

North South economic relations

Course title - Intitulé du cours	Industrial organization CM
Level / Semester - Niveau /semestre	M1 and M2/ S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	AZAM JEAN-PAUL
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

My office number is MF120. If you can't find my e-mail address, please go back to high school. You can meet me either at the end of the course or by sending me an e-mail to fix an appointment.

Course's Objectives - Objectifs du cours :

The course combines economic theory and historical narratives to bring out the main issues involved in North-South Economic Relations. The contents are organized in two parts as follows:

Part 1: History of International Trade and its Distortions.

Chapter 1: Merchants and Gunships after Columbus

Chapter 2: Interest Groups and the Curse of Protectionism

Chapter 3: The Protectionnist Road to Disaster

Part 2: The Oil Market.

Chapter 4: The Economic Impacts of Oil Shocks in the North and in the South

Chapter 5: What Determines the Price of Oil

Chapter 6: History of the Oil Market and Petrodollars

The aim is to provide a political economy framework to understand why detrimental policies regarding international trade as well as monetary and fiscal policies are implemented in the real world and what can be done about it.

All the lectures are based on PowerPoint slides, which are posted on Moodle in advance.

Prerequisites - Pré requis :

The course mainly uses workhorse models from international trade and development theory, derived from basic ECON 101 microeconomics. The emphasis is put on how to use them to shed light on real-world problems, mostly taken from economic history. Some familiarity with the concept of Rational Expectations Equilibrium would not do any harm, but every tool used in the course is developed from scratch. You don't need to know a lot of fancy stuff to understand the course, you just need to master the fundamental intuitions acquired by good students in first-year undergraduate microeconomic courses, including some familiarity with derivatives and the graphical analysis of simple equilibrium models.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Come as you are, you can bring laptops either to take notes or read the slides on the screen if you don't like the big screen on which the slide show is projected. You can bring sandwiches and cans of drink if you feel like it. Please do not bring bottles of red wine...

Grading system - Modalités d'évaluation :

The exam is a final oral exam where you have 18 minutes to prepare and give your oral presentation to answer a question picked at random in a bag. The exam takes place in my office.

Bibliography/references - Bibliographie/références :

Various books are mentioned during the course, some of them very long. You are not expected to read them all, so don't try to pretend you have...

I am looking forward to see you despite the late hour of the course. Cheers, Jean-Paul

Economic effects of political institutions

Course title - Intitulé du cours	Economic effects of political institutions
Level / Semester - Niveau /semestre	M2 / S1
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	BECHER MICHAEL
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Email: michael.becher@iast.fr

Office: MF203

Office hours: Mondays 2-4pm and by appointment

Course's Objectives - Objectifs du cours :

Political institutions are the formal or informal rules of politics. Some scholars and policymakers view political institutions as fundamental determinants of public policy, the quality of policymakers, economic development, or economic inequality. This view suggests that there is the potential for using political reform or institutional engineering as a tool to address long-standing economic problems. Others, however, are more skeptical. They may view political institutions mostly as consequences of economic conditions or congealed tastes of ruling elites rather than fundamental causes. In this course, we survey selected readings on the political economy of political institutions from economics and political science. We will examine potential economic effects of political institutions and explore their endogeneity. Motivated by foundational political economy models, we will take an empirical perspective and consider evidence based on contemporary and historical data in developing and developed countries. We start by studying economic effects of voting rights on redistribution and well-being. Then we consider historical origins of political institutions and development. Later, we consider in more detail variation in political institutions among at least partially democratic polities (e.g., direct democracy, gender quotas, term limits and politicians' wage, electoral systems). We end with a discussion of how economic globalization shapes democratic politics.

As a result of the course, you will be able to read and understand theoretical and cutting-edge empirical analyses of political institutions and their economic consequences in scholarly journals and

to discuss the relevance of political institutions for the analysis of public policy; you will also be able to evaluate empirical studies on the topic and to develop your own research design to assess the economic effect of a particular set of institutions.

