

Economics 7730: Economic Development

Fall 2025

Room A06, 28 Hillhouse

W 4:00-6:30

Economics 7730 is the first part of a two-semester PhD course on economic development. The goal of this course in the Fall term is to introduce some of the central issues in development economics and to explore the application of microeconomic analysis to gain deeper insights into these questions. The focus of this semester is the study of the role of uninsured risk, farms, informal institutions such as networks and marriage practices, household behavior, technology adoption, migration, education, health and human capital. We will assume that you have taken the first-year graduate sequences in microeconomics and econometrics, which are pre-requisites.

Course Requirements:

A primary goal of this course is a critical reading of the current literature on the empirical microeconomics of development. We expect you to do all of the required reading and to participate in class discussion. You will also present and lead the discussion of one of a set of current research papers. There will be a final examination.

Students are encouraged to attend the development lunches and seminars to both see new research and to develop their own ideas for research.

Rosenzweig Section

A. The Consequences of Uninsured Risk

a. Investment misallocation.

Rosenzweig, Mark R. and Chris Udry. (2020)., “External Validity in a Stochastic World,” The Review of Economic Studies 87 (1): 343-381.

Karlan, Dean, Robert Osei, Isaac Osei-Akoto, Christopher Udry. (2014). “Agricultural Decisions after Relaxing Credit and Risk Constraints.” Quarterly Journal of Economics 129 (2).

de Mel, Suresh, David McKenzie and Christopher Woodruff. (2008). “Returns to Capital in Microenterprises: Evidence from a Field Experiment.” Quarterly Review of Economics 123 (4).

Cole, Shawn and A Niles Fernando (2021). “Mobile’izing Agricultural Advice Technology Adoption Diffusion and Sustainability.” The Economic Journal 131(633): 192–219.

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

Rosenzweig, Mark R. and Kenneth I. Wolpin. (1993). "Credit Market Constraints and the Accumulation of Durable Production Assets in Low-Income Countries: Investments in Bullocks," Journal of Political Economy 101: 223-44.

Atkin, David and Treb Allen. (2022). "Volatility and the Gains from Trade." Econometrica 90(5): 2053-2092.

Burlig, Fiona, Amir Jina, Erin M. Kelley, Gregory V. Lane, Harshil Sahai (2025). "Long-range Forecasts as Climate Adaptation: Experimental Evidence from Developing-Country Agriculture." NBER Working Paper No. 32173.

Rosenzweig, Mark and Christopher Udry (2019). "Assessing the Benefits of Long-Run Weather Forecasting for the Rural Poor: Farmer Investments and Worker Migration in a Dynamic Equilibrium Model." NBER Working Paper No. 25894.

Rosenzweig, Mark and Christopher Udry (2014). "Rainfall Forecasts, Weather, and Wages over the Agricultural Production Cycle." American Economic Review 104(5): 278-283.

Asher, Sam, Alison Campion, Douglas Gollin and Paul Novosad (2022). "The Long-Run Development Impacts of Agricultural Productivity Gains: Evidence from Irrigation Canals in India." CEPR Discussion Paper DP17414.

b. Spatial misallocation: migration.

Harris, John P. and Michael Todaro (1970). "Migration, Unemployment and Development: A Two-Sector Analysis" American Economic Review 60(1): 126-142

Rosenzweig, Mark and Oded Stark (1989). "Consumption Smoothing, Migration and Marriage: Evidence from Rural India," Journal of Political Economy

Munshi, Kaivan and Mark Rosenzweig (2016). "Networks and Misallocation: Insurance, Migration, and the Rural-Urban Wage Gap," American Economic Review.

Morten, Melanie (2019). "Temporary Migration and Endogenous Risk Sharing in Village India." Journal of Political Economy 127 (1): 1-46.

G. Bryan, S. Chowdhury and A. M. Mobarak (2014). "Under-investment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh," Econometrica. 82(5): 1671-1748.

Meghir, C., Mobarak, M., Mommaerts, C., and Morten, M. (2022). "Migration and Informal Insurance." Review of Economic Studies 89(1): 452-480.

