, and Job-Search Activity in LDCs', **Journal of Development Economics**, vol. 2.

Lewis, W.A. (1954), 'Economic Development with Unlimited Supplies of Labor', **The Manchester School**, vol. 28.

IV. The Rural-Urban Wage Gap, Unemployment and Surplus Labor

ADE Chapters 10.

Osmani, S. (1990), 'Wage Determination in Rural Labor Markets: The Theory of Implicit Cooperation', **Journal of Development Economics**, vol. 34.

Mirrlees, J. (1975), 'Pure Theory of Underdeveloped Economies' in Reynolds, L.G. (ed), **Agriculture in Development Theory**, Yale University Press.

3

Stiglitz, J. (1974), 'Alternative Theories of Wage Determination and Unemployment in LDCs: The Labour Turnover Model', **Quarterly Journal of Economics**, vol. 88.

Bliss, C. and Stern, N. (1978), 'Productivity, Wages and Nutrition', **Journal of Development Economics**, vol. 5.

Dasgupta, P. and Ray, D. (1986), 'Inequality as a Determinant of Malnutrition and Unemployment: Theory,' **Economic Journal**, vol. 96.

Basu, K. and Felkey, A. (2009), A Theory of Efficiency Wage with Multiple Unemployment Equilibria: How a Higher Minimum Wage Law Can Curb Unemployment, **Oxford Economic Papers**, forthcoming.

V. Agrarian Structure, Credit and Tenancy

ADE Chapter 12 & 13

Bhaduri, A. (1973), 'A Study of Agricultural Backwardness Under Semi-Feudalism', **Economic Journal**, vol. 83.

Basu, K. (1989), 'Technological Stagnation, Tenurial Laws and Adverse Selection', **American Economic Review**, vol. 79.

Genicot, G. (2002), 'Bonded Labor and Serfdom: A Paradox of Voluntary Choice', **Journal of Development Economics**, vol. 67.

Duflo, E., Kremer, M. and Robinson, J. (2004), 'Understanding Technology Adoption: Fertilizer in Western Kenya,' mimeo: MIT.

Ghatak, M. and Guinnane, T. (1999), 'The Economics of Lending with Joint Liability: Theory and Practice', **Journal of Development Economics**, vol. 60.

Bardhan, P. (1980), 'Interlocking Factor Markets and Agrarian Development', **Oxford Economic Papers**, vol. 32.

Braverman, A. and Stiglitz, J. (1982), 'Sharecropping and the Interlinkage of Agrarian Markets', **American Economic Review**, vol. 72.

Ray, T. (1999), 'Share Tenancy as Strategic Delegation,' **Journal of Development Economics**, vol. 58(1), 45-60.

VI. Measuring Underdevelopment

Fields, G.S. (2002), **Distribution and Development**, MIT Press, Chapters 2 and 4.

Sen, A. (1976), 'Poverty: An Ordinal Approach to Measurement', **Econometrica**, vol.44.

Sen, A. (1997), **On Economic Inequality**, Oxford: Clarendon Paperbacks.

Basu, K. and Foster, J. (1998), 'On Measuring Literacy', **Economic Journal**, vol. 108.

Gibson, J. (2001), 'Literacy and Intrahousehold Externalities,' **World Development**, vol. 29.

Foster, J., Greer, J. and Thorbecke, E. (1984), 'A Class of Decomposable Poverty Measures,' **Econometrica**, vol. 52.

Subramanian, S. ed. (1997), **Measurement of Inequality and Poverty**, Oxford University Press.

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VII. International Labor Standards and Child Labor

Basu, K. and Van, P.H. (1998), 'The Economics of Child Labor', **American Economic Review**, vol. 88.

Basu, K. (1999), 'Child Labor: Cause, Consequence, and Cure with Remarks on International Labor Standards', **Journal of Economic Literature**, vol. 37.

Engerman, S. (2003), 'An Overview of the Evolution of Labor Standards', in K. Basu, H. Horn, L. Roman and J. Shapiro (eds.), **International Labor Standards: History, Theories and Policy**, Blackwell Publishers.

Bardhan, P.K. and Udry, C. (1999), **Development Microeconomics**, Oxford University Press, Chapter 3.

Swinerton, K. and Rogers, C. (1999), 'The Economics of Child Labor: Comment', **American Economic Review**.

Grootaert, C. Kanbur, R. (1995), 'Child Labor: An Economic Perspective', **International Labor Review**, vol. 134.

Edmonds, E. and Pavcnik, N. (2005), 'Child Labor in the Global Economy,' **Journal of Economic Perspectives**, vol. 19.

Emerson, P. and Souza, A. (2003), 'Is there a Child Labor Trap? Intergenerational persistence of Child Labor in Brazil', **Economic Development and Cultural Change**.

Doepke, M. and Zilibotti, F (2005), 'The Macroeconomics of Child Labor Regulation,'

American Economic Review, vol. 95.

De Janvry, A., Finan, F., Sadoulet, E. and Vakis, R. (2006), 'Can Conditional Cash Transfer Programs serve as Safety Nets in Keeping Children at School and from Working, when Exposed to Shocks,' **Journal of Development Economics**, vol. 79.

Bar, T. and Basu, K. (2009), 'Children, Education, Labor and Land: In the Long Run and Short,' **Journal of the European Economic Association**, forthcoming.

Basu, K. and Zarghamee, H. (2009), 'Is Product Idea a Good Idea for Controlling Child Labor?' **Journal of Development Economics**, forthcoming.

Hazan, M. and Berdugo, B. (2003), 'Child Labor, fertility and Economic Growth', **Economic Journal**.