Prerequisites - Pré requis :

Econometrics/Program evaluation at level of Angrist/Piscke "Mostly harmless econometrics" ; basic microeconomics

Grading system - Modalités d'évaluation :

There are two written assignments. First, a response paper that discusses the required readings for a session. The goal of this critical review of the literature (maximum length: 8 double-spaced pages) is to give a brief analytical account of the common themes among the readings, note the main areas of disagreement and their possible sources, and give an assessment of the unresolved issues. The essay should be submitted via email by 20:00 on the day before the topic is discussed in class and it has to be written during the first two months of the course (i.e., before November 14; you may also write on one of the subsequent topics as long as you respect this deadline). Second, a final paper is due on January 6 by email. One option is to write up a research design aimed at investigating the economic effects of a political institution (details will be discussed in the course). As in an analysis plan for experimental research, the focus should be on justifying the research question, deriving observable implications from a theoretical framework, and proposing a research design to test the implications in a credible way. Another option is a small formal analysis. The topic should be cleared with the instructor in advance.

The final grade is a weighted average (30% response paper, 60% final paper, 10% course participation).

Bibliography/references - Bibliographie/références :

This is a seminar, not a lecture course. Students are expected to participate and carefully read the required readings on a topic (marked by*) prior to each session and be prepared to discuss them. The other readings are non-exhaustive suggestions for a deeper exploration of the topic.

Session planning - Planification des séances :

Preliminary course outline

Topic 1. Voting rights, redistribution and public health

*Amartya Sen. 1999. "Democracy as a Universal Value." *Journal of Democracy* 10(3). Available from https://www.unicef.org/socialpolicy/files/Democracy_as_a_Universal_Value.pdf

*Daron Acemoglu, Suresh Naidu, Pascual Restrepo, James. A. Robinson. 2014. "Democracy, Redistribution and Inequality." In: *Handbook of Income Distribution*, Volume 2, pp. 1885-1966. Available from <https://economics.mit.edu/files/10394>

*Grant Miller. 2008. "Women's Suffrage, Political Responsiveness, and Child Survival in American History." *The Quarterly Journal of Economics* 123(3), 1287-1327.

*Thomas Fujiwara. 2015. "Voting Technology, Political Responsiveness, and Infant Health: Evidence From Brazil." *Econometrica* 83(2): 423-464.

Kudamatsu Masayuki. 2012. "Has Democratization Reduced Infant Mortality in Sub-Saharan Africa? Evidence from Micro Data." *Journal of the European Economic Association* 10(6): 1294-1317.

Lisa Blaydes and Mark Kayser. 2011. "Counting Calories: Democracy and Distribution in the Developing World." *International Studies Quarterly* 55 (4): 887-908.

Cascio, Elizabeth U. and Ebonya Washington. 2013. "Valuing the Vote: The Redistribution of Voting Rights and State Funds Following the Voting Rights Act of 1965." *The Quarterly Journal of Economics* 129(1): 379-433.

Branco Milanovic. 2000. "The Median Voter Hypothesis, Income Inequality and Income Redistribution: An Empirical Test with the Required Data." *European Journal of Political Economy* 16(3).

Topic 2. Democracy and development

*Daron Acemoglu, Suresh Naidu, Pascual Restrepo, James. A. Robinson, 2016. "Democracy Does Cause Growth." Forthcoming. *Journal of Political Economy*.

*Carles Boix. 2011. "Democracy, Development and the International System." *American Political Science Review* 105(4).

* Daron Acemoglu, Simon Johnson, James A. Robinson and Pierre Yared. 2009. "Reevaluating the Modernization Hypothesis." *Journal of Monetary Economics* 56(8).

*Douglass C. North and Barry R. Weingast, 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *Journal of Economic History* 49.

Daron Acemoglu and James A. Robinson. 2006. "Economic Origins of Dictatorship and Democracy." Cambridge University Press.

Carles Boix. 2003. *Democracy and Redistribution*. Cambridge: Cambridge University Press.

David Stasavage. 2014. "Was Weber Right? The Role of Urban Autonomy in Europe's Rise." *American Political Science Review* 108(2): 337-354.

David Stasavage. 2016. "Representation and Consent: Why They Arose in Europe and Not Elsewhere." *Annual Review of Political Science* 19.

David Stasavage. 2002. "Credible Commitment in Early Modern Europe: North and Weingast Revisited." *Journal of Law, Economics, and Organization* 18(1).