Bazzi *et al.* (2016) "Skill Transferability, Migration, and Development: Evidence from Population Resettlement in Indonesia," American Economic Review 106(9): 2658–2698.

Breza, Emily, Supreet Kaur and Yogita Shamdasani (2021). "Labor Rationing," American Economic Review 111(10): 3184-3224.

B. Farm Scale and Misallocation

Foster, Andrew D. and Mark R. Rosenzweig (2022). "Are There Too Many Farms in the World? Labor-Market Transaction Costs, Machine Capacities and Optimal Farm Size." Journal of Political Economy 130(3): 636-680.

Muyanga, Milu and T S Jayne (2019). "Revisiting the Farm Size-Productivity Relationship Based on a Relatively Wide Range of Farm Sizes: Evidence from Kenya." American Journal of Agricultural Economics 101 (4): 1140–1163.

Walker, Michael, Nachiket Shah, Edward Miguel, Dennis Egger, Felix Samy Soliman, and Tilman Graff (2024). "Slack and Economic Development." NBER Working Paper #33055.

Raahil Madhok, Raahil, Frederik Noack, Ahmed Mushfiq Mobarak, Raahil Madhok, and Olivier Deschenes (2025). "Internal Migration and the Spatial Reorganization of Agriculture." NBER Working Paper 33854.

Bassi, Vittorio, Raffaella Muoio, Tommaso Porzio, Ritwika Sen, Esau Tugume. (2022). "Achieving Scale Collectively." Econometrica 90(6): 2937-2978.

Bleakley, Hoyt and Joseph Ferrie (2017). "Land Openings on the Georgia Frontier and the Coase Theorem in the Short and Long Runs." University of Michigan.

C. Schooling, Development and Productivity

a. The productivity of schooling.

Rosenzweig, Mark R. (2012). "Thinking Small: A Review of *Poor Economics A Radical Rethinking of the Way to Fight Global Poverty* by Abhijit Banerjee and Esther Duflo." Journal of Economic Literature, March 2012.

Rosenzweig, Mark R. (2010). "Microeconomic Approaches to Development: Schooling, Learning, and Technical Change." Journal of Economic Perspectives Summer.

Rosenzweig, Mark (2010). "Global Wage Inequality and the International Flow of Migrants," in Equity in A Globalizing World, Ravi Kanbur and Michael Spence, eds., Growth Commission, Routledge, 2010.

Welch, Finis (1970). "Education in Production," Journal of Political Economy, January-February.

Rosenzweig, Mark R. (1995). "Why Are There Returns to Schooling?" American Economic Review 85.

Foster, Andrew D. and Mark R. Rosenzweig. (2010). "Microeconomics of Technology Adoption," Annual Review of Economics, Vol. 2: 395-424.

Foster, Andrew D. and Mark R. Rosenzweig (1996). "Technical Change and Human Capital Returns and Investments: Evidence from the Green Revolution," American Economic Review, September 1996.

Bustos, Paula, Gabriel Garber and Jacopo Ponticelli (2016). "Agricultural Productivity and Structural Transformation: Evidence from Brazil," American Economic Review, 106(6): 1320–1365.

b. The demand for and supply of schooling.

Jere R. Behrman, Andrew. D. Foster, Mark R. Rosenzweig, and P. Vashishtha. (1999). "Female Schooling, Home Teaching, and Economic Growth," Journal of Political Economy, August 1999

Munshi, Kaivan and Mark R. Rosenzweig (2006). "Traditional Institutions Meet the Modern World: Caste, Gender and Schooling Choice in a Globalizing Economy," American Economic Review 96(4), 1225-1252.

Bau, Natalie. 2021. "Can Policy Change Culture? Government Pension Plans and Traditional Kinship Practices." American Economic Review 111 (6): 1880–1917.

Buchmann, N., Field, E., Glennerster, R., Nazneen, S., & Wang, X. Y. (2023). A Signal to End Child Marriage: Theory and Experimental Evidence from Bangladesh. American Economic Review 113(10): 2645–2688.

Cassan, Guilhem, Daniel Keniston and Tatjana Kleineberg (2024) "A Division of Laborers: Identity and Efficiency in India." NBER Working Paper 28462, revised.