VIII. Household, Community, Gender and Decision-making

Basu, K. (2006), 'Gender and Say: A Model of Household Decision-making with Endogenous Balance of Power,' **Economic Journal**, vol. 116.

Udry, C. (1996), 'Gender, Agricultural Production and the Theory of the Household', **Journal of Political Economy**, vol. 104. [Reprinted in P. Bardhan and C. Udry, eds. (2000), **Readings in Development Economics**, Vol. 2, MIT Press.]

Francois, P. (1998), 'Gender Discrimination without Gender Difference,' **Journal of Public Economics**, vol. 68.

Chattopadhyay, R. and Duflo, E. (2004), 'Women as Policy Makers: Evidence from a Randomized Policy Experiment in India,' **Econometrica**, vol. 72.

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IX. Labor Legislation and Enterprise Reform

Basu, K., Fields, G. and Debgupta, S. (2009), 'Labor Retrenchment Laws and Their Effects on Wages and Employment: A Theoretical Investigation,' in Dutta, Bhaskar, Ray, Tridip and Sommanathan, E. (eds.), **Development and Change**, World Scientific Publishers, forthcoming.

Basu, K. (2007), 'Coercion, Conflict and the Limits of the Market,' **Social Choice and Welfare**, vol. 29.

Lin, J. Y., Cai, Fang and Li, Z. (1996), **The China Miracle: Development Strategy and Economic Reform**, Chinese University Press. Chapter 5.

X. Cooperatives, Power and Institutions

Malinowski, B. (1921), 'The Primitive Economy of the Trobriand Islanders,' **Economic Journal**, vol. 31.

Banerjee, A., Mookherjee, D., Munshi, K. and Ray, D. (2001), 'Inequality, Control Rights and Rent-seeking: Sugar Cooperatives in Maharashtra,' **Journal of Political Economy**, vol. 2001.

Basu, K. (2000), **Prelude to Political Economy: A Study of the Social and Political Foundations of Economics**, Oxford University Press. Chapter 6.

Platteau, J. -P. and Abraham, A. (1987), 'An Enquiry into Quasi-Credit Systems in Traditional Fisherman Communities,' **Journal of Development Studies**, vol. 30.

Hattlebakk, M. (2002), 'A New and Robust Subgame Perfect Equilibrium in a Model of Triadic Power Relations,' **Journal of Development Economics**, vol. 68, no. 1.

Myerson, R. B. (2004), 'Justice, Institutions, and Multiple Equilibria,' **Chicago Journal of International Law**, vol. 5.

Part B

[Professor in charge: A. Chari, chari@cornell.edu]

This half of the course is intended to introduce students to the canonical empirical micro development literature, while also surveying some newer developments in the field. For the most part, the format will consist of discussions of published papers, along with the occasional lecture. Each paper that we will discuss will be assigned to a student, who will be responsible for writing and distributing a “referee report” on it prior to the class meeting.

The papers we will discuss are available through JSTOR or other Cornell-accessible resources. There are no required textbooks, but if you have some long-term interest in development economics, it might be a worthwhile investment to obtain the following two books:

1. *Development Microeconomics*, by Pranab Bardhan and Christopher Udry
2. *The Analysis of Household Surveys*, by Angus Deaton

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A tentative list of readings for the course is given below, but we may end up deviating from this template significantly. Also, if you have any particular topics or papers that you would like us to discuss in class, please let me know, and I will see if I can fit them into the schedule.

I. Household Models, and Intra-Household Allocation

Benjamin, Dwight. 1992. “Household Composition, Labor Markets and Labor Demand: Testing for Separation in Agricultural Household Models.” **Econometrica**.

Pitt, M., M. Rosenzweig and Md. N. Hassan. 1990. “Productivity, Health and Inequality in the Intra-Household Distribution of Food in Low-income countries.” **American Economic Review**.

Browning, M. and P.A. Chiappori. 1998. “Efficient Intra-Household Allocations: A General Characterization and Empirical Tests.” **Econometrica**.

Deaton, A. and C. Paxson. 1998. “Economies of Scale, Household Size and the Demand for Food.” **Journal of Political Economy**.

Thomas, Duncan. 1990. “Intra-Household Resource Allocation: An Inferential Approach.” **Journal of Human Resources**.

Udry, Christopher. 1996. “Gender, Agricultural Productivity and the Theory of the Household.” **Journal of Political Economy**.

II. Savings, Credit, Risk and Insurance

Paxson, C. 1992. “Using Weather Variability to Estimate the Response of Savings to Transitory Income in Thailand.” **American Economic Review**.

Kochar, Anjini. 1999. “Smoothing Consumption by Smoothing Income: Hours-of-Work Responses to Idiosyncratic Agricultural Shocks in Rural India.” **Review of Economics and Statistics**.

Jacoby, H. and E. Skoufias. 1997. “Risk, Financial Markets and Human Capital in a Developing Country.” **Review of Economic Studies**.

Udry, Christopher. 1994. “Risk and Insurance in a Rural Credit Market: An Empirical Investigation in Northern Nigeria.” **Review of Economic Studies**.

Townsend, R. 1994. “Risk and Insurance in Village India.” **Econometrica**.

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Rosenzweig, M. and K. Wolpin. 1993. “Credit Market Constraints and the Accumulation of Durable Production Assets in Low-Income Countries: Investments in Bullocks.” **Journal of Political Economy**.

Ligon, E., J. P. Thomas and T. Worrall. 2002. “Informal Insurance Arrangements with Limited Commitment: Theory and Evidence from Village Economies.” **Review of**

Economic Studies.

