

Syllabus: Advanced Development Economics

PhD/Advanced Master Course (M.WIWI-VWL.0019.Mp)

Winter Semester 2024/2025

10 February 2025 - 11 April 2025

(as of January 28, 2025)

Teaching faculty

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1. General Information

1.1 Course overview

This course provides an in-depth analysis of current research on selected critical issues in development economics at the graduate level. The course covers topics on new directions of research in macro-economic and micro-economic aspects of development as well as methodological aspects of econometric analyses and policy evaluations.

Some familiarity with development issues (e.g., Development Economics I, II) as well as background in micro and macro theory and empirical economics is desirable. The course is open to Ph.D. and advanced master students in economics, applied statistics, agricultural economics, and related disciplines.

1.2 Credit points

6 ECTS credit points

1.3 Examination and grading of the module

The grading consists of two components:

- Oral presentations of a research article [2C]
- Two essays (3-4 pages each) in the form of referee reports on two scientific articles that are assigned to the students

In order to earn ECTS credits, you must present and discuss research articles in the tutorial (selected from the literature under the tutorials section) and write two essays.

- **Presentations.** Students have to present one paper and discuss two papers presented by their peers. Each presentation should be approx. 20 minutes. The grade of the presentation will be based on the presentation of
 - context and background
 - data
 - methodology
 - implications and conclusions
 - referee report-style discussion of the paper
 - your own thoughts about the paper.

Students need to send their presentation to Sarah Langlotz and their assigned discussants at least 48h before the presentation time. You will have to upload the presentation to Stud.IP after the tutorial session in which you presented.

- **Essays.** Each student writes two referee reports. The first one is on the paper presented in the tutorial. The second one is on another paper that the student gets randomly assigned in the form of a take-home exam, which takes place on April 11th, 2025 from 8am-6pm. The first report is due on April 10th, 20:00.

1.5 Registration

Please select three papers for possible presentations from the tutorial list (separate document on Stud.IP: Files/Tutorial) and state your ordered preferences by email to sarah.langlotz@uni-goettingen.de by **February 14, 2025** (23:59). We will then assign 1 paper for your presentation, which we will announce by February 19, 2025.

Please register for the course on Stud.IP (<https://www.studip.uni-goettingen.de/>) so that you receive all pertinent information in due time (e.g., registration, virtual meetings). If you are not a

student at the University of Göttingen and do not have access to Stud.IP, please email studip@uni-goettingen.de, and let them know that:

You are a guest student for the course Advanced Development Economics (course number: 800968) and will require access to Stud.IP from February to May 2025. If they require permission from the course instructor, please forward the email to sarah.langlotz@uni-goettingen.de.

Students of the University of Göttingen need to register for the exam via FlexNow. All other students need to register for the exam by sending an e-mail to sarah.langlotz@uni-goettingen.de.

2. Course overview

2.1 Description of the teaching and learning methods

The lecture is supplemented by self-study based on provided materials and literature. The accompanying tutorial (*Übung*) complements the lecture content. The course is split in lectures and tutorials. **The course language is English.**

2.2 Meetings

Please register for the course on Stud.IP so that you receive all pertinent information on possible changes in due time.

Date	Time	Location	Type	Lecturer	Topic
10.02.2025	14:00-16:00	Zoom		Langlotz	Obligatory Introductory Class
14.02.2025	-23:59				Submission of Preferences for Paper Presentation (see Section 1.5)
27.02.2025	15:00-16:00	Zoom		Guest Lecture	3D Seminar
24.02.2025	10:00-12:00 c.t.	ZHG002	Lecture	Kis-Katos	1. Measuring Development
	14:00-16:00 c.t.	ZHG002	Lecture	Kis-Katos	2. Trade Policy and Local Development
25.02.2025	10:00-12:00 c.t.	ZHG002	Lecture	Kis-Katos	3. International Migration and Development
	14:00-16:00 c.t.	ZHG002	Lecture	Langlotz	4. Media and Political Outcomes
26.02.2025	10:00-12:00 c.t.	ZHG002	Lecture	Ibanez	5. Behavioral Development Economics
	14:00-16:00 c.t.	ZHG003	Lecture	Ibanez	6. The Psychology of Poverty
27.02.2025	10:00-12:00 c.t.	ZHG002	Lecture	Langlotz	7. Conflict and Development
	13:00-15:00 c.t.	ZHG002	Tutorial	Langlotz	Student Topics and Preparation for Guest Lecture
28.02.2025	09:00-17:00 c.t.	ZHG002	Tutorial	Langlotz	Topics 1-7
31.03.2025	14:00-16:00 c.t.	Oec. 0.167	Lecture	Fuchs	8. Politics of Development Aid
	16:00-18:00 c.t.	Oec. 0.167	Lecture	Fuchs	9. Effectiveness of Development Aid
01.04.2025	10:00-12:00 c.t.	Oec. 0.167	Lecture	Fuchs	10. International Financial Institutions
	14:00-16:00 c.t.	Oec. 0.167	Lecture	Strulik	11. Modern vs. Pre-Modern Growth
	16:00-18:00 c.t.	Oec. 0.167	Lecture	Strulik	12. The Demographic Transition and History Augmented Solow Model
02.04.2025	14:00-16:00 c.t.	Oec. 0.167	Lecture	Strulik	13. Human Physiology, Development, and the Reversal of Fortune
	16:00-18:00 c.t.	Oec. 0.167	Lecture	Strulik	14. The Past and Future of Knowledge-Based Growth
03.04.2025	09:00-17:00 c.t.	Oec. 0.167	Tutorial	Langlotz	Topics 8-14
11.04.2025	08:00-20:00 s.t.		Take-Home Exam	Langlotz	Referee Report