Guido Tabellini. 2010. "Culture and Institutions: Economic Development in the Regions of Europe." *Journal of the European Economic Association* 8(4): 677-716.

Torsten Persson and Guido Tabellini. 2006. "Democracy and Development: The Devil in the Details." *American Economic Review* 96, Papers and Proceedings, 319-324.

Ben Ansell and David Samuels. 2010. "Inequality and Democratization: A Contractarian Approach." *Comparative Political Studies*. 43(12): 1543-1574.

Topic 3. Colonial history, institutions and development

*Daron Acemoglu, Simon Johnson and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (5): 1369-1401.

*Melissa Dell. 2010. "The Persistent Effects of Peru's Mining Mita." *Econometrica*. 78 (6): 1863-1903.

*Melissa Dell and Benjamin Olken. 2018. "The Development Effects of the Extractive Colonial Economy: The Dutch Cultivation System in Java." Working Paper available from <https://scholar.harvard.edu/dell/publications>

*Lakshmi Iyer. 2010. "Direct vs. Indirect Colonial Rules in India: Long-Term Consequences." *Review of Economics and Statistics* 92(4): 693-713.

Abhijit V. Banerjee and Ester Duflo. 2014. "Under the Thumb of History? Political Institutions and the Scope for Action." *Annual Review of Economics* 6:951-971.

Enrico Spolaore and Romain Wacziarg. 2013. "How Deep Are the Roots of Economic Development?" *Journal of Economic Literature* 51(2).

Daron Acemoglu, Davide Cantoni, Simon Johnson and James A. Robinson. 2011. "The Consequences of Radical Reform: The French Revolution." *American Economic Review* 101: 3286-3307.

Abhijit Banerjee and Lakshmi Iyer. 2005. "History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India." *American Economic Review* 95(4): 1190-1213.

Stelios Michalopoulos and Elias Papaioannou. 2013. "Pre-Colonial Ethnic Institutions and Contemporary African Development." *Econometrica* 81(1): 113-152.

Melissa Dell, Nathan Lane, and Pablo Querubin. 2018. "The Historical State, Local Collective Action, and Economic Development in Vietnam." *Econometrica* (Forthcoming). Available from <https://scholar.harvard.edu/dell/publications>

Topic 4. Agency problems in democracies: the effect of term limits and money

*Besley, Timothy. 2006. *Principled Agents*. Oxford: Oxford Univ. Press. (Ch. 3)

*Ferraz, Claudio and Frederico Finan. 2011. "Electoral Accountability and Corruption: Evidence from the Audits of Local Governments." *American Economic Review* 101(4).

*Gagliarducci, Stefano and Tommaso Nannicini. 2013. "Do better paid politicians perform better? Disentangling incentives from selection." *Journal of the European Economic Association* 11(2): 369-398.

*Raymond Fisman, Nikolaj A. Harmon, Emir Kamenica, Inger Munk. 2015. "Labor Supply of Politicians." *Journal of the European Economic Association* 13(5) 871-905.

James Alt, Ethan Bueno de Mesquita, and Shanna Rose. 2011. "Disentangling Accountability and Competence in Elections." *Journal of Politics* 73(3).

Eric Maskin and Jean Tirole. 2004. "The Politician and the Judge: Accountability in Government." *American Economic Review* 94(4): 1034-1054.

Scott Ashworth, Ethan Bueno de Mesquita and Amanda Friedenberg. 2017. "Accountability and Information in Elections." *American Economic Journal: Microeconomics* 9(2): 95-138.

Matthias Messner and Mattias K. Polborn. 2004. "Paying Politicians." *Journal of Public Economics*, 88, 2423-2445.

Scott Ashworth and Ethan Bueno de Mesquita. 2014. "Is Voter Competence Good for Voters? Information, Rationality, and Democratic Performance." *APSR* 108(3): 565-587.

Claudio Ferraz and Frederico Finan. 2009. "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance." NBER Working Paper No. 14906, <http://www.nber.org/papers/w14906>.

Topic 5. Political competition and public policy: programmatic or clientelistic

*Per Pettersson-Lidbom. 2008. "Do Parties Matter for Economic Outcomes? A Regression-Discontinuity Approach." *Journal of the European Economic Association* 6(5).

