Microeconomic Issues in Development Economics (ECON 590-6)  
Tuesday/Thursday 9:30-11:00am  
David Kinley Hall, Room 317

Instructor: Adam Osman  
Office: David Kinley Hall, Room 109  
Email: aosman@illinois.edu  
Office Hours: Tuesday/Thursday 11:00-12:30pm & 1:30-3:30pm or by appointment  
Website: www.adam-osman.com

Course Description: This course examines the current literature on the microeconomics of development in poor countries. We will cover the role of financial constraints, including credit, savings and insurance as well as issues of trade, infrastructure, migration, education, management and active labor market programs. We will also read several recent or current-year job market papers from microeconomic development students.

Course Prerequisites: first-year Ph.D. sequence in microeconomics and econometrics.

Course Objectives: The objective of this course is to prepare students to conduct original research in applied micro and to help identify possible dissertation topics.

Course Requirements: Read the required articles before class, attend all lectures, and participate in class discussion.

Present one/two assigned readings and lead class discussion on those readings. The discussion will summarize the paper, discuss the theoretical model and key assumptions, discuss the empirical identification strategy, present the results, and then discuss the most important weaknesses of the paper and provide suggestions for future research on that topic.

Write 2 referee reports for approved papers and complete the empirical problem set.

Write an empirical research paper. The paper can be a replication of an approved empirical paper in development economics or an empirical paper with an original research. The paper must have a description of the research question and why it is relevant, discussion of the related literature with an explanation of how this paper advances that literature, presentation of data, and discussion of empirical identification strategies and results. During my office hours during the semester, I expect to have meetings with each student to discuss their paper.

Students are strongly encouraged to attend the applied micro research seminar, and the applied micro research lunch. Attending seminars is a good way to learn about current research topics, see working papers in progress, and learn how to give oral presentations and handle questions.
The class grade will comprise: Research paper (40%), referee reports and problem set (20%), class presentation of assigned papers (25%), class presentation of research proposal (25%), and class discussion (15%).

**Emergency Response Recommendations:**
The university maintains guidelines for emergency responses. A list of recommendations when to evacuate and when to find shelter are available at:
http://illinois.edu/cms/2251/general_emergency_response_recommendations_8_16_13_final.docx
Floor plans for specific buildings are available at:
http://police.illinois.edu/emergencyplanning/floorplans/

**Statement on Accommodations:**
To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak Street, Champaign, call 333-4603 (V/TTY), or email a message to disability@uiuc.edu.

**Academic Integrity:**
“The University has the responsibility for maintaining academic integrity so as to protect the quality of education and research on our campus and to protect those who depend upon our integrity.

*Expectations of Students.* It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions. Students have been given notice of this Part by virtue of its publication. Regardless of whether a student has actually read this Part, a student is charged with knowledge of it. Ignorance is not a defense.”

The University’s full academic integrity policy is available at:
http://studentcode.illinois.edu/article1_part4_1-401.html
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Jan 28- Document outlining your research interests and past work

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Feb 25 – Referee Report due

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April 5 – Paper Replication Due

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May 15- Research Paper Due
Course Readings

- Giné, Xavier, Jessica Goldberg, and Dean Yang, “Credit Market Consequences of Improved Personal Identification: Field Experimental Evidence from Malawi,” American Economic Review
- (7)**Karlan, Dean, Adam Osman and Jonathan Zinman, “Follow the Money: Methods for Identifying Consumption and Investment Responses to a Liquidity Shock,” working paper, 2013

Savings
- (14)** Lori Beaman, Dean Karlan, and Bram Thuysbaert Saving for a (not so) Rainy Day: A Randomized Evaluation of Savings Groups in Mali(October 2014)

Risk & Insurance
- Bryan, G. “Ambiguity and Insurance.” 2011
• Gine, Xavi and Dean Yang. 2009. “Insurance, Credit and Technology Adoption: Field Experimental Evidence from Malawi” JDE
• (17) A. M. Mobarak and M. Rosenzweig. “Risk, Insurance and Wages in General Equilibrium”
• (18) A. M. Mobarak and M. Rosenzweig. “Selling Formal Insurance to the Informally Insured”

Trade & Infrastructure
• (21)**Atkin, David, Amit Khandelwal & Adam Osman “The Impact of Exporting: Evidence from a Randomized Experiment”
• Atkin, David (2013) “Trade, Tastes and Nutrition in India”, AER
• Tybout, James R. 2000. Manufacturing Firms in Developing Countries: How Well Do They Do and Why?, Journal of Economic Literature, 38:11-44
• **Verhoogen, E (2008), “Trade, Quality Upgrading, and Wage Inequality in the Mexican Manufacturing Sector” QJE
• **Dinkelman, T (2011) “The effects of rural electrification on employment: New evidence from South Africa” AER

Migration
• Yang, Dean, “Migrant Remittances,” Journal of Economic Perspectives, Vol. 25, No. 3, Summer 2011, pp. 129-152

Management & Other Constraints
• Karlan, D, Ryand Kinight, Christopher Udry, “Hoping to Win Expecting to Lose: Theory and Lessons on Micro Enterprise Development”

Technology
(30)**Suri, T (2011) “Selection and comparative advantage in technology adoption” Econometrica
Foster, AD, Mark Rosenzweig (2010) “Microeconomics of technology adoption”, Annual Review of Economics

Behavioral Insights
Mullainathan, Sendhil and Richard Thaler, “Behavioral Economics”
(34)**Anandi Mani, Sendhil Mullainathan, Eldar Shafir, Jiaying Zhao, (2013) “Poverty impedes cognitive function”, Science
(35)**M Bertrand, D Karlan, S Mullainathan, E Shafir, J Zinman “ What is advertising content worth? Evidence from a consumer credit marketing field experiment”
(37a)**Kaur, Supreet, Michael Kremer and Sendhil Mullainathan (2014), “Self Control at Work”
Active Labor Market Policies

- (38)**Attanasio, O., A. Kugler, C. Meghir “Subsidizing Vocation Training for Disadvantages Youth in Developing Countries: Evidence from a Randomized Trial”
- (39)**C Blattman, N Fiala, S Martinez “Generating skilled self-employment in developing countries: Experimental evidence from Uganda” Quarterly Journal of Economics, forthcoming
- (40)**Hardy, Morgan and J. McCasland “Are Small Firms Labor Constrained? Experimental Evidence from Ghana” (2014 WP)
- (42)**Crepon, B., E. Duflo, M. Gurand, R. Rathelot, P. Zamora “Do labor market policies have displacement effect? Evidence from a clustered randomized experiment” QJE 2013
• Hjort, Jonas, Michael Kremer, Isaac Mbiti and Edward Miguel. “Vocational Education Vouchers and Labor Market Returns: A Randomized Evaluation Among Kenyan Youth.”


• Hicks, Joan, Michael Kremer, Edward Miguel and Isaac Mbiti, “Vocational Education in Kenya” Working Paper