3. Literature (PRELIMINARY)

3.1 General readings (not required, but recommended)

- § Ray, D. 1998. *Development Economics*. Princeton: Princeton University Press.
- § Basu, K. 1997. *Analytical Development Economics*. Cambridge: MIT Press.
- § Bardhan, P., and C. Udry. 1999. *Development Microeconomics*. Oxford: Oxford University Press.
- § Banerjee, A., and E. Duflo. 2011. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. New York City: PublicAffairs.
- Kremer, M., G. Rao, and F. Schilbach. 2019. *Behavioral Development Economics. Handbook of Behavioral Economics, 2nd edition*. Elsevier.

(§ = Books available in the SUB and/or WISO-BIB)

3.2 Readings per lecture and corresponding tutorial

We expect you to read the key readings highlighted with an asterisk (*) before the respective lecture. This will allow us to engage in a vivid discussion about each paper's merits and limitations.

1. Measuring Development (Kis-Katos)

Lecture

- * Burke, M., A. Driscoll, D.B. Lobell, and S. Ermon. 2021. Using Satellite Imagery to Understand and Promote Sustainable Development. *Science* 371 (6535).

Additional material

- Aiken, E., S. Bellue, D. Karlan, C.R. Udry, and J. Blumenstock. 2022. Machine Learning and Mobile Phone Data Can Improve the Targeting of Humanitarian Assistance. *Nature*, 603: 864-870.
- Chi, G., H. Fang, S. Chatterjee, and J.E. Blumenstock. 2021. Micro-Estimates of Wealth for all Low- and Middle-Income Countries. *Proceedings of the National Academy of Sciences*, 119(3) e2113658119.
- Huang, L.Y., S.M. Hsiang, and M. Gonzalez-Navarro. 2021. Using Satellite Imagery and Deep Learning to Evaluate the Impact of Anti-Poverty Programs. *NBER Working Paper Series* 29070. National Bureau of Economic Research, Cambridge, Mass.
- Ratledge, N., G. Cadamuro, B. de la Cuesta, M. Stigler and M. Burke. 2022. Using Machine Learning to Assess the Livelihood Impact of Electricity Access. *Nature* 611: 491–495.
- Sherman, L., J. Proctor, H. Druckenmiller, H. Tapia, and S.M. Hsiang. 2023. Global High-Resolution Estimates of the United Nations Human Development Index Using Satellite Imagery and Machine-learning, *NBER Working Paper* No. 31044, National Bureau of Economic Research, Cambridge, Mass.
- Wölk, F., Yuan, T., Kis-Katos, K. and F. Xiaoming. 2023. A temporal-spatial analysis on the socioeconomic development of rural villages in Thailand and Vietnam based on satellite image data, *Computer Communications*, <https://doi.org/10.1016/j.comcom.2023.02.017>.

2. Trade Policy and Local Development (Kis-Katos)

Lecture

* Dix-Carneiro, R. and B. K. Kovak. 2023. Globalization and Inequality in Latin America. *NBER Working Paper* No. 31459, National Bureau of Economic Research, Cambridge, Mass.

Additional material

Adão, R., M. Kolesár, and E. Morales. 2019. Shift-Share Designs: Theory and inference. *Quarterly Journal of Economics* 134 (4): 1949-2010.

Atkin, D., and A.K. Khandelwal. 2020. How Distortions Alter the Impact of International Trade in Developing Countries. *Annual Review of Economics* 12: 213-238.

Campante, F., D. Yanagizawa-Drott. 2018. Long-Range Growth: Economic Development in the Global Network of Air Links, *Quarterly Journal of Economics*, 133 (3): 1395-1458.

Desmet, K., and J.F. Gomes. 2023. Ethnic Remoteness Reduces the Peace Dividend from Trade Access. *NBER Working Paper* No. 30862, National Bureau of Economic Research, Cambridge, Mass.

