

ECO 84200
Development Economics II

Last offered: Fall 2014, W 2:00-4:00

City University of New York Graduate Center
Graduate Center - 365 5th Ave, Room 3212

Professor Contact Information

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Office hours: T 2:30-4:00 and by appointment

Course Pre-requisites, Co-requisites, and/or Other Restrictions

There are no formal prerequisites for this class. However, students are expected to be competent in graduate micro economics and applied econometrics.

Course Description

This class will provide a joint study environment where we analyze parts of the literature that deals with the microeconomic aspects of development economics, with an emphasis on labor markets and human resources in developing countries. As many contributing economists actually specialize more in labor markets and human resources rather than in development economics, the topics will often overlap with the study of the same issues in industrial countries: the issues are similar but the context differs. This means that the material covered in this course is of interest both to development economists and to labor economists.

The topic of “Labor Markets and Human Resources” covers sectoral (or occupational) choice, entrepreneurship, wage determination, risk and risk sharing, human capital and education, migration, population, health and nutrition, and gender issues. These topics are addressed both in isolation and in the context of the “core” development economics topics of income distribution, poverty, credit allocation, investment, agriculture, globalization, and so forth.

Student Learning Objectives/Outcomes

This course promotes student learning in various ways.

1. Examine the nature of labor markets in developing countries from a microeconomic perspective
 2. Understand the role of small-scale entrepreneurship in developing country labor markets
 3. Analyze the impact of migration and brain drain
 4. Understand risk and risk sharing in developing country settings
 5. Analyze human resource questions in a developing county context: education, health, population, and gender
 6. Relate theory to data obtained from household and enterprise surveys in developing countries
 7. Improve writing and presentation skills
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Assessment: Grading Policy, Assignments, and Exam Dates

The semester grade will be based on a midterm exam, a final exam, the classroom presentation, the referee reports, the replication set-up assignment, and class participation. The final exam will not be comprehensive. The weights of these components are:

Midterm exam (October 29)	30 %
Final exam (December 17).....	35 %
Paper presentation	10 %
Referee report	10 %
“Replication Intent” assignment	10 %
Participation	5 %

The midterm exam covers the first half of the course, which starts off with a discussion of data issues in developing country contexts and then proceeds with an examination of with labor markets and entrepreneurship from both theoretical and empirical perspectives. This exam relates to learning objectives (1), (2) and (6).

The final exam is not cumulative. It covers the material of the second half of the course and therefore relates to learning objectives (3), (4), (5) and (6).

One of the best ways to master a research paper is to present it in a classroom setting. Each student will have an opportunity to present a paper that is on the syllabus. The paper presentation should be 20-25 minutes long and should include (in the case of an empirical paper): an outline of the contribution that the paper makes, a description of the methodology it uses, a short description of the data, the essentials of the empirical results, perceived shortcomings of the paper, and a list of topics for future research. This assignment relates to learning objective (7) as well as (1), (2), (3), (4), or (5) depending on the topic of the paper to be presented.

During the course of the semester, students will write a referee report to one assigned working paper drawn from the archives of the World Bank or similar organization. In about two pages, a referee report briefly summarizes the paper under consideration, highlights strong and weak points, and makes a recommendation regarding publication of the paper in the journal that requests the report. As a reference point, we will take the *World Bank Economic Review* or *World Development*. This assignment relates to learning objective (7) as well as (1), (2), (3), (4), or (5) depending on the topic of the paper to be reviewed.

Also during the course of the semester, students will choose a topic, drawn from any paper that is covered during the course of the semester, for “replication intent” by means of one of the Living Standards Surveys of the World Bank. The objective is not to actually replicate that study but rather to identify which of those surveys is most suitable data source for this replication and to identify the variables in that survey that will be needed for such replication. This assignment serves to become familiar with one of the most important data sources in micro-level development economics. This assignment relates primarily to learning objective (6).

If the circumstances so demand, these descriptions and timelines are subject to change at the discretion of the Professor.

Course & Instructor Policies

- Absence from any exam must be properly documented; otherwise a grade of 0 is assigned to a missed exam. Make-up exams are scheduled within the same week for those who missed an exam with proper documentation.
- In line with the university schedule, there will be no class session on Sept.24.
- There is no extra credit work.
- Cellphones and pagers must be turned off. Recording the lecture is not permitted.

