

Ec982: Development Economics

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Part 1: Methods

- In the first five weeks, you will read Glennerster and Takavarasha: “Running Randomized Evaluations: A Practical Guide”
- This book is an excellent overview of “how to do development economics,” or, in particular, how to implement a randomized program evaluation, which is probably the dominant method in development economics at the moment.
- This book is so non-technical that it would be silly to base the lectures off of it.
- Rather, I have made a set of review questions that you can use as a guide when reading it.
- In the lectures, I will take techniques and methods that Glennerster and Takavarasha discuss, go through the math of them a bit, and tell you how to do them in Stata.
- So: for the first four weeks, you’ll watch me talk about math and Stata code. In the fifth week, we’ll all sit around a circle and talk about Glennerster and Takavarasha, based on the review questions.
- In the past, I’ve noticed students want lots and lots of practical instruction in Stata. That’s what I’ll try to provide.

Week 1: Nonexperimental Evaluation

- How to do well in this class
- How to use statistical matching
- How to use instrumental variables
- How to use differences in differences
- How to use regression discontinuity design

Week 2: Randomization

- How to do simple randomization.
- How to do stratified randomization
- How to do pairwise randomization
- How to do balance tests
- How to do a power analysis.

Week 3: Treatment Effects

- How to compute ITT estimates with and without covariates
- ANOVA and ANCOVA
- How to compute ITT estimates with heterogeneous treatment
- Computing the Wald estimator
- How to use instrumental variables to compute TOT effects.

Week 4: Further Estimation Techniques

- How to adjust for spillovers.
- How to compute quantile treatment effects
- How to compute Lee bounds
- How to do the free step-down resampling for the FWER
- A chance to catch up, ask questions, and warn you about the five following weeks.

Week 5: Discussing Glennerster and Takavarasha

- By this point, you will have finished reading the book. We will have a discussion about it, structured around the review questions I have provided.

Part 2: Recent Research

- My goal: to find very recent, cutting-edge research, so you can see exactly what it is that development economists do, and what they are doing today.
- You will see how literature reviews are written... which is good, since I'll make you write one.
- You'll see how research papers are written... which is good because your MSc thesis will be one.
- The research papers should give you a good idea of what to aspire to for your MSc thesis.

Part 2: Recent Research

- In the final four weeks, we will discuss four recent literature reviews and four recent journal articles. In painstaking detail. And I will make you read them too:
 - Banerjee et al 2019 Universal Basic Income in the Developing World. Annual Review of Economics
 - Cunha et al. 2019 The price effects of cash versus in-kind transfers. The Review of Economic Studies
 - Quinn and Woodruff 2019 Experiments and Entrepreneurship in Developing Countries. Annual Review of Economics
 - Ulyssea 2018 Firms, informality, and development: theory and evidence from Brazil. American Economic Review
 - Bouguen et al 2019 Using RCTs to Estimate Long-Run Impacts in Development Economics. Annual Review of Economics
 - Aizer et al 2016 The long-run impact of cash transfers to poor families. American Economic Review
 - Henderson and Kriticos 2018 The Development of the African System of Cities. Annual Review of Economics
 - Storeygard 2016 Farther on down the road: transport costs, trade and urban growth in Sub-Saharan Africa Review of Economic Studies

Assessment: Overview

- The assessment will consist of:
 - A literature review (20%), written in groups of ~3.
 - A replication assignment (20%)
 - Participation (10%)
 - Independent reading (10%)
 - An exam (40%)
- The literature review is written in groups so that you form a study and support group that will help you in both EC982 and the MSc more generally.
- The replication assignment, participation, and independent reading assignments are graded on an “if you complete all the tasks you get all the marks” system.
- I will make you work harder than in the other modules, and in return you can guarantee yourself a passing grade, the average will be higher than in most modules, and the exam is worth much less.

- Want to know more? I've already put everything on Moodle.