*Olle Folke. 2014. "Shades of Brown and Green: Party Effects in Proportional Election Systems." *Journal of the European Economic Association* 12(5).

*Stuti Khemani. 2015. "Buying Votes versus Supplying Public Services." *Journal of Development Economics* 117, 84-93.

*H. Larraguy, J. Marshall and P. Querebin. 2016. "Parties, Brokers and Voter Mobilization." *American Political Science Review* 110(1).

P. Vicente. 2014. "Is Vote Buying Effective? Evidence from a Field Experiment in West Africa." *Economic Journal* 124 (574) F356-F387.

Pranab Bardhan and Dilip Mookerjee. 2017. "Clientelistic Politics and Economic

Development: An Overview." Working Paper available from <http://people.bu.edu/dilipm/wkpap/EDIClientsurvMay17Fin.pdf>

P. Keefer and R Vlaicu. 2008. "Democracy, Credibility and Clientelism." *Journal of Law, Economics and Organization* 24(2), 371-406.

Leonhard Wantchekon. 2003. "Clientelism and Voting Behavior." *World Politics* 55, 399-422.

Ronny Freier and Christian Odendahl. 2015. "Do parties matter? Estimating the effect of political power in multi-party systems." *European Economic Review* 80: 310-328.

David S. Lee, Enrico Moretti and Matthew J. Butler 2004. "Do Voters Affect or Elect Policies? Evidence from the U. S. House." *The Quarterly Journal of Economics*. 119(3): 807–859.

Andrew Eggers, Olle Folke, Anthony Fowler, Jens Hainmueller, Andrew B. Hall and James M Snyder. 2015. "On the Validity of the Regression Discontinuity Design for Estimating Electoral Effects: New Evidence from Over 40,000 Close Races." *American Journal of Political Science* 59(1): 259-274.

S. Stokes. 2005. "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina." *American Political Science Review* 99(3): 315-325.

P. Vicente and L. Wantchekon. 2009. "Clientelism and Vote-Buying: Lessons from Field Experiments in African Elections." *Oxford Review of Economic Policy*, 25(2), 292-305.

Topic 6. Gender quotas and public policy

*Timothy Besley, Olle Folke, Torsten Persson and Johanna Rickne. 2017. "Gender Quotas and the Crisis of the Mediocre Man: Theory and Evidence from Sweden. Forthcoming at *American Economic Review*. Available from IDEAS, <https://ideas.repec.org/p/hhs/iuiwop/0985.html>

*Raghabendra Chattopadhyay and Esther Duflo. 2004. "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India." *Econometrica* 72(5): 1409-1443.

*Andrew Beath, Christia Fotini and Ruben Enikolopov. 2013. "Empowering Women through Development Aid: Evidence from a Field Experiment in Afghanistan." *American Political Science Review* 107(3): 540-557.

* Lori Beaman, Esther Duflo, Rohini Pande and Petia Topalova. 2012. "Female leadership raises aspirations and educational attainment for girls: A policy experiment in India." *Science* 335(6068): 582-586.

Rohini Pande. 2003. "Can Mandated Political Representation Provide Disadvantaged Minorities Policy Influence? Theory and Evidence from India." *American Economic Review* 93(4): 1132-1151.

Lori Beaman, Raghabendra Chattopadhyay, Esther Duflo, Rohini Pande, and Petia Topalova. 2009. "Powerful Women: Does Exposure Reduce Bias?" *Quarterly Journal of Economics* 124(4):1497-1540.

Rikhil R. Bhavnani. 2009. "Do Electoral Quotas Work After They Are Withdrawn? Evidence from a natural experiment in India." *American Political Science Review* 103(1): 23-35.

Jane Mansbridge. 1999. "Should Blacks Represent Blacks and Women Represent Women? A Contingent 'Yes'." *The Journal of Politics* 61(3).

Topic 7. Direct democracy and resource allocation

*Björn Tyrefors Hinnerich and Per Pettersson-Lidbom. 2014. "Democracy, Redistribution, and Political Participation: Evidence from Sweden 1919-1938." *Econometrica* 82(3): 961-993.