Required Textbook

There are no assigned textbooks. Background material may be found in the following texts, but the course will be based primarily on published research articles.

Debraj Ray, Development Economics, Princeton: Princeton Univ. Press, 1998.

Pranab Bardhan and Christopher Udry. 1999. Development Microeconomics. Oxford University Press, 1999.

G.M. Meier and J.E. Rauch, Leading Issues in Economic Development, 8th ed., New York: Oxford University Press, 2005.

D.H. Perkins, S.C. Radelet, D.L. Lindauer, and S.A. Block, Economics of Development, 7th ed., New York: Norton, 2012.

M. Todaro and S. Smith, Economic Development, 12th ed., Pearson Education Inc, 2015.

World Bank, World Development Report, New York: Oxford Univ Press (various years)

United Nations Development Program, Human Development Report, New York: UNDP (various years)

Reading Assignments

The following is a tentative list of readings that we will discuss during this semester. Readings highlighted with a star should be studied in detail; others are provided mostly for your interest but a few of them may be discussed in class as well. *Note that the list of starred articles is tentative and probably will change as the semester progresses.*

1. DATA ISSUES

Human Development Report, various years (online at www.undp.org).

World Development Report, various years (online at www.worldbank.org/data).

*M. Ravallion, "Troubling tradeoffs in the Human Development Index." Journal of Development Economics, November 2012, 99:2, 201-209.

M. Binder and G. Georgiadis. "Determinants of Human Development: the role of institutions." CESifo Working Paper 3397, 2011; UNDP Human Development Research Paper, 2010/24 (http://hdr.undp.org/sites/default/files/hdrp_2010_24.pdf).

*J.R. Behrman and M.R. Rosenzweig, "Caveat emptor: cross-country data on education and the labor force." Journal of Development Economics, June 1994, 44:1, pp. 147-171.

R. Akee. "Errors in self-reported earnings: the role of previous earnings volatility and individual characteristics." Journal of Development Economics, November 2011, 96:2, 409-421.

M. Grosh and P. Glewwe, "Introduction." In M. Grosh and P. Glewwe, eds., Designing Household Survey Questionnaires for Developing Countries, World Bank, Washington DC, 2000, Ch. 1.

R. Barro and J.W. Lee, "International measures of schooling years and schooling quality." American Economic Review, May 1996, 86:2, 218-223.

*R. Barro and J.W. Lee, "International data on educational attainment: updates and implications." Oxford Economic Papers, July 2001, 53:3, 541-563.

*R. Barro and J.W. Lee, "A new data set of educational attainment in the world, 1950-2010." NBER Working Paper w15902, April 2010; also Journal of Development Economics, September 2013, 104, 184-198.

<http://datacatalog.worldbank.org/> : A catalog of datasets available at the World Bank.

M. Grosh and P. Glewwe, "A guide to Living Standards Measurement Study surveys and their data sets." LSMS Working Paper 120, World Bank, 1995.

A. Deaton. The Analysis of Household Surveys: A Microeconomic Approach to Development Policy. Johns Hopkins University Press, Baltimore, Maryland, 1997.

Symposium on Measurement and Survey Design, Journal of Development, May 2012, 98:1 (15 papers).

2. LABOR MARKETS

2.1 The Lewis model and its elaborations

- *C. Kirkpatrick and A. Barrientos, "The Lewis model after 50 years," The Manchester School, December 2004, 72:6, 679-690.
- G.S. Fields, "Dualism in the labor market: a perspective on the Lewis model after half a century," The Manchester School, December 2004, 72:6, 724-735.
- *K. Basu, Analytical Development Economics, Cambridge, Mass: MIT Press (1997), Ch. 8.
- *J.R. Harris and M.P. Todaro, "Migration, unemployment and development: a two-sector model." American Economic Review, March 1970, 60:1, 126-142.
- G.S. Fields, "Rural-Urban Migration, Urban Unemployment and Underemployment, and Job Search Activity in LDCs." Journal of Development Economics, 1975, 2, 165-188.
- *J.K. Brueckner and H.A. Kim, "Land Market in the Harris-Torado Model: A New Factor Equilibrating Rural-Urban Migration," Journal of Regional Science, 2001, 41:3, 507-520.
- D. Larson and Y. Mundlak, "On the intersectoral migration of agricultural labor." Economic Development and Cultural Change, January 1997, 45:2, 295-319.
- K. Yuki, "Urbanization, informal sector and development." Journal of Development Economics, September 2007, 84:1, 76-103.