Symposium on Consumption Smoothing in Developing Countries in *Journal of Economic Perspectives*, 1995.

Karlan, D. and J. Zinman. 2008. "Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment." **Econometrica**.

III. Human Capital and Health

Thomas, D. and J. Strauss. 1997. "Health and Wages: Evidence on Men and Women in Urban Brazil." **Journal of Econometrics**.

Thomas, D. and J. Strauss. 1998. "Health, Nutrition and Economic Development."

Journal of Economic Literature.

Foster, A. and M. Rosenzweig. 1996. "Technical Change and Human Capital Returns and Investments: Evidence from the Green Revolution." **American Economic Review**.

Jacoby, H. 2002. "Is there an Intra-Household 'Flypaper Effect'? Evidence from a School Feeding Program." **Economic Journal**.

IV. Causal Effects

Duflo, E. and R. Pande. 2008. "Dams." **Quarterly Journal of Economics**.

Miguel, E. and M. Kremer, 2004. "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities." **Econometrica**.

Duflo, E., R. Glennerster, M. Kremer. 2007. "Using Randomization in Development Economics Research: A Toolkit." **Handbook of Development Economics**, Vol 4.

Banerjee, A. and E. Duflo. 2008. "The Experimental Approach to Development Economics." Mimeo, MIT.

Rodrik, D. 2008. "The New Development Economics: We Shall Experiment, But How Shall We Learn?" Mimeo, Harvard University.

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V. Industrial Development

(a) Credit and Finance

Levine, R. 1997. *Financial Development and Economic Growth: Views and Agenda*.

Journal of Economic Literature.

Banerjee, A. 2003. "Contracting Constraints, Credit Markets and Economic Development." **Advances in Economics and Econometrics: Theory and Applications**, Dewatripont and Turnovsky (eds), Cambridge Press, New York.

Banerjee, A. and E. Duflo. 2008. Do Firms Want to Borrow More? Testing Credit Constraints Using a Directed Lending Program. *Mimeo*, MIT

(b) Property Rights

Besley, T. 1995. Property Rights and Investment Incentives: Theory and Evidence from Ghana. **Journal of Political Economy**.

Field, E. 2007. Entitled to Work: Urban Property Rights and Labor Supply in Peru. **QJE**.

Wang, Shing-Yi. 2008. Credit Constraints, Job Mobility and Entrepreneurship: Evidence from a Property Reform in China. *Mimeo*, NYU.

(c) Productivity and Growth

Pavcnic, N. 2002. Trade Liberalization, Exit and Productivity Improvements: Evidence from Chilean Plants. **Review of Economic Studies**.

Hsieh, C. and P. Klenow. 2009. Misallocation and Manufacturing TFP in China and India. **QJE** (forthcoming)

Melitz, M. 2003. The Impact of Trade on Intra-Industry Reallocations and Aggregate

Industry Productivity. **Econometrica**.

Javorcik, B. 2004. Does FDI Increase the Productivity of Domestic Firms? **American Economic Review**.

Restuccia, D. and R. Rogerson. 2008. Policy Distortions and Aggregate Productivity with Heterogeneous Establishments. **Review of Economic Dynamics**.

Parente, S. and E. Prescott. 2000. Barriers to Riches. MIT Press.

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(d) Corporate Organization

Johnson, S., la Porta, R., Lopes-de-Silanes, F. and A. Shleifer. 2000. Tunneling. **AER Papers and Proceedings**.

Morck, R., D. Wolfenzon and B. Yeung. 2005. Corporate Governance, Economic Entrenchment and Growth. **Journal of Economic Literature**.

Bertrand, M., Mehta. P. and S. Mullainathan. 2002. Ferreting Out Tunneling. **QJE**.

Almeida. H. and D. Wolfenzon. 2006. A Theory of Pyramidal Ownership and Family Business Groups. **Journal of Finance**.

Final Syllabus March, 2009

**Cornell University
ILR School**

**ILRIC 6350 Professor Gary Fields
Labor Markets, Income Distribution, and Globalization: Spring, 2009
Perspectives on the Developing World**

Course Description

The first half of the course is on Distribution and Development: Theory and Evidence. Topics to be covered are: the development challenge; inequality, poverty, mobility, and social welfare; and employment, earnings, and poverty reduction.

The second half of the course is on Labor Markets in a Globalized World. Topics to be covered are: the globalization context; modeling labor markets and labor market policies; public policies to combat poverty and low earnings; and the role of the private sector in combating poverty and low earnings.

First seven weeks of Spring semester.

Prerequisites

ILR 2400 or ILR 5400 or Econ 3130 or CRP 5120 or permission of instructor.

Textbooks and Readings

The following books are available in paperback and should be purchased:

- Gary Fields, *Distribution and Development: A New Look at the Developing World*, 2001.
- Joseph Stiglitz, *Making Globalization Work*, 2006.
- Thomas Friedman, *The World Is Flat*, 2007.

- Other readings will be available in a course packet, which should also be purchased.
- Additional readings will be distributed in class.

Exams and Grading

- There will be two exams, each of which will count for half the grade. They will be held in class Monday February 9 and Wednesday March 4.
- As a rule, I do **not** offer makeup exams, and I will not take kindly to requests for makeups. I am telling you now when the exams will be so that you can schedule your travel and other courses accordingly.
- Students are **not** graded on a curve. There will be as many A grades as there are students who earn them. I encourage you to form study groups and work together outside of class. You may **not** work together during in-class exams.