Oster, Emily and Bryce Millett Steinberg. (2013). "Do IT service centers promote school enrollment? Evidence from India," Journal of Development Economics 104: 123–135.

Adukia, Anjali, Sam Asher, and Paul Novosad (2020). "Educational Investment Responses to Economic Opportunity: Evidence from Indian Road Construction." American Economic Journal: Applied Economics 12(1): 348–376.

Jensen, Robert (2010). "The (Perceived) Returns to Education and the Demand for Schooling," Quarterly Journal of Economics 125(2): 515-548.

Jensen, Robert and Nolan Miller (2017). "Keepin' 'em Down on the Farm: Migration and Strategic Investment in Children's Schooling." NBER Working Paper No. 23122.

Schultz, T. Paul (2004). "School Subsidies for the Poor: Evaluating the Mexican *Progres*a Poverty Program," Journal of Development Economics 74(1), 2004, 199-250.

Todd, Petra and Kenneth I. Wolpin (2006). "Assessing the Impact of a School Subsidy Program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility." American Economic Review, 96(5): 1384-1417.

Duflo, Esther (2001). "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," American Economic Review 91(4): 795-813.

Mark R. Rosenzweig and Junsen Zhang. (2009). "Do Population Control Policies Induce More Human Capital Investment? Twins, Birthweight, and China's 'One Child' Policy," Review of Economic Studies.

Rossi, Pauline, and Mathilde Godard (2022). "The Old-Age Security Motive for Fertility: Evidence from the Extension of Social Pensions in Namibia." American Economic Journal: Economic Policy 14 (4): 488-518.

D. Health, Schooling and Development

a. Health affecting schooling.

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

Miguel, Edward and Michael Kremer, "Illusions of Sustainability (2007)." Quarterly Journal of Economics 12(3): 1007-1065.

Kremer, Michael, Sarah Baird, Joan Hamory Hicks, and Edward Miguel (2016). "Worms at Work: Long-Run Impacts of a Child Health Investment," Quarterly Journal of Economics 131(4): 1637-1680

Hamory, Joan, Edward Miguel, Michael W. Walker, Michael Kremer, Sarah J. Baird (2021). "Twenty Year Economic Impacts of Deworming," PNAS 118(14).

Bleakley, Hoyt (2010). "Malaria Eradication in the Americas: A Retrospective Analysis of Childhood Exposure." American Economic Journal: Applied Economics, 2(2): 1-45.

Pitt, Mark M., Mark R. Rosenzweig and Nazmul Hassan (2012). "Human Capital Investment and the Gender Division of Labor in a Brawn-Based Economy," American Economic Review.

Rosenzweig, Mark R. and Junsen Zhang (2013). "Economic Growth, Comparative Advantage, and Gender Differences in Schooling Outcomes: Evidence from the Birthweight Differences of Chinese Twins," Journal of Development Economics 104: 245–260.

Pitt, Mark M., Mark R. Rosenzweig and Nazmul Hassan (2021). "Identifying the Economic Costs of a Public Health Success: Arsenic Well Contamination, Health and Income in Rural Bangladesh," Review of Economic Studies 88(5): 2479-2546.

b. Health affecting productivity

Strauss, John (1986). "Does Better Nutrition Raise Farm Productivity?" Journal of Political Economy: 297-320.

Thomas, Duncan and John Strauss (1997). "Health and Wages: Evidence on Men and Women in Urban Brazil," Journal of Econometrics 77: 159-85.

Weil, David N. (2005). "Accounting for the Effect of Health on Economic Growth," Department of Economics. Brown University.

Behrman, Jere R. and Mark R. Rosenzweig (2004). "Returns to Birthweight," Review of Economics and Statistics.

Pitt, Mark M., Mark R. Rosenzweig and Nazmul Hassan (1990). "Productivity, Health and Inequality in the Intrahousehold Distribution of Food in Low-Income Countries," American Economic Review 80 (5).

Foster, Andrew and Mark R. Rosenzweig (1994). "A Test for Moral Hazard in the Labor Market: Contractual Arrangements, Efficiency and Health," Review of Economics and Statistics 76: 213-27.