2.2 The Informal Sector Debate

- *L. Peattie, "An idea and how it grew: the informal sector." World Development, July 1987, 15:7, 851-860. (Comments in a later issue: Cole and Fayissa, July 1991, 779-789; Anheier, November 1992, 1573-1585.)
- *C. Rakowski, "Convergence and Divergence in the Informal Sector Debate: A Focus on Latin America, 1984-92." World Development, April 1994, 22:4, 501-516.
- D. Mead and C. Morrison, "The informal sector elephant." World Development, October 1996, 24:10, 1611-1619.
- *R. LaPorta and A. Shleifer. "The unofficial economy and economic development." Brookings Papers on Economic Activity, Fall 2008, 47:1, 275-352.
- *R. LaPorta and A. Shleifer, "Informality and development." Journal of Economic Perspectives, Summer 2014, 28:3, 109-126. (Also: NBER Working Paper w20205, June 2014.)
- A. De Paula and J. Scheinkman. "The informal sector: an equilibrium model and some empirical evidence from Brazil, second version." PIER Working Paper 20-024, 2010.
- *P. Nguimkeu. "A structural econometric analysis of the informal sector heterogeneity." Journal of Development Economics, March 2014, 107, 175-191.

Evidence

- *D. Marcouiller, V. Ruiz de Castillo, C. Woodruff, "Formal measures of the informal wage gap in Mexico, El Salvador and Peru." Economic Development and Cultural Change, January 1997, 45:2, 367-392.
- E. Funkhauser, "Mobility and labor market segmentation: the urban labor market in El Salvador." Economic Development and Cultural Change, October 1997, 46:1, 123-153.
- *W. Vijverberg and J. van der Gaag, "The private wage sector in Côte d'Ivoire: homogeneity or heterogeneity?" Southern Economic Journal, October 1991, 58:2, pp. 406-422.
- *E. El Badaoui, E. Strobl and F. Walsh, "Is There an Informal Employment Wage Penalty? Evidence from South Africa." Economic Development and Cultural Change, April 2008, 56:3, 683-710.
- X. Gong and A van Soest, "Wage differentials and mobility in the urban labour market: a panel data analysis for Mexico." Labour Economics, September 2002, 9:4, 513-529.

- F. Botelho and V. Ponczek. "Segmentation in the Brazilian labor market." Economic Development and Cultural Change, January 2011, 59:2, 437-463.
- *S. de Mel, D. McKenzie, and C. Woodruff. "The demand for, and consequences of, formalization among informal firms in Sri Lanka." American Economic Journal: Applied Economics, April 2013, 5:2, 122-150.

2.3 Models of Labor Supply

- J. Strauss, "The theory and comparative statics of agricultural household models: A general approach." In I. Singh, L. Squire and J. Strauss, eds., Agricultural Household Models. Johns Hopkins Univ. Press, 1986.
- *D. Benjamin, "Household composition, labor markets, and labor demand: Testing for separation in agricultural household models." Econometrica, 60:2, 287-322.
- *H. Jacoby, "Shadow wages and peasant family labour supply: An econometric application to the Peruvian Sierra." Review of Economic Studies, October 1993, 60:4, 903-921.
- D. LaFave and D. Thomas, "Farms, families, and markets: new evidence on agricultural labor markets." NBER Working Paper 20699, Nov. 2014.
- W.P.M. Vijverberg, "Consistent estimates of the wage equation when individuals choose among income-earning activities," Southern Economic Journal, April 1986, 52:4, pp. 1028-1042.
- J.L. Newman and P.J. Gertler, "Family productivity, labor supply, and welfare in a low-income country." Journal of Human Resources, Fall 1994, 29:4, 989-1026.