Academic Integrity

Each student in this course is expected to abide by the Cornell University Code of Academic Integrity. Any work submitted by a student in this course for academic credit will be the student's own work. The Code may be found at http://www.cornell.edu/University_Faculty/docs/main.html

Contact Numbers and Office Hours

- Professor Gary Fields. E-mail: gsf2@cornell.edu. Office: 354 Ives East.
- Office hours: Mondays, 3:00-4:00 or by appointment.
- Assistant: Darrlyn O'Connell. E-mail: dss7@cornell.edu. Office: 385 Ives East.

OUTLINE OF TOPICS AND READINGS

(Other readings to be added)

I. Distribution and Development: Theory and Evidence

A. The development challenge

Salgado, Workers [On reserve in Catherwood Library]

Jeffrey Sachs, Excerpts from “The End of Poverty”

B. Inequality, poverty, mobility, and social welfare

Fields, Chapters 1-9. Replace Chapter 7 by Fields, “A Brief Review of the Literature on Earnings Mobility in Developing Countries”

“The Mountain Man and the Surgeon,” The Economist, Dec. 24, 2005

Excerpts from Asian Development Bank, Inequality in Asia, 2007

II. Labor Markets in a Globalized World

A. Employment, earnings, and poverty profiles

Excerpts from ILO, Global Employment Trends, January, 2009

B. The globalization context

Handout on “Introduction to Labor Markets in a Globalized World”

Richard Freeman, “The New Global Labor Market,” Focus, Summer-Fall, 2008

John Templeton Foundation, “Does the Free Market Corrode Moral Character?” 2008

Stiglitz, Preface and Chapter 1

Friedman, Chapter 3

C. Labor market modeling, evaluating labor market policies

Excerpts from Fields, “Segmented Labor Market Models in Developing Countries,” forthcoming

Fields and Paci, “Focusing Labor Market Policy on What Really Matters for Developing Countries,” 2008

Excerpts from Fields, “Labor Market Policy in Developing Countries: A Selective Review of the Literature and Needs for the Future,” 2008

D. International trade

Ehrenberg and Smith, “Why Does Trade Take Place?”

Friedman, Chapters 10 and 13

Stiglitz, Chapter 3

E. Increasing paid employment, raising the returns to self-employment

Handout on “Increasing Paid Employment”

Excerpts from Commission on Growth and Development, The Growth Report, 2008

Stiglitz, Chapter 7

Handout on “Raising Self-Employment Earnings”

F. Other development policy issues

Fields, Distribution and Development, Section 10.3

Handout on “Other Aspects of Development Policy for a Globalized World”

**Nutritional Sciences 4570:
HEALTH, POVERTY AND INEQUALITY: A GLOBAL PERSPECTIVE
Fall 2009**

Professor David E. Sahn

Course description:

The course will focus on issues of global health inequality. We will explore the nature and extent of global inequalities in health, and the possible policy responses to improving health and well-being, and reducing observed disparities. We will examine global health inequalities at various levels, including across countries, at the national level, and even within the household. Likewise, the class will examine the implications of the health crisis that afflicts the poorest countries, especially in Africa. Special attention will be given to problems such as malnutrition and HIV/AIDS. The ethics of dealing with problems of global health inequality, as well as some policy options will also be discussed. The latter issue of how to most costeffectively address global health problems will be the subject of class projects, as discussed below.

The class will consist of lectures and student lead discussion sessions. The class size is being limited with the expectation that students will come to each class having done all the required assigned readings, including being prepared to lead and/or actively participate in a discussion. In the case of the later, students will be asked to suggest one question and/or issue for the discussion sessions no later than noon on the day before the scheduled discussion. I will select the two or three most salient questions/issues to guide our discussion. A couple of students will be also be randomly assigned to lead each discussion group. For that reason, ***you must do the readings before the discussion sessions, and you must attend these***

sessions. Remember that our class discussions are public goods – your preparation and participation benefit your classmates as well as yourself.

The grade will be determined based on an equal weighting of four criteria. The first is a series of short quizzes that will be given every week or two based on the readings and lectures. The second criteria will be class participation. The third evaluation criteria will be a student project that will involve a group presentation and preparation of a group report. The group report and presentation will involve students working as a team to develop a proposal for the best policies to reduce a major global health problem, given a pre-determined budget, in the style of the Copenhagen Consensus (<http://www.copenhagenconsensus.com>). I will assign you to a group early in the course. During the last few weeks of class, you will present this proposal to the class. The final grading criteria will be a 10-to-12 page single-spaced paper which comments on the various proposals. More specifically, you will be asked to allocate the budget among the various activities in the proposals, and justify your choice in terms of NS 457 Syllabus – Fall 2009 2

considerations such as the relative importance of the problem being addressed, and the costs associated with, and feasibility of addressing the problem.

Calendar:

September 10: 1-2 page statement on the topic for your challenge paper

October 8: Annotated outline for your challenge paper (~ 3 pages)

November 3: Draft of challenge paper (~ 20 single spaced pages – exclusive of tables and figures)

December 3: Final of Challenge paper

December 15: Final paper

Pre-requisites: Introductory Microeconomics and Introductory Statistics

Meeting Time and Location: Tuesday and Thursday 11:40-12:55

Office Hours: Professor Sahn will hold office hours by appointment and on Thursday afternoon from 1:30-2:30 p.m. in B16 MVR

David.Sahn@cornell.edu

Course Website: <http://www.blackboard.cornell.edu>

Teaching Assistant: Francis Ngunjiri, fmn9@cornell.edu

Note on Readings (below): Asterisked (*) readings below are optional readings. All others are required.