Wang, F., Kis-Katos, K. and M. Zhou. 2022. Trade Liberalization and the Gender Employment Gap in China, *Journal of Human Resources*, <https://doi.org/10.3368/jhr.1220-11399R3>.

3. International Migration and Development (Kis-Katos)

Lecture

* Becker, S.O., I. Grosfeld, P. Grosjean, N. Voigtländer, and E. Zhuravskaya. 2020. Forced Migration and Human Capital: Evidence from Post-WWII Population Transfers. *American Economic Review* 110 (5), 1430-1463.

Additional material

Abramitzky, R., T. Baseler, and I. Sin. 2024. Persecution and Migrant Self-Selection: Evidence from the Collapse of the Communist Bloc. *Review of Economics and Statistics*, fth.

Bazzi, S., L.A. Cameron, S.G. Schaner, and Witoelar, F. 2021. Information, Intermediaries, and International Migration. IZA DP No. 14945, IZA Institute of Labor Economics. Bonn.

Cha'Ngom, N., C. Deuster, F. Docquier, J. Machado. 2023. Selective Migration and Economic Development: A Generalized Approach. IZA DP No. 16222, IZA Institute of Labor Economics. Bonn.

Escamilla-Guerrero, D., E. Kosack, and Z. Ward. 2023. The Impact of Violence during the Mexican Revolution on Migration to the United States. *NBER Working Paper* No. 31531, National Bureau of Economic Research, Cambridge, Mass.

Gazeaud, J., E. Mvukiyehe, and O. Sterck. 2023. Cash Transfers and Migration: Theory and Evidence from a Randomized Controlled Trial. *Review of Economics and Statistics*: 105 (1): 143–157.

4. Media and Political Outcomes (Langlotz)

Lecture

* Guriev, S., N. Melnikov, and E. Zhuravskaya. 2020. 3G Internet and Confidence in Government. *The Quarterly Journal of Economics* 136 (4): 2533-2613. doi: 10.1093/qje/qjaa040.

Additional material

Durante, R., P. Pinotti, and A. Tesei. 2019. The Political Legacy of Entertainment TV. *American Economic Review* 109 (7): 2497–2530.

Gerber, A., Karlan, D., Bergan, D. 2009. Does the Media Matter? A Field Experiment measuring the Effect of Newspapers on Voting Behavior and Political Opinions. *American Economic Journal: Applied Economics* 1 (2), 35–52.

Müller, K. and C. Schwarz. 2021. Fanning the Flames of Hate: Social Media and Hate Crime, *Journal of the European Economic Association*, Volume 19, Issue 4, August 2021, Pages 2131–2167, <https://doi.org/10.1093/jeea/jvaa045>.

5. Behavioral Development Economics (Ibanez)

Lecture

* Kremer, M., Rao, G. and Schilbach, F., 2019. Behavioral development economics. In *Handbook of Behavioral Economics: Applications and Foundations 1* (Vol. 2, pp. 345-458). North-Holland.

Casaburi, L., & Willis, J. (2018). Time versus state in insurance: Experimental evidence from contract farming in Kenya. *American Economic Review*, 108(12), 3778-3813.

Do Hwang, I. (2021). Prospect theory and insurance demand: Empirical evidence on the role of loss aversion. *Journal of Behavioral and Experimental Economics*, 95, 101764.

Additional material

OECD. 2011. *Behavioural Insights and Public Policy: Lessons from Around the World*, OECD Publishing, Paris.

UNDP. Behavioral Insights at the United Nations – Achieving Agenda 2030. UNDP, <http://www.undp.org/content/undp/en/home/librarypage/development-impact/behavioural-insights-at-the-united-nations--achieving-agenda-203.html>.

6. The Psychology of Poverty (Ibanez)

Lecture

* Genicot, G., & Ray, D. (2020). Aspirations and economic behavior. *Annual Review of Economics*, 12(1), 715-746.

Dalton, P. S., Ghosal, S., & Mani, A. (2016). Poverty and aspirations failure. *The Economic Journal*, 126(590), 165-188.

Genicot, G., & Ray, D. (2017). Aspirations and inequality. *Econometrica*, 85(2), 489-519.

Additional material

Bessone, P., Rao, G., Schilbach, F., Schofield, H. and Toma, M., 2020. The Economic Consequences of Increasing Sleep Among the Urban Poor (No. w26746). National Bureau of Economic Research.

Mullainathan, S. and Shafir, E., 2013. *Scarcity: Why having too little means so much*. Macmillan.

World Bank. 2015. *World Development Report 2015: Mind, Society, and Behavior*. Washington, DC: World Bank. doi: 10.1596/978-1-4648-0342-0. (Chapter 4 and 5)

7. Conflict and Development (Langlotz)

Lecture

- * Berman, N., and M. Couttenier. 2015. External Shocks, Internal Shots: The Geography of Civil Conflicts. *Review of Economics and Statistics* 97 (4): 758–776.