2.4 Entrepreneurship

Overview and theory

- *J.O. Lanjouw and P. Lanjouw, "The rural non-farm sector: issues and evidence from developing countries." Agricultural Economics, 2001, 26:1, 1-23.
- T. Reardon, J Berdegúe, and Germán Escobar, "Rural nonfarm employment and incomes in Latin America: overview and policy implications." World Development, March 2001, 29:3, 395-409.
- S. Haggblade, P. Hazell, and J. Brown, "Farm-non-farm linkages in rural Sub-Saharan Africa." World Development, August 1989, 17:8, 1173-1201.
- S. Haggblade, P.B.R. Hazell, and T. Reardon, eds. 2007. Transforming the Rural Nonfarm Economy: Opportunities and Threats in the Developing World. Baltimore: The Johns Hopkins University Press for the International Food Policy Research Institute.

Data quality

- W. Vijverberg, "Measuring Income from Family Enterprises with Household Surveys," Small Business Economics, 1992, 4, 287-305; reprinted in Zoltan J. Acs, ed., Small Firms and Economic Growth (Cheltenham, UK: Edward Elgar Publ., 1994).
- *S. de Mel, D.J. McKenzie, and C. Woodruff. "Measuring microenterprise profits: Must we ask how the sausage is made?" Journal of Development Economics, January 2009, 88:1, 19-31.

Dynamics

- D.C. Mead and C. Liedhold, "The dynamics of micro and small enterprises in developing countries." World Development, January 1988, 26:1, 61-74.
- W. Vijverberg, "Nonfarm Household Enterprises in Vietnam." in David Dollar, Paul Glewwe, and Jennie Litvack, eds., Household Welfare and Vietnam's Transition, Chapter 5 (World Bank, Washington DC, 1998), pp. 137-178.
- *W. Vijverberg and J. Haughton, "Household Enterprises in Vietnam: Survival, Growth, and Living Standards," in Paul Glewwe, David Dollar and Nishi Agrawal, Economic Growth, Poverty, and Household Welfare in Vietnam, Washington DC: The World Bank, 2004, 95-132.
- A. Bigsten and M. Gebreeyesus. "The small, the young, and the productive: Determinants of manufacturing firm growth in Ethiopia." Economic Development and Cultural Change, July 2007, 55:4, 813-840.

*G. Frazer, "Which firms die? A look at manufacturing firm exit in Ghana." Economic Development and Cultural Change, April 2005, 53:3, 585-617.

Evidence: Investment climate and credit

P. Fajnzylber, W.F. Maloney, and G.V. Montes-Rojas. "Does formality improve micro-firm performance? Evidence from the Brazilian SIMPLES program." Journal of Development Economics, March 2011, 94:2, 262-276.

*World Bank. The Rural Investment Climate: Analysis and Findings. Washington DC: The International Bank for Reconstruction and Development / The World Bank, October 2008.

W. Vijverberg, with Hoang Thi Thanh Huong, Nguyen Chien Tang, Nguyen Ngoc Que, Nguyen The Quan, Phung Duc Tung, and Vu Thi Kim Mao. 2006. "Non-Farm Household Enterprises in Vietnam: A Research Project using Data from VHLSS 2004, VHLSS 2002 and AHBS 2003." The World Bank, Hanoi Office.

*R. Aterido, M. Hallward-Driemeier, and C. Pages. "Big constraints to small firms' growth? Business environment and employment growth across firms." Economic Development and Cultural Change, April 2011, 59:3, 609-647.

A.V. Banerjee and E. Duflo. "Do firms want to borrow more? Testing credit constraints using a directed lending program." Manuscript, June 2, 2012.

A. Karaivanov, "Financial constraints and occupational choice in Thai villages." Journal of Development Economics, March 2012, 97:2, 201-220.

S.R. Khandker, D.F. Barnes, H.A. Samad, "Welfare impacts of rural electrification: a panel data analysis from Vietnam." Economic Development and Cultural Change, April 2013, 61:3, 659-692.

2.5 Wage Determination and Unemployment in LDCs

J.-M. Baland, J. Drèze, and L. Leruth, "Daily wages and piece rates in agrarian economies." Journal of Development Economics, August 1999, 59:2, 445-461.

*A.D. Foster and M.R. Rosenzweig, "Information, learning and wage rates in low-income rural areas." Journal of Human Resources, Fall 1993, 28:4, 759-790.