POVERTY AND INEQUALITY

Sen, Amartya (1987) "The Standard of Living: Lecture II, Lives and Capabilities," in, *The Standard of Living* (Geoffrey Hawthorn, ed.) Cambridge: Cambridge University Press, pp. 20-38. ISBN 0 521 32101 8 *Available on the Blackboard.*

World Bank. (2001) "World Development Report: Attacking Poverty 2000/2001" Washington, DC: World Bank, pp. 15-29.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20194762~pagePK:148956~piPK:216618~theSitePK:336992,00.html>

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United Nations Development Programme (UNDP) (2003). *Human Development Report 2003: Millennium Development Goals: A compact among nations to end human poverty*. New York: Oxford University Press. Pp. 27-68.

<http://hdr.undp.org/en/reports/global/hdr2003/>

HEALTH INEQUALITY: Concepts, Measurement and Patterns

*Wilkinson, Richard G. (2001). *Mind the Gap: Hierarchy, Health and Human Evolution*. Darwinism Today Series. Weidenfeld & Nicolson, London; and Yale University Press, New Haven. *On Reserve in Mann Library.*

*Gwatkin, D. R. (2000). "Health Inequalities and the Health of the Poor: What do we know? What can we do?" *Bulletin of the World Health Organization* 78(1): 3-18.

<http://www.who.int/docstore/bulletin/pdf/2000/issue1/bu0287.pdf>

Gwatkin, Davidson R., Shea Rutstein, Kiersten Johnson, Eldaw Suliman, Adam Wagstaff, and Agbessi Amouzou (2007). *Socio-Economic Differences in Health, Nutrition, and Population*. Washington, DC: The World Bank.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTHEALTHNUTRITIONANDPOPULATION/EXTPAH/0,,contentMDK:20219043~menuPK:460195~pagePK:148956~piPK:216618~theSitePK:400476,00.html>

Fogel, Robert W. (2005). "Changes in the Disparities in Chronic Diseases during the Course of the 20th Century." *Perspectives in Biology and Medicine* 48 (1) Supplement: S150-S165.

Available on the Blackboard.

*Fogel, Robert W. (2004). *The Escape from Hunger and Premature Death, 1700-2100: Europe, America, and the Third World*. New York: Cambridge

University Press. *On Reserve in Mann Library.*

Deaton, Angus. (2006). "Global Patterns of Income and Health: Facts, Interpretations, and Policies." UNU World Institute for Development Economics Research (UNU-WIDER), Helsinki, Finland.

http://www.wider.unu.edu/publications/annual-lectures/en_GB/AL10/

*Deaton, Angus. (2003). "Health, Inequality and Economic Development." *Journal of Economic Literature* 41(1):113-158. Available on the Blackboard.

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Gakidou, E. E., C. J. L. Murray, and J. Frenk. (2000). "Defining and Measuring Health Inequality: An Approach Based on the Distribution of Health Expectancy." *Bulletin of the World Health Organization*, 78(1): 42-54.

[http://whqlibdoc.who.int/bulletin/2000/Vol78No1/bulletin_2000_78\(1\)_42-54.pdf](http://whqlibdoc.who.int/bulletin/2000/Vol78No1/bulletin_2000_78(1)_42-54.pdf)

INTRA-HOUSEHOLD INEQUALITY

Sen, Amartya. "More than 100 Million Women Are Missing." *The New York Review of Books* 37(20) (Dec 20, 1990).

<http://ucAtlas.ucsc.edu/gender/Sen100M.html>

Alderman, Harold, Pierre-Andre Chiappori, Lawrence Haddad, John Hoddinott, and Ravi Kanbur (1995) "Unitary versus Collective Models of the Household: Is It Time to Shift the Burden of Proof." *The World Bank Research Observer*. 10(1): 1-19. Available on the Blackboard.

Buvinić, Mayra, André Medici, Elisa Fernández, and Ana Cristina Torres, "Gender Differentials in Health." (2006) In Jamison, Dean T., Joel G. Breman, Anthony R. Measham, George Alleyne, Mariam Claeson, David B. Evans, Prabhat Jha, Anne Mills, and Philip Musgrove, (eds.) *Disease Control Priorities in Developing Countries* (2nd Edition), The Disease Control Priorities Project (DCPP), Chapter 10.

<http://files.dcp2.org/pdf/DCP/DCP10.pdf>

*Sahn, David E. and Stephen D. Younger (2009) "Measuring Intra-Household Health Inequality: Explorations Using the Body Mass Index." *Health Economics* 18(S1): S13-S36 (UNU-WIDER Special Issue on Health and Development). Available on the Blackboard.

GLOBAL INEQUALITY IN BURDEN OF DISEASE/COST EFFECTIVENESS ANALYSIS

Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Ch. 2 pp. 17-40. *On Reserve in Mann Library.*

Strauss, John and Duncan Thomas (2007). "Health Over the Life Course." California Center for Population Research, On-Line Working Paper Series University of California, Los Angeles, CA, pp. 32-34. Available on the Blackboard.

Lopez, Alan D., Colin D. Mathers, Majid Ezzati, Dean T. Jamison, and Christopher J. L. Murray (2006). "Global Burden of Disease and Risk Factors" <http://www.dcp2.org/pubs/GBD>.

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* Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Chs. 11-12, pp. 187-230. *On Reserve in Mann Library.*

*Murray, Christopher J. L., and Alan D. Lopez, eds. (1996). *The Global Burden of Disease: A comprehensive assessment of mortality and disability from diseases, injuries, and risk factors in 1990 and projected to 2020*. 1st ed. Cambridge, MA: Harvard University Press. *On Reserve in Mann Library*.

