APEC 8703  
Microeconomic Analysis of Economic Development  
Syllabus  
Spring, 2014  

Instructors:  
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Office Hours: To Be Determined  
To Be Determined  
Class Website: http://www.apec.umn.edu/faculty/pglewwe/apec8703.html  

Lecture Hours:  
Tuesdays and Thursdays, 11:45 a.m. - 1:00 p.m.  
Classroom:  Ruttan Hall, Room B25  

Course Description:  
This course will cover a variety of topics concerning the microeconomics of economic development in low-income countries, with a particular focus on the role of agriculture.  

There is one required book for this course:  

All other readings are on reserve at Waite Library (232 Ruttan Hall).  

Prerequisites:  Apec 8001-8004 or Econ 8001-8004 (or Econ 8101-8104) and Apec 8211-8212. Concurrent registration is OK if this class is taught in the Spring semester.  

Course Requirements:  This course will have a mid-term examination and a final examination. The final exam will be on Tuesday, May 13, 2014, at 8:00 a.m. There will also be about 3 homework problem sets.  

Grading:  The final grade will be a weighted average of four components:  

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Midterm</td>
<td>40%</td>
</tr>
<tr>
<td>Final</td>
<td>45%</td>
</tr>
<tr>
<td>Homework</td>
<td>15%</td>
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There will be no make-up exams for the mid-term or for the final exam. Instead, the average will be taken of the other items and then 1/3 of a grade will be subtracted from this average. These penalties may be waived, at the discretion of the instructors, if evidence of a serious illness or a family emergency is presented.
Outline of Course Lectures

An asterisk (*) denotes extra readings recommended for students with a particular interest in the topic. They are not in Waite Library and are not covered in the course lectures.

I. Agriculture in Developing Countries (11 lectures)

1. Introduction (January 21)


2. Economic Models of Agricultural Households (January 23)

Bardhan and Udry, Chapter 2.


3. Rural Labor Markets (January 28)


Bardhan and Udry, Chapter 4.


4. Rural Land Markets (January 30 and February 4)


Bardhan and Udry, Chapter 6.


5. Rural Credit Markets (February 6 and 11)

Bardhan and Udry, Chapter 7
Programs on Poor Households in Bangladesh: Does the Gender of the
the Indian Social Banking Experiment.” *American Economic Review*
95(3):780-795.
Cull, Robert, Asli Demirgüç-Kunt and Jonathan Morduch. 2009. Microfinance
* Besley, Tim, and Stephen Coate. 1995. “Group Lending, Repayment Incentives
with Joint Liability: Theory and Practice”. *Journal of Development
Economics* 60(1):195-228.
* Ghatak, Maitreesh. 2000. “Screening by the Company You Keep: Joint Liability
Regularly Scheduled Repayments in Microfinance Programs”. *Journal of
* Armendariz de Aghion, Beatriz, and Jonathan Morduch. 2005. *The Economics of
Microfinance*. MIT Press.
* Ashraf, Nava, Dean Karlan and Wesley Yin. 2006. “Tying Odysseus to the Mast:
Evidence from a Commitment Savings Product in the Philippines”. *Quarterly
117(517):F52-F84.
information Asymmetries with a Consumer Credit Field Experiment”.


6. Risk and Insurance in Rural Areas (February 13 and 18)

Bardhan and Udry, Chapter 8


7. Input and Product Markets, and Role of Infrastructure (February 20)


8. Contract Farming and Agricultural Value Chains (February 25)


* Hansen, Henrik, and Neda Trifkovic. 2014. “Food Standards are Good—For Middle Class Farmers,” World Development forthcoming.

II. Poverty, Inequality and Human Capital in Developing Countries (9 Lectures)

1. Poverty and inequality (February 27 and March 4)


Bardhan and Udry, Chapter 11.


Foster, James, and Amartya Sen. 1997. “On Economic Inequality after a Quarter Century”. This is an annex added to On Economic Equality when it was republished in 1997.


2. Population Growth, Fertility and Gender Issues (March 6)


**Mid-term: Thursday March 13.**

3. Nutrition and Health (March 11 and 25)


4. Education (March 27 and April 1, 3 and 8)


* Determinants of Years in School and Learning*


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**Impact of Health and Nutrition on Education Outcomes**


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11


**Impact of Education on Labor Productivity**


**IV. Other Topics (8 Lectures)**

1. Labor Markets and Migration (April 10)


   Bardhan and Udry. Chapter 5.


2. Econometric Analysis of the Determinants of Economic Growth. (April 15)


3. International Aid and Role of International Organizations (April 17)


4. Institutions (April 22 and 24)


5. Social Norms and Market Order (April 29)


6. Corruption (May 1)


7. Small Businesses and Micro-Enterprises (May 6)

Readings to Be Determined.

8. Conflict (May 8)


Final exam: Tuesday, May 13, 2014, at 8:00 a.m.