Econ 468b. Institutions and Incentives in Economic Development

**Day / time:** W 1:30 - 3:20pm  
**Course Type:** Undergraduate  
**Course term:** Spring  
**Year:** 2018  
**Instructor(s):** Mark Rosenzweig

Permission of the instructor required

This seminar will assess alternative policies and programs designed to promote economic development by examining the fundamental problems of underdeveloped areas and how and whether such programs resolve them.

The roles of indigenous institutions in low-income countries in alleviating problems of underdevelopment will also be assessed as well as their dynamic relationship with economic development. Among the questions that will be addressed are: Which markets are most problematic in low-income settings? How does underdevelopment affect production arrangements, contractual relationships, cultural traditions and institutions, such as marriage and household relations, and how are these affected by economic growth? Does improving the quality of and access to schools always enhance development? Why are schooling levels low in many low-income countries? How much do interventions that improve health affect productivity and growth? Do land reform programs aid development? What is the relationship between international migration and development? What are the effects of increasing agricultural productivity? Readings will include case studies, studies using econometric models, and reports of results from randomized experiments. In addition to the lectures, students will make individual evaluative presentations of existing studies and present original results in groups.

The research presentation will be a report jointly produced in groups of three students that will entail original empirical work based on a comprehensive data set that will be provided. All projects will use the same data set. The data describe over 4,000 households in rural India, providing information on the demographic characteristics of the household, activities, landholdings, income, consumption, use and adoption of new technologies as well as information on the villages they reside in (infrastructure, schools, banks, clinics). Some of the information is available for each household in each of three consecutive years (panel). Each individual project will have an assigned general topic and will entail some pre-specified tasks (e.g. replicating work done on other data sets on that topic described in the lectures) plus the exploitation of ideas developed by the team within the topic. Among the general topics are: determinants of schooling, adoption of new technologies, determinants of investment, informal insurance, savings, and productivity determinants.

The results from all projects will be presented in the last two classes with all in attendance.

There will be a final exam based on the lectures and presentations.

The final grade will be based on the exam (50%) and the quality of the project and article presentation.

*Prerequisite:* Intermediate Microeconomics and Econometrics.

**Semester offered:** Spring  
**Undergrad Course Category:** Development

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