Jamison, Dean (2006). "Investing in Health." In Jamison, Dean T., Joel G. Breman, Anthony R. Measham, George Alleyne, Mariam Claeson, David B. Evans, Prabhat Jha, Anne Mills, and Philip Musgrove, (eds.) *Disease Control Priorities in Developing Countries* (2nd Edition), The Disease Control Priorities Project (DCPP), Chapter 1.

<http://www.dcp2.org/pubs/DCP/1/FullText>

Meltzer, David (2006). "Economic Approaches to Valuing Global Health Research." In Jamison, Dean T., Joel G. Breman, Anthony R. Measham, George Alleyne, Mariam Claeson, David B. Evans, Prabhat Jha, Anne Mills, and Philip Musgrove, (eds.) *Disease Control Priorities in Developing Countries* (2nd Edition), The Disease Control Priorities Project (DCPP), Chapter 7.

<http://www.dcp2.org/pubs/DCP/7/FullText>

Musgrove, Philip and Julia Fox-Rushby (2006). "Cost-Effectiveness Analysis for Priority Setting." In Jamison, Dean T., Joel G. Breman, Anthony R. Measham, George Alleyne, Mariam Claeson, David B. Evans, Prabhat Jha, Anne Mills, and Philip Musgrove, (eds.) *Disease Control Priorities in Developing Countries* (2nd Edition), The Disease Control Priorities Project (DCPP), Chapter 15.

<http://files.dcp2.org/pdf/DCP/DCP15.pdf>

Lomborg, Bjorn, ed. (2004). *Global Crises, Global Solutions*. Cambridge University Press, Chapter 1. *Available on the Blackboard*.

SUPPLY OF SERVICE/EXPENDITURE INEQUALITY

Demery, Lionel (2003). "Analyzing the Incidence of Public Spending." In Bourguignon, F. and Pereira da Silva, L. (eds.), *The Impact of Economic Policies on Poverty and Income Distribution*. World Bank and Oxford University Press, pp. 41-68.

http://siteresources.worldbank.org/INTPSIA/Resources/490023-1121114603600/12925_toolkit_chapter2.pdf

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*Sahn, David E. and Stephen D. Younger (1999) "Dominance Testing of Social Sector Expenditures and Taxes in Africa," International Monetary Fund Working Paper No. 99/172. Washington, D.C.: IMF.

<http://www.imf.org/external/pubs/ft/wp/1999/wp99172.pdf>

EFFECTIVENESS OF PROGRAMS AND POLICY

Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Chapters 5 and 15. *On Reserve in Mann Library*.

Filmer, Deon, Jeffrey S. Hammer, and Lant H. Pritchett (2000). "Weak Links in the Chain: A Diagnosis of Health Policy in Poor Countries." *World Bank Research Observer* 15(2): 199-224. *Available on the Blackboard*.

Filmer, Deon, Jeffrey S. Hammer, and Lant H. Pritchett (2002). "Weak Links in the Chain II: A Prescription for Health Policy in Poor Countries." *World*

Bank Research Observer 17(1): 47-66. Available on the Blackboard.

*Ruth Levine (ed.), *Millions Saved: Proven Successes in Global Health*, 2004 the Peterson Institute for the Center for Global Development, Washington DC. On Reserve in Mann Library.

World Bank (2003). *World Development Report 2004: "Making Services Work for Poor People."* Chapters 3 through 6.

[http://www.wds.](http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000090341_20031007150121)

[worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000090341_20031007150121](http://www.wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&siteName=WDS&entityID=000090341_20031007150121)

FOOD AND NUTRITION

Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Chapter 8. On Reserve in Mann Library.

von Braun, Joachim (2005). *The World Food Situation: An Overview*. Washington DC: IFPRI.

<http://www.ifpri.org/publication/world-food-situation-1>

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Timmer, C. P., Walter P. Falcon, and Scott R. Pearson (1983). *Food Policy Analysis*. Baltimore: Johns Hopkins University Press, Ch. 2, pp. 22-72.

<http://www.stanford.edu/group/FRI/indonesia/documents/foodpolicy/front.fm.html>

Popkin, B. (2001). "The Nutrition Transition and Obesity in the Developing World." *Journal of Nutrition* 131, 871S-73S. Available on the Blackboard.

Food and Agricultural Organization (FAO). FAO Food Balance Sheets. Rome, Italy. Various Years and Countries.

<http://faostat.fao.org/site/368/default.aspx - ancor>

*Ahmed, Akhter U., Ruth Vargas Hill, Lisa C. Smith, Doris M. Wiesmann, and Tim Frankenberger (2007). "The World's Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger." 2020 Discussion Paper No. 43, International Food Policy Research Institute (IFPRI), Washington, DC. Chapters 2-4.

<http://www.ifpri.org/publication/worlds-most-deprived>

MACROECONOMICS AND HEALTH

Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Chapter 11. On Reserve in Mann Library.

Bloom, David and David Canning (2000). "The Health and Wealth of Nations." *Science* 287(5456): 1207-1209. Available on the Blackboard.

Montgomery, Keith. *The Demographic Transition*.

<http://www.uwmc.uwc.edu/geography/Demotrans/demtran.htm>

World Health Organization (WHO) (2002). *Health, Economic Growth and Poverty Reduction*. (Chapters 2 and 3) Report of the Working Group 1 of the Commission on Macroeconomics and Health. Geneva: World Health Organization.