*Beath, Andrew, Fotini Christia and Ruben Enikolopov. 2017. "Direct Democracy and Resource Allocation: Experimental Evidence from Afghanistan." *Journal of Development Economics* 124: 199-213.

*Funk, Patricia and Christina Gathmann. 2011. "Does Direct Democracy Reduce the Size of Government? New Evidence from Historical Data, 1890-2000." *The Economic Journal* 121(557): 1252-1280.

Olken, Benjamin A. 2010. "Direct Democracy and Local Public Goods: Evidence from a Field Experiment in Indonesia." *American Political Science Review* 104(2): 243-267.

John G. Matsusaka and Nolan McCarty. 2001. "Political Resource Allocation: Benefits and Costs of Voter Initiatives." *Journal of Law, Economics and Organization* 17(2): 413-448.

Tim Besley and Anne Case. 2003. "Political Institutions and Policy Outcomes: Evidence from the United States." *Journal of Economic Literature* 41(1):7-73.

Blume, Lorenz, Jens Müller and Stefan Voigt. 2009. "The Economic Effects of Direct democracy—A First Global Assessment." *Public Choice* 140: 431-461.

Matsusaka, John G. 2005. "Direct Democracy Works." *Journal of Economic Perspectives* 19(2): 185-206.

Topic 8. Economic effects of electoral systems

*Persson, Torsten and Guido Tabellini. 1999. "The Size and Scope of Government: Comparative Politics with Rational Politicians." *European Economic Review* 43(4-6): 699 -735.

*Torben Iversen and David Soskice. 2006. "Electoral Institutions and the Politics of Coalitions: Why Some Democracies Redistribute More than Others." *American Political Science Review* 100(2): 165-181.

*Funk, Patricia and Christina Gathmann. 2013. "How do Electoral Rules Affect Fiscal Policy? Evidence From Cantonal Parliaments, 1890-2000." *Journal of the European Economic Association* 11(5):1178-1203.

*Gagliarducci, Stefano, Tommaso Nannicini and Paolo Naticchioni. 2011. "Electoral Rules and Politicians Behavior: A Micro Test." *American Economic Journal: Economic Policy* 3(3): 144-74.

Persson, Torsten and Guido Tabellini. 2004. "Constitutional Rules and Fiscal Policy Outcomes." *American Economic Review* 94(1): 25-45.

Persson, Torsten and Guido Tabellini. 2003. *The Economic Effects of Constitutions*. Cambridge, Mass.; London: MIT Press.

Ticchi, Davide and Andrea Vindigni. 2010. "Endogenous Constitutions." *Economic Journal* 120(543): 1-39.

Rogowski, Ronald and Mark Andreas Kayser. 2002. "Majoritarian Electoral Systems and Consumer Power: Price-Level Evidence from the OECD Countries." *American Journal of Political Science* 46 (3): 526-539.

Acemoglu, Daron. 2005. "Constitutions, Politics, and Economics: A Review Essay on Persson and Tabellini's *The Economic Effects of Constitutions*." *Journal of Economic Literature* 43(4): 1025-1048.

Topic 9. Democracy and the quality of politicians

*Ernesto Dal Bó, Federico Finan, Olle Folke, Torsten Persson, Johanna Rickne. 2017. "Who Becomes a Politician?" *The Quarterly Journal of Economics* 132(4): 1877–1914. (Previous version: NBER Working Paper No. 23120)

*Andrew Beath, Fotini Christia, Georgy Egorov and Ruben Enikolopov. 2016. "Electoral Rules and Political Selection: Theory and Evidence from a Field Experiment in Afghanistan." *Review of Economic Studies* 83(3): 932-968.

*Timothy Besley and Reynal-Querol, Marta. 2011. Do Democracies Select More Educated Leaders?" *American Political Science Review* 105 (03): 552-566.

*Carlo Prato and Peter Buisseret. 2016. "Electoral Control and the Human Capital of Politicians." *Games and Economic Behavior* 98: 34-55.

Nicholas Carnes and Noam Lupu. 2016. "What Good is a College Degree? Education and Leader Quality Reconsidered." *Journal of Politics* 78(1): 35-49.