Additional material

- Blair, G., D. Christensen, and A. Rudkin. 2021. Do Commodity Price Shocks Cause Armed Conflict? A Meta-Analysis of Natural Experiments. *American Political Science Review* 115 (1): 1-8.
- Dell, M., and P. Querubin. 2018. Nation Building Through Foreign Intervention: Evidence from Discontinuities in Military Strategies. *The Quarterly Journal of Economics* 133 (2): 701-764.

8. Politics of Development Aid (Fuchs)

Lecture

- * Budjan, A.J., and A. Fuchs. 2021. Democracy and Aid Donorship. *American Economic Journal: Economic Policy* 13 (4): 217-238.

Additional material

- Alesina, A., and D. Dollar. 2000. Who Gives Foreign Aid to Whom and Why? *Journal of Economic Growth* 5 (1): 33-63.
- Doucouliafos, H. 2019. The Politics of International Aid. In *The Oxford Handbook of Public Choice* Volume 2 edited by R.D. Congleton, B. Grofman, and S. Voigt. New York, NY: Oxford University Press.

9. Effectiveness of Development Aid (Fuchs)

Lecture

- * Galiani, S., S. Knack, L.C. Xu, and B. Zou. 2017. The Effect of Aid on Growth: Evidence from a Quasi-Experiment. *Journal of Economic Growth* 22: 1-33.

Additional material

- Burnside, C. and D. Dollar. 2000. Aid, Policies, and Growth. *American Economic Review* 90 (4): 847-868.
- Doucouliafos, H. and M. Paldam. 2009. The Aid Effectiveness Literature: The Sad Results of 40 Years of Research. *Journal of Economic Surveys* 23 (3): 433-461.
- Easterly, W. 2003. Can Foreign Aid Buy Growth? *Journal of Economic Perspectives* 17 (3): 23-48.

10. International Financial Institutions (Fuchs)

Lecture

- * Lang, V. 2020. The Economics of the Democratic Deficit: The Effect of IMF Programs on Inequality. *Review of International Organizations* 16: 599-623.

Additional material

- Dreher, Axel and Valentin Lang. 2019. The Political Economy of International Organizations. In: Roger D. Congleton, Bernard Grofman, and Stefan Voigt (eds), *The Oxford Handbook of Public Choice*, Volume 2, pp. 607-652, Oxford University Press.

11. Modern vs. Pre-Modern Growth (Strulik)

Lecture

- * Mankiw, N.G., D. Romer, and D.N. Weil. 1992. A Contribution to the Empirics of Economic Growth. *Quarterly Journal of Economics* 107: 407-437.
- Ashraf, Q., and O. Galor. 2011. Dynamics and Stagnation in the Malthusian Epoch. *American Economic Review* 101 (5): 2003-2041.
- Kremer, M. 1993. Population Growth and Technological Change: One Million BC to 1990. *Quarterly Journal of Economics* 108 (3): 681-716.

12. The Demographic Transition and History Augmented Solow Model (Strulik)

Lecture

- * Dalgaard, C. J., and H. Strulik. 2013. The History Augmented Solow Model. *European Economic Review* 63: 134-149.
- Lee, R. 2003. The Demographic Transition: Three Centuries of Fundamental Change. *The Journal of Economic Perspectives* 17 (4): 167-190.
- Madsen, J. B., and H. Strulik. 2022. Testing Unified Growth Theory: Technological Progress and the Child Quantity–Quality Trade-Off. *Quantitative Economics*, forthcoming, <https://qeconomics.org/ojs/forth/1751/1751-3.pdf>
- Reher, D. S. 2004. The Demographic Transition Revisited as a Global Process. *Population, Space and Place* 10 (1): 19-41.

13. Human Physiology, Development, and the Reversal of Fortune (Strulik)

Lecture

- * Dalgaard, C. J., J.B. Madsen, and H. Strulik. 2021. Physiological Constraints and the Transition to Growth: Implications for Comparative Development. *Journal of Economic Growth* 26 (3): 1-49.
- Dalgaard, C. J., and H. Strulik. 2016. Physiology and Development: Why the West is Taller than the Rest. *Economic Journal* 126 (598): 2292-2323.
- Dalgaard, C. J., and H. Strulik. 2015. The Physiological Foundations of the Wealth of Nations. *Journal of Economic Growth* 20 (1): 37-73.

14. The Past and Future of Knowledge-Based Growth (Strulik)

Lecture

- * Strulik, H., K. Prettnner, and A. Prskawetz. 2013. The Past and Future of Knowledge-Based Growth. *Journal of Economic Growth* 18 (4): 411-437.