<http://www.emro.who.int/cbi/pdf/PovertyReduction.pdf>

Hsiao, William and Peter Heller (2007). "What Should Macroeconomists Know About Health Care Policy?" IMF Working Paper No. 07/13,

International Monetary Fund (IMF), January. *Available on the Blackboard.*

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HIV/AIDS

World Health Organization (2002). “HIV/AIDS” (Chapter 7). In *Health, Economic Growth and Poverty Reduction*. Report of the Working Group 1 of the Commission on Macroeconomics and Health. Geneva: World Health Organization. <http://www.emro.who.int/cbi/pdf/PovertyReduction.pdf>

UNAIDS (2006). *Report on the Global AIDS Epidemic*.

Chapter 4:

pp. 84-86 (from Poverty and Inequality up to The Weight of stigmatization)

pp. 91-93 (Impact on children)

pp. 96-102 (from Impact on Education to end)

http://data.unaids.org/pub/GlobalReport/2006/2006_GR_CH04_en.pdf

Glick, P. (2007). “Reproductive Health and Behavior, HIV/AIDS, and Poverty in Africa.” Cornell Food and Nutrition Policy Program Working Paper No. 219, Cornell University, Ithaca, NY. (*Read all of the section II.3: “HIV prevention policies: Evidence and gaps in knowledge except subsection “Integration of HIV prevention and care into existing family planning/reproductive health services”*)

<http://www.cfnpp.cornell.edu/images/wp219.pdf>

*Epstein, Helen (2005). “God and the Fight Against AIDS.” *New York Review of Books* 52(7): April 28, 2005.

<http://www.nybooks.com/articles/17963>

FOOD AID

Barrett, Christopher B. and Daniel G. Maxwell (2006). “Towards a Global Food Compact.” *Food Policy* 31: 105–118. *Available on the Blackboard.*

Barrett, Christopher B. (2006). “U.S. Food AID: It’s Not Your Parents’ Program Any More!” *Journal of Agribusiness* 24(1): 1-16. *Available on the Blackboard.*

FAO (2006). *The State of Food and Agriculture 2006: Food aid for food security?* Rome: FAO. <http://www.fao.org/docrep/009/a0800e/a0800e00.htm>

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PHARMACEUTICALS AND VACCINES

Kremer, Michael (2002). “Pharmaceuticals and the Developing World.” *Journal of Economic Perspectives* 16(4): 67-90. *Available on the Blackboard.*

Levine, Ruth, Michael Kremer, and Alice Albright, Co-Chairs (2005). *Making Markets for Vaccines: Ideas to Action*. Washington DC: Center for Global Development

<http://www.cgdev.org/doc/books/vaccine/MakingMarkets-complete.pdf>

Kremer, Michael and Rachel Glennerster (2004). *Strong Medicine: Creating Incentives for Pharmaceutical Research on Neglected Diseases*. Princeton: Princeton University Press. (Chapters 3-8 particularly). *On Reserve in Mann Library.*

NUTRITION TRANSITION

Popkin, B. (2001). “The Nutrition Transition and Obesity in the Developing

World.” *Journal of Nutrition* 131, 871S-73S. Available on the Blackboard.

ETHICS

Skolnik, Richard (2008) *Essentials of Global Health*. Boston: Jones and Bartlett, Chapter 4. *On Reserve in Mann Library*.

Per Pinstrup-Andersen and Peter Sandøe (2007). “Introduction and Summary.” In Pinstrup-Andersen, Per (ed.), *Ethics, Hunger. and Globalization: In Search of Appropriate Policies*. Dordrecht: Springer. Chapter 1. Available on the Blackboard.

Per Pinstrup-Andersen (2007). “Eliminating Poverty and Hunger in Developing Countries: A Moral Imperative or Enlightened Self-Interest?” In Pinstrup-Andersen, Per (ed.), *Ethics, Hunger and Globalization: In Search of Appropriate Policies*. Dordrecht: Springer, Chapter 2. Available on the Blackboard.

NS 685/Econ 771 syllabus 1

**Nutritional Sciences 685 / Economics 771:
Empirical Methods for the Analysis of Household Survey Data:
Applications to Health, Nutrition and Education
Spring 2009**

Professor David E. Sahn

Course description: This is an advanced seminar that explores recent empirical research that will focus on issues of health (HIV/AIDS), nutrition, education and intra-household decisionmaking.

The course will cover empirical methods as they apply to a series of measurement and modeling issues, as well as the evaluation of interventions and public policy. While we will briefly review underlying theory, and econometric techniques, the course will attempt to bridge the gap between theory and practice, addressing issues such as model identification, functional form, and estimation techniques to control for endogeneity and heterogeneity. A key objective of the class will be to focus on the merits and limitations of randomized control trials (experiments) and non-experimental designs used to evaluate social interventions, and the various types of household surveys that are employed for these purposes.

Readings will be assigned for each topic and students will be expected to do all the readings. For each meeting, one or two students will be assigned to lead a discussion, in which all the other students are expected to actively participate. Those leading the session will be expected to prepare a short and critical evaluation (of 3-5 pages) of the papers on which they are leading the discussion. These will cover central issues related to the strengths and weaknesses of the paper, and their effectiveness in addressing underlying concerns of causation, identification, external validity, and so forth.

Students will also prepare an original empirical research paper where the students will define a problem, use household survey data to analysis it, and present the results to the class. The paper should be around 20 double-spaced pages, 12-point font with standard margins, not including tables, figures and references.

The empirical paper will comprise 50 percent of the final grade. Thirty percent of the final grade will be based on how well the student leads the discussion and their related critical evaluations of the topical papers they are assigned. Class participation, including presentation and discussion of the topical papers will count for 20 percent of the grade.