J. Anderson Schaffner, "Premiums to employment in larger establishments: evidence from Peru." Journal of Development Economics, February 1998, 55:1, 81-113.

E. Funkhouser, "The importance of firm wage differentials in explaining hourly wage variation in the large-scale sector of Guatemala." Journal of Development Economics, February 1998, 55:1, 115-131

*J. van der Gaag and W.P.M. Vijverberg, "A Switching Regression Model for Wage Determinants in the Public and Private Sectors of a Developing Country." Review of Economics and Statistics, May 1988, 70:2, 244-252

W.P.M. Vijverberg, "Educational Investments and Returns for Women and Men in Côte d'Ivoire," The Journal of Human Resources, Fall 1993, 28:4, 933-974; reprinted in T. Paul Schultz, ed., Investing in Women's Human Capital (Chicago: University of Chicago, 1995), Ch. 11, 304-342.

Special issue on "Labor Market Flexibility in Developing Countries." Journal of Labor Economics, July 1997.

*T.H. Gindling and K. Terrell, "Minimum wages, globalization and poverty in Honduras." World Development, June 2010, 38:6, 908-918.

*A. Iturriza, A.S. Bedi, and R. Sparrow, "Unemployment assistance and transition to employment in Argentina." Economic Development and Cultural Change, July 2011, 59:4, 811-837.

*C. Martinez, "Intrahousehold allocation and bargaining power: evidence from Chile." Economic Development and Cultural Change, April 2013, 61:3, 577-605.

2.6 Labor Markets and Globalization

*E. Dinopoulos and L. Zhao, "Child labor and globalization." Journal of Labor Economics, July 2007,

25:3, 553-579.

- N.H. Chau and R. Kanbur, "The race to the bottom, from the bottom." Economica, May 2006, 73:290, 193-228.
- T. Reardon, K. Stamoulis, and P. Pingali, "Rural nonfarm employment in developing countries in an era of globalization." Agricultural Economics, December 2007, 37:Supp.1, 173-184.
- *P. Glewwe and G. Hall, "Are some groups more vulnerable to macroeconomic shocks than others? Hypothesis tests based on panel data from Peru." Journal of Development Economics, June 1998, 56:1, 181-206.
- G. Esquivel and J.A. Rodriguez-Lopez, "Technology, trade and wage inequality in Mexico before and after NAFTA." Journal of Development Economics, 2003, 72, 543-565.
- B. Stallings, "Globalization and labor in four developing regions: An institutional approach." Studies in Comparative International Development, June 2010, 45:2, 127-150.
- D. Mazumdar and S. Sarkar, Globalization, Labor Markets and Inequality in India. London and New York: Routledge Taylor Francis, 2008.
- R.B. Freeman, "People flows in globalization." Journal of Economic Perspectives, Spring 2006, 20:2, 145-170.

3. MIGRATION

3.1 Theories of migration

- L.A. Sjaastad, "The costs and returns of human migration." Journal of Political Economy, 1962, 70:5, 80-93.
- O. Stark, The Migration of Labor (Cambridge, UK: Basil Blackwell, 1991)
- *O. Stark and R.E.B. Lucas, "Migration, remittances and the family." Economic Development and Cultural Change, April 1988, 36:3, 465-481.
- O. Galor, and O. Stark, "Migrants' savings, the probability of return migration and migrants' performance." International Economic Review, 1990, 31, pp. 463-467.
- O. Galor, and O. Stark, "The probability of return migration, migrants' work effort, and migrants' performance." Journal of Development Economics, 1991, 35, pp. 399-405.
- C. Dustmann, "Return migration, uncertainty and precautionary savings." Journal of Development Economics, April 1997, 52:2, 295-316.