Timothy Besley, Jose G. Montalvo and Marta Reynal-Querol. "Do Educated Leaders Matter?" *The Economic Journal* 121(554): F205-227

Acemoglu, Daron, Georgy Egorov, and Konstantin Sonin. "Political Selection and the Persistence of Bad Governments." *The Quarterly Journal of Economics* 125(4): 1511-575.

Timothy Besley. 2005. "Political Selection." *Journal of Economic Perspectives* 19(3): 43-60.

Benjamin F. Jones and Benjamin A. Olken. 2005. "Do Leaders Matter? National Leadership and Growth Since World War II." *The Quarterly Journal of Economics* 120(3): 835-864.

Torsten Persson, Timothy Besley and Marta Reynal-Querol. 2016. "Resilient Leaders and Institutional Reform: Theory and Evidence." *Economica* 83: 584-623.

Topic 10. Global economic competition and democratic politics.

*David Autor, David Dorn, Gordon Hanson and Kaveh Majlesi. 2017. "Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure." MIT Working Paper, April 2016 (rev December 2017). Available from <https://economics.mit.edu/files/11665>

*Italo Colantone and Piero Stanig. 2018. "Global Competition and Brexit." *American Political Science Review*, 112(2): 201-218.

*Daniela Campello and Cesar Zucco. 2016. "Presidential Success and the World Economy." *The Journal of Politics* 78(2): 589-602.

Max Viskanic. 2017. "Fear and Loathing on the Campaign Trail: Did Immigration Cause Brexit?" Working Paper available at SSRN: <https://ssrn.com/abstract=2941611>

David H. Autor, David Dorn, and Gordon H. Hanson. 2016. "The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade." *Annual Review of Economics*, 2016, 8, 205–240.

Mark A. Kayser and Michael Peress. 2012. "Benchmarking across Borders: Electoral Accountability and the Necessity of Comparison." *American Political Science Review* 106(3).

Raymond Duch and Randy Stevenson. 2008. *The Economic Vote: How Political and Economic Institutions Condition Election Results*. Cambridge University Press.

Topic 11. Final research paper.

Empirical Methods in Development

Course title - Intitulé du cours	Empirical Methods in Development
Level / Semester - Niveau / semestre	M2 / S1
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	BOBBA MATTEO
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

matteo.bobba@tse-fr.eu

MF 118

Office hours: Monday 12h30-14h (send me an email before)

Preferred means of interaction with students: before/after class or during office hours

Course's Objectives - Objectifs du cours :

This course features a broad overview of randomized experiments as a key tool in empirical research. The first part of the course discusses the rationale behind the experimental approach through the lens of prominent empirical methods. The second part covers randomization techniques, the different design options as well as a variety of implementation issues that arise when running RCTs in practice. The third part is aimed at illustrating the diverse use of randomized experiments in the most recent research practice through the exposition and discussion of leading examples.

Prerequisites - Pré requis :

The course is meant to be self-containing. However, basic knowledge of statistics and econometrics at the level of M1 courses will be assumed during the exposition. Two (somehow complementary) introductory econometrics textbooks that you may want to consult to either refresh or enhance your knowledge and empirical skills are:

- "Introductory Econometrics. A Modern Approach", Wooldridge, Jeffrey M. Cengage Learning.
- "Mostly Harmless Econometrics. An Empiricist's Companion", Angrist, Joshua D. and Jorn-Stephen

Pischke. Princeton University Press.

I will also make use of basic programming tools and commands within the environment of the econometric software STATA. Beyond the official software manuals and the several existing online resources, a good introduction on how to do microeconomic research using STATA is:

- “Microeconometrics Using Stata”, Cameron Colin A. and Pravin K. Trivedi. Stata Press.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Laptops and tablets are generally accepted, and they are required during some of the sessions that I will specify in due course. Active student participation during class is not only encouraged but also rewarded in the final grade (see next section). Classes will start sharply at 11am, and hence I strongly encourage students to arrive on time in order not to interrupt and/or disturb the exposition.

Grading system - Modalités d'évaluation :

The learning objective of the course is twofold. First, students should be able to critically assess existing empirical research that employs the experimental approach. Second, students should be able to originally think about an experimental design of a research question of their choice. Students will be asked to form small groups in order to work on the assignments. Groups are voluntary but each student is required to work with different classmates under different assignments. Group size is approximately 2-3 but will ultimately depend on the total number of students enrolled in the course.