Key dates include that a prospectus on the research topic is due on February 2. This should include a discussion of the research questions, the data to be used, and a bibliography. A 5-page literature review is due on March 2, which can be incorporated into the final paper. Summary statistics, including means, standard deviations, and basic cross tabulations on the variables to be used in the model will be due on March 22. The paper presentations will be held during the last few class meetings.

NS 685/Econ 771 syllabus 2

A preliminary reading list is found below. More details on how to organize the in-class presentations will be posted on the class web site, including the questions and issues to be addressed for each paper reviewed. Furthermore, for our discussion on experimental versus non-experimental techniques, we will organize a debate style discussion, again where I will provide prompts in advance on the website that will be debated by students in the class. Students who have limited or no experience with STATA, SAS, or similar software will be expected to find appropriate assistance from CISER or other resources on campus, including other students.

Meeting Time and Location: Time to be determined. An organizational meeting will be held on Tuesday, January 20 at 3:30 p.m., B16 MVR.

Office Hours: Professor Sahn will hold office hours by appointment in B16 MVR Hall.

Course Website: <http://blackboard.cornell.edu>

WEEKS 1/2 EVALUATING SOCIAL PROGRAMS -- EXPERIMENTAL VS. STRUCTURAL MODELS

Duflo, Esther, Rachel Glennerster, and Michael Kremer (2008). "Using Randomization in Development Economics Research: A Toolkit." In Schultz, T. and John Strauss, eds., *Handbook of Development Economics, Volume 4*. Amsterdam: North Holland, Chapter 61, pp. 3895-3962. *Available on the Blackboard.*

Ravallion, Martin (2008). "Evaluating anti-poverty programs." In Schultz, T. and John Strauss, eds., *Handbook of Development Economics, Volume 4*. Amsterdam: North Holland, Chapter 59, pp. 3787-3846. *Available on the Blackboard.*

Heckman, James J. and Jeffrey Smith (1995). "Assessing the Case for Social Experiments." *Journal of Economic Perspectives* 9(2): 85-110. *Available on the Blackboard.*

Easterly, William (2008). "Can the West Save Africa?" NBER Working Paper No. 14363, Cambridge, MA, forthcoming in *Journal of Economic Literature*.

<http://www.nyu.edu/fas/institute/dri/Easterly/File/can%20the%20west%20save%20africa.pdf>

NS 685/Econ 771 syllabus 3

Deaton, Angus (2009). "Instruments of Development: Randomization in the Tropics and the Search for the Elusive Keys to Development." Keynes Lecture, British Academy, London, October 7, 2008. Princeton: Princeton University. *To be added to the Blackboard.*

WEEK 3 HEALTH AND NUTRITION

Thomas, Duncan and John Strauss (2008). "Health over the Life Course." In Schultz, T. and John Strauss, eds., *Handbook of Development Economics, Volume 4*. Amsterdam: North Holland, Chapter 54, pp. 3375-3474. *Available on the Blackboard.*

Glick, Peter, Alessandra Marini, and David E. Sahn (2007). "Estimating the Consequences of Unintended Fertility for Child Health and Education in Romania: An Analysis Using Twins Data," *Oxford Bulletin of Economics and Statistics* 69(5): 667-691. *Available on the Blackboard.*

Alderman, Harold, John Hoddinott, and Bill Kinsey (2006). "Long Term Consequences of Early Childhood Malnutrition." *Oxford Economic Papers* 58(3): 450-474. *Available on the Blackboard.*

Kremer, Michael and Edward Miguel (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities." *Econometrica* 72(1): 159-217.

<http://weber.ucsd.edu/~tkousser/Miguel%20and%20Kremer.pdf>

Thomas, Duncan, Elizabeth Frankenberg, Jed Friedman, Jean-Pierre Habicht, Mohammed Hakimi, Nicholas Ingwersen, Jaswadi, Nathan Jones, Christopher McKelvey, Gretel Pelto, Bondan Sikoki, Teresa Seeman, James P. Smith, Cecep Sumantri, Wayan Suriastini, and Siswanto Wilopo (2006) "Causal Effect of Health on Labor Market Outcomes: Experimental Evidence." California Center for Population

Research On-Line Working Paper Series CCPR-070-06, California Center for Population Research, Los Angeles, CA.

<http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1262&context=ccpr>

WEEK 4 HEALTH AND NUTRITION: CONDITIONAL CASH TRANSFERS

Adato, Michele, and John Hoddinott. (2007) “Nutrition and Conditional Cash Transfer (CCT) Programs: A “Magic Bullet” for Reducing Poverty?” 2020 FOCUS BRIEF on the World’s Poor and Hungry People, International Food Policy Research Institute, Washington DC.

http://www.ifpri.org/2020Chinaconference/pdf/beijingbrief_adato.pdf

NS 685/Econ 771 syllabus 4

Hoddinott, John and Jere Behrman (2005). “Programme Evaluation with Unobserved Heterogeneity and Selective Implementation: The Mexican PROGRESA Impact on Child Nutrition.” *Oxford Bulletin of Economics and Statistics* 67(4): 547-569. Available on the Blackboard.

Juan A. Rivera; Daniela Sotres-Alvarez; Jean-Pierre Habicht; et al. (2004). “Impact of the Mexican Program for Education, Health, and Nutrition (Progresa) on Rates of Growth and Anemia in Infants and Young Children: A Randomized Effectiveness Study” *Journal of the American Medical Association* 291(21): 2563-2570. Available on the Blackboard.

WEEKS 5/6 HIV/AIDS

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WEEKS 10-13 RESEARCH PRESENTATIONS