3.2 International migration

- J.E. Cohen, et al. "International migration beyond gravity: A statistical model for use in population projections." Proceedings of the National Academy of Sciences (PNAS), October 7, 2008 (<http://www.pnas.org/content/105/40/15269.abstract>)
- *G.H. Hanson. "The economic consequences of the international migration of labor." National Bureau of Economic Research, Working Paper 14490 (www.nber.org/papers/w14490), November 2008; also: Annual Review of Economics, 2009, 1, 179-207.
- J. Gibson and D. McKenzie. "Eight questions about brain drain." Journal of Economic Perspectives, Summer 2011, 107-128.
- J. Gibson and D. McKenzie, "The economic consequences of 'Brain Drain' of the best and brightest: microeconomic evidence from five countries." World Bank Policy Research Working Paper No.5394; IZA Working Paper 5124.
- J.-P. Benassy and E.S. Brezis. "Brain drain and development traps." Journal of Development Economics, February 2013, 102, 15-22.
- Symposium on Globalization and Brain Drain, Journal of Development Economics, May 2011, 95:1 (11 papers)
- Special issue on Migration and Development, Journal of Development Economics, February 2013,

102 (9 papers)

- C. Woodruff and R. Zenteno. "Migration networks and microenterprises in Mexico." Journal of Development Economics, March 2007, 82:2, 509-528.
- O. Stark and M. Jakubek. "Migration networks as a response to financial constraints: onset and endogenous dynamics." Journal of Development Economics, January 2013, 101, 1-7.
- *D. McKenzie and H. Rapoport. "Self-selection patterns in Mexico-US migration: the role of migration networks." Review of Economics and Statistics, November 2010, 92:4, 811-821.
- *J. Page and S. Plaza. "Migration remittances and development: A review of global evidence." Journal of African Economies, 2006, 15:Supp2, 245-336.
- *H. Rapoport and F. Docquier. "The economics of migrants' remittances." In S.C. Kolm and J.M. Yihier, Handbook of the Economics of Giving, Altruism and Reciprocity, Vol. 2, Ch. 17, Elsevier, 2006, 1135-1198.
- D. Yang. "Migrant remittances." Journal of Economic Perspectives, Summer 2011, 129-152.

3.3 Evidence

- *A. Morrison, "Capital market imperfections, labor market disequilibrium and migration: a theoretical and empirical analysis." Economic Inquiry, April 1994, 32, pp. 290-302.
- W. Vijverberg and L. Zeager, "Comparing earnings profiles in urban areas of an LDC: rural-to-urban migrants vs. native workers." Journal of Development Economics, December 1994, 45:2, 177-199.
- J. Hoddinott, "A model of migration and remittances applied to western Kenya." Oxford Economic Papers, 1994, 46, pp. 459-476.
- C. Dustmann and J. Mestres, "Remittances and temporary migration." Journal of Development Economics, May 2010, 92, 62-70.

3.4 Migrant selectivity and wages

- *W. Vijverberg, "Labor market performance as a determinant of migration." Economica, May 1993, 60:238, pp. 143-160.
- C. Beauchemin and B. Schoumaker, "Migration to cities in Burkino Faso: Does the level of development in sending areas matter?" World Development, July 2005, 33:7, 1129-1152.
- *R. Akee. "Who leaves? Deciphering immigrant self-selection from a developing country." Economic Development and Cultural Change, January 2010, 58:2, 323-344.
- *S. Bertoli, J. Fernandez-Huertas Moraga, and F. Ortega, "Crossing the border: self-selection, earnings and individuals migration decisions." Journal of Development Economics, March 2013, 101, 75-91.

4. EDUCATION

4.1 Theory

- J. Mincer, "The distribution of labor incomes: a survey with special reference to the human capital approach," Journal of Economic Literature, March 1970, 8:1, 1:26.
- J. Riley. "Silver signals: twenty five years of screening and signaling." Journal of Economic Literature, June 2001, 39:2, 432-478.
- M. Sattinger, "Comparative advantage and the distribution of earnings and ability." Econometrica, May 1975, 43:3, 455-468.
- R.E.B. Lucas, "Hedonic wage equations and psychic wages in the returns of schooling." American Economic Review, September 1977, 67:4, 549-558.

4.2 Evidence

- *G. Psacharopoulos, "Returns to education: a global update." World Development, September 1994,

22:9, 1325-43.