The requirements of the course [relative weight] are:

1. Detailed pre-analysis plan of a mock RCT [50%]

A pre-analysis plan outlines the hypotheses to be tested and specifications to be used in the analysis of a randomized experiment before collecting the data generated by the random treatment assignment. In your case, you should use an existing dataset of your choice (survey or administrative data) as the baseline of your hypothetical experiment. You should write it in the form of a draft of a paper of maximum 20 pages (including bibliography, tables, etc). Final drafts are due at the end of the Fall semester - the exact due date will be communicated later during the course. Some examples of pre-analysis plans are made available in the course's Moodle.

2. Oral presentation of one of the papers listed in sections 3 to 5 of the reading list [40%] During the first week of October, I will circulate a doodle in which each group of students is required to select one paper (and the associated pre-specified date) on a first-come first-serve basis. Students are required to critically assess the motivation, findings and contribution of the paper, with special emphasis on how the experimental design is used and the relative pros and cons of the empirical approach. Oral presentations should last about 25 minutes and should be accompanied by slides. Some examples of presentation slides are made available in the course's Moodle.

3. Active participation during others' paper presentation [10%]

All students are expected to read before each class the papers to be presented by their classmates in order to actively participate in the discussion at the end of each paper presentation.

Bibliography/references - Bibliographie/références :

All papers listed below are mandatory reading and they will be made available to the students through the course's Moodle page. The following list may be subject to minor changes before the start of the course. Please check the Moodle regularly for any update.

1. Why Randomize?

- Banerjee Abhijit V. and Esther Duflo (2009). "The Experimental Approach to Development Economics," *Annual Review of Economics*, vol. 1(1), pages 151-178, 05.
- Deaton Angus (2010). "Instruments, Randomization, and Learning about Development," *Journal of Economic Literature*, vol. 48(2), pages 424-55, June.
- Imbens Guido W. and Jeffrey M. Wooldridge (2009). "Recent Developments in the Econometrics of Program Evaluation," *Journal of Economic Literature*, vol. 47(1), pages 5-86, March.
- Todd Petra E. and Kenneth I. Wolpin (2010). "Structural Estimation and Policy Evaluation in Developing Countries," *Annual Review of Economics*, vol. 2(1), pages 21-50, 09.

2. Designing and implementing RCTs

- Duflo, Esther, Glennerster, Rachel and Kremer, Michael (2008). "Using Randomization in Development Economics Research: A Toolkit," *Handbook of Development Economics*, Elsevier.
- Athey Susan and Guido Imbens (2016). "The Econometrics of Randomized Experiments," *Handbook of Field Experiments*, Elsevier.
- Glennerster, Rachel and Kudzai Takavarasha (2013). "Running Randomized Evaluations. A Practical Guide", Princeton University Press.
- Glennerster, Rachel (2016). "The Practicalities of Running Randomized Evaluations: Partnerships, Measurement, Ethics, and Transparency". *Handbook of Field Experiments*, Elsevier.

3. Application I: Policy evaluation

- (a) Angrist Joshua, Eric Bettinger, Erik Bloom, Elizabeth King and Michael Kremer (2002). "Vouchers for Private Schooling in Colombia: Evidence from a Randomized Natural Experiment," *American Economic Review*, vol. 92(5), pages 1535-1558, December.
- (b) Banerjee, Abhijit, et al. (2015). "A multifaceted program causes lasting progress for the very poor: Evidence from six countries." *Science* 348, no. 6236..
- (c) Banerjee, Abhijit, Esther Duflo, Rachel Glennerster and Cynthia Kinnan (2015). "The Miracle of Microfinance? Evidence from a Randomized Evaluation," *American Economic Journal: Applied Economics*, vol. 7(1), pages 22-53, January.
- (d) Blattman Christopher, Nathan Fiala and Sebastian Martinez (2014). "Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda," *The Quarterly Journal of Economics*, vol. 129(2), pages 697-752.

(e) Miguel Edward and Michael Kremer (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, vol. 72(1), pages 159-217, 01.

