

Syllabus

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Course: Microeconomics of Development I
Professor:

2017 FIRST SEMESTER

PROGRAM

The goal of this course is to familiarize students with the theory, empirical methods, and some of the main topics of research in the field of Development Economics. From this perspective, the course plays a dual role. First, it provides technical background and general knowledge on some issues that are relevant for those who want to develop independent research in the area. Second, it suggests questions that can potentially lead to topics for master theses and doctorate dissertation papers.

The course is organized around intergenerational aspects of family decisions and their consequences for the persistence of socioeconomic status and the evolution of inequality. The main focus is on investments in children, child labor, and fertility choice. In the second part, the course covers some topics related to health and demographic economics, including the epidemiological and demographic transitions, as well as the determinants of population dynamics. If time allows and there is interest from students, extra topics related to discrimination may also be discussed. The structure of the course is the following:

Introduction: The Theory of Allocation of Time and Household Production

Part I: Family Decisions and Intergenerational Mechanisms

I.1 Investments in Children and Child Labor

I.2 Fertility

I.3 Intergenerational Transmission of Socioeconomic Status

Part II: Health and Demographic Economics

II.1 The Demographic Transition and other Recent Trends

II.2 Health and Welfare

II.3 Health and Population

BIBLIOGRAPHY

Papers marked with an asterisk (*) constitute the basic bibliography, meaning that they are mentioned in class and reading is strongly recommended. Papers underlined are those that can be chosen for the students' presentations.

Introduction: The Theory of Allocation of Time and Household Production

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Deaton, A. and J. Muellbauer (1980). *Economics and Consumer Behavior*, Chapter 10: The Quality of Goods and Household Production Theory. Cambridge University Press, Cambridge.

Part I: Family Decisions and Intergenerational Mechanisms

I.1 Investments in Children and Child Labor

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- *Becker, G.S. (1991). Family Background and the Opportunities of Children. Chapter 6 in: Becker, Gary S. *A Treatise on the Family*. Cambridge, Harvard University Press, Enlarged Edition, 155-178.
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- Figlio, D., J. Guryan, K. Karbownik, and J. Roth (2014). The Effects of Poor Neonatal Health on Children's Cognitive Development. *American Economic Review*, 104(12), 3921-3955.
- Havnes, T. and M. Mogstad (2011). No Child Left Behind: Subsidized Child Care and Children's Long-Run Outcomes. *American Economic Journal: Economic Policy*, 3(1), 97-129.
- Shah, M. and B.M. Steinberg (2013). "Drought of Opportunities: Contemporaneous and Long Term Impacts of Rainfall Shocks on Human Capital." NBER Working Paper 19140.
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I.2 Fertility

- Aaronson, D., F. Lange, and B. Mazumder (2014). Fertility Transitions along the Extensive and Intensive Margins. *American Economic Review*, 104(11), 3701-3724.
- Aizer, A. and F. Cunha (2012). "The Production of Human Capital: Endowments, Investments and Fertility." NBER Working Paper n.18429.
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- *Becker, G.S. and R.J. Barro (1988). A Reformulation of the Economic Theory of Fertility. *Quarterly Journal of Economics*, 103(1), 1-25.
- *Becker, G.S., K.M. Murphy and R. Tamura (1990). Human Capital, Fertility, and Economic Growth. *Journal of Political Economy*, 98(5), Part 2, S12-S37.
- *Black, D., N. Kolesnikova, S. Sanders and L. Taylor (2013). "Are Children Normal?" *Review of Economics and Statistics*, 95(1), 21-33.
- Baudin, T., D. de la Croix and P. Gobbi (2015). Fertility and Childlessness in the United States. *American Economic Review*, forthcoming.
- Galor, O. and M. Klemp (2014). "The Biocultural Origins of Human Capital Formation." NBER Working Paper 20474.
- *Galor, O. and D.N. Weil (1996). The Gender Gap, Fertility, and Growth. *American Economic Review*, 86(3), 374-87.
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I.3 Intergenerational Transmission of Socioeconomic Status

- *Becker, G.S. and N. Tomes (1986). Human Capital and the Rise and Fall of Families. *Journal of Labor Economics*, 4(3), Part 2, S1-S39.
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Part II: Health and Demographic Economics

II.1 The Demographic Transition and Other Recent Trends

- Bailey, M. and A. Goodman-Bacon (2015) The War on Poverty's Experiment in Public Medicine: Community Health Centers and the Mortality of Older Americans. *American Economic Review*, 105(3), 1067-1104.
- *Cutler, D. and G. Miller (2005). The Role of Public Health Improvements in Health Advances: The Twentieth Century United States. *Demography*, 42(1), 1-22.
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II.2 Health and Welfare

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Grossman, M. (1972). On the Concept of Health Capital and the Demand for Health. *Journal of Political Economy*, 80(2), 223-55.

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Rosen, S. (1988). The Value of Changes in Life Expectancy. *Journal of Risk and Uncertainty*, 1(1), 285-304.

Schelling, T. (1968). The Life You Save May be Your Own. In: S.B. Chase, Jr (ed), *Problems in Public Expenditure Analysis*. Brookings Institution, Washington D.C., 127-61.

*Soares, R.R. (2007). Health and the Evolution of Welfare across Brazilian Municipalities. *Journal of Development Economics*, 84(2), 590–608

II.3 Health and Population

Beach, B., J. Ferrie, M. Saavedra and W. Troesken (2014). “Typhoid Fever, Water Quality, and Human Capital Formation.” NBER Working Paper 20279.

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

*Bleakley, H. and F. Lange (2009). Chronic Disease Burden and the Interaction of Education, Fertility, and Growth. *Review of Economics and Statistics*, 91(1), 52-65.

Oster, E., I. Shoulson and E. R. Dorsey (2013). Limited Life Expectancy, Human Capital and Health Investments. *American Economic Review*, 103(5), 1977-2002.

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Nobles, J., E. Frankenberg and D. Thomas (2014). “The Effects of Mortality on Fertility: Population Dynamics after a Natural Disaster.” NBER Working Paper 20448.

*Soares, R.R. (2005). Mortality Reductions, Educational Attainment, and Fertility Choice. *American Economic Review*, 95(3), 580-601.

*Soares, R.R. (2006). The Effect of Longevity on Schooling and Fertility: Evidence from the Brazilian Demographic and Health Survey. *Journal of Population Economics*, 19(1), 71-97.

GRADING

The final grade in the course is based on a presentation (accompanied by a referee report) and an exam. Each student has to present a paper in class and to write a referee report on this same paper. Papers that can be chosen for presentation are those underlined in the reading list above. The presentation (accompanied by the referee report) and the final exam have each a 50% weight in the final grade.

PROFESSOR - EMAILS

PRELIMINARY CALENDAR

Class #:	Date:	Topic:
1	March 03	Introduction to the Course, Theory of Allocation of Time
2	March 08	Investments in Children
3	March 10	Child Labor
4	March 15	Fertility

5	March 17	Fertility, Human Capital and Growth
6	March 22	Intergenerational Transmission of Socioeconomic Status
7	March 24	Persistence of Inequality
8	March 29	The Demographic Transition and Other Recent Trends
9	March 31	Determinants of Reductions in Mortality
10	April 05	Health and Welfare
11	April 07	Health and Welfare
12	April 12	Health, Human Capital, and Population
13	April 14	Health, Human Capital, and Population
14	April 19	Class Presentations
X	April 21	HOLIDAY: TIRADENTES
15	April 26	Class Presentations
16	April 28	Class Presentations
FINAL EXAM: May 03		