- *P. Bennell, "Rates of return to education: does the conventional pattern prevail in sub-Saharan Africa?" World Development, January 1996, 24:1, 183-199.
- G. Psacharopoulos and H. Patrinos, "Returns to investment in education: a further update." Education Economics, 2004, 12:2, 111-135.
- A.D. Foster and M.R. Rosenzweig, "Learning by doing and learning from others: human capital and technical change in agriculture." Journal of Political Economy, 1995, 103:6, 1176-1209.
- J. Phillips, "Farmer education and farmer efficiency: a meta analysis." Economic Development and Cultural Change, October 1994, 43:1, 149-165.
- J. van der Sluis, Mirjam van Praag, and Wim P.M. Vijverberg, "Entrepreneurship selection and performance: a meta-analysis of the impact of education in developing countries," World Bank Economic Review, January 2006.
- *M.R. Rosenzweig, "Microeconomic approaches to development: schooling, learning, and growth." Journal of Economic Perspectives, Summer 2010, 81-96.
- O.P. Attanasio and K. Kaufman, "Education choices and returns to schooling: Mothers' and youths' subjective expectations and their role by gender." Journal of Development Economics, July 2014, 109, 203-216.

4.3 Other issues

Education policies

- *P. Glewwe, "Schools and skills in developing countries: education policies and socioeconomic outcomes." Journal of Economic Literature, June 2002, 40:2, 436-482.
- P.W. Glewwe, E.A. Hanushek, S.D. Humpage, and R. Ravina. "School resources and educational outcomes in developing countries: review of the literature from 1990 to 2010." NBER Working Paper w17554, October 2011.
- J.W. Lee and R.J. Barro, "Schooling quality in a cross-section of countries." Economica, November 2001, 68:272, 465-488.
- *E. Duflo, "Schooling and labor market consequences of school construction in Indonesia: evidence from an unusual policy experiment." American Economic Review, September 2001, 91:4, 795-813.
- E. Duflo, "The medium run consequences of educational expansion: Evidence from a large school construction program in Indonesia." Journal of Development Economics, June 2004, 74:1, 163-197.
- *E. King, C.E. Montenegro, and P.F. Orazem, "Economic freedom, human rights, and the returns to human capital: an evaluation of the Schultz hypothesis." World Bank Policy Research Paper 5405, August 2010 (available at go.worldbank.org/SJS18X4FP0). Economic Development and Cultural Change, October 2012, 61:1, 39-72.

School attendance

- J. Huisman and J. Smits. "Effects of household- and district-level factors on primary school enrollment in 30 developing countries." World Development, January 2009, 37:1, 179-193.
- A. Tansel, "Schooling attainment, parental education and gender in Côte d'Ivoire and Ghana." Economic Development and Cultural Change, July 1997, 45:4, 825-856.
- M.P. Bacolod and P. Ranjan. "Why children work, attend school, or stay idle: The roles of ability and household wealth." Economic Development and Cultural Change, July 2008, 56:4, 791-828.
- P. Emerson and A.P. Souza. "Birth order, child labor, and school attendance in Brazil." World Development, September 2008, 36:9, 1647-1664.
- A. Kochar. "Schooling, wages and profits: Negative pecuniary externalities from schooling and their consequences for schooling investments." Journal of Development Economics, April 2008, 86:1, 6-95.
- F. Yamauchi, "Are experience and schooling complementary? Evidence from migrants' assimilation

in the Bangkok labor market.” Journal of Development Economics, August 2004, 74:2, 489-513.

Growth

M. Bills and P.J. Klenow, “Does schooling cause growth?” American Economic Review, December 2000, 90:5, 1160-1183.

E.A. Hanushek and D.D. Kimbo, “Schooling, labor-force quality, and the growth of nations.” American Economic Review, December 2000, 90:5, 1184-1208.

E.A. Hanushek and L. Woessmann. “Do better schools lead to more growth? Cognitive skills, economic outcomes and causation.” NBER Working Paper w14633, January 2009.

O. Galor. “Inequality, human capital formation, and the process of development.” NBER Working Paper w17058, May 2011.

N. Gennaioli, R. LaPorta, F. Lopez-de-Silanes, and A. Shleifer. “Human capital and regional development.” Quarterly Journal of Economics, Feb 2013, 128:1, 105-164.

5. RISK AND SHOCKS

Income and consumption

R. Townsend. “Risk and Insurance in Village India.” Econometrica, 1994, 62, 539-592.

M. Ravallion and S. Chaudhuri. “Risk and Insurance in Village India: Comment.” Econometrica, 1997, 65:1, 171-84.

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