(f) Schultz, Paul T. (2004). "School subsidies for the poor: evaluating the Mexican Progresa poverty program," *Journal of Development Economics*, vol. 74(1), pages 199-250, June.

4. Application II: Field experiments

(a) Ashraf Nava, Dean Karlan and Wesley Yin (2006). "Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines," *The Quarterly Journal of Economics*, vol. 121(2), pages 635-672, May.

(b) Bertrand Marianne, Simeon Djankov, Rema Hanna and Sendhil Mullainathan (2007). "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption," *The Quarterly Journal of Economics*, vol. 122(4), pages 1639-1676, November 3.

(c) Behrman, Jere R., Susan W. Parker, Petra E. Todd, Kenneth I. Wolpin (2015). "Aligning Learning Incentives of Students and Teachers: Results from a Social Experiment in Mexican High Schools," *Journal of Political Economy*, vol. 123(2), pages 325 - 64.

(d) Dal Bo Ernesto, Frederico Finan and Martn A. Rossi, (2013). "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service," *The Quarterly Journal of Economics*, vol. 128(3), pages 1169-1218.

(e) de Mel Suresh, David McKenzie and Christopher Woodruff (2008). "Returns to Capital in Microenterprises: Evidence from a Field Experiment," *The Quarterly Journal of Economics*, vol. 123(4), pages 1329-1372, November.

(f) Duflo Esther, Michael Kremer and Jonathan Robinson (2011). "Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya," *American Economic Review*, vol. 101(6), pages 2350-90, October.

(g) Duflo Esther, Pascaline Dupas and Michael Kremer (2011). "Peer Effects, Teacher Incentives, and the Impact of Tracking: Evidence from a Randomized Evaluation in Kenya," *American Economic Review*, vol. 101(5), pages 1739-74.

5. Application III: Structural models

(a) Attanasio Orazio P., Costas Meghir and Ana Santiago (2012). "Education Choices in Mexico: Using a Structural Model and a Randomized Experiment to Evaluate PROGRESA," *Review of Economic Studies*, vol. 79(1), pages 37-66.

(b) Attanasio, Orazio, Cattan, Sarah, Fitzsimons, Emla, Meghir, Costas and Rubio-Codina, Marta (2015). "Estimating the Production Function for Human Capital: Results from a Randomized Control Trial in Colombia," IZA Discussion Papers 8856.

(c) Duflo Esther, Michael Greenstone, Rohini Pande and Nicholas Ryan (2014). "The Value of Regulatory Discretion: Estimates from Environmental Inspections in India," NBER Working Papers 20590.

(d) Duflo Esther, Rema Hanna and Stephen P. Ryan (2012). "Incentives Work: Getting Teachers to Come to School," American Economic Review, vol. 102(4), pages 1241-78, June.

(e) Galiani Sebastian, Alwyn Murphy and Juan Pantano (2015). "Estimating Neighborhood Choice Models: Lessons from a Housing Assistance Experiment." American Economic Review, forthcoming.

(f) Gautier, Pieter A., Muller, Paul, van der Klaauw, Bas, Rosholm, Michael and Svarer, Michael (2012). "Estimating Equilibrium Effects of Job Search Assistance," IZA Discussion Papers 6748, Institute for the Study of Labor (IZA).

(g) Todd Petra E. and Kenneth I. Wolpin (2006). "Assessing the Impact of a School Subsidy Program in Mexico: Using a Social Experiment to Validate a Dynamic Behavioral Model of Child Schooling and Fertility," American Economic Review, vol. 96(5), pages 1384-1417, December.

Session planning - Planification des séances :

1. Why randomize? (week 1 to week 3)

- Endogeneity and causality in economics
- The causal inference approach
- The structural approach

2. Designing and implementing RCTs (week 4 to week 6)

- Design features and randomization methods
- Sample size and the power of experiments
- Practical design and implementation issues

3. RCTs applications (week 7 to week 10)

- Policy evaluation
- Field experiments
- Structural models

Governance, Industrial Organization and Development

Course title - Intitulé du cours	Governance, Industrial Organization and Development
Level / Semester - Niveau / semestre	M2 / S1
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	AURIOL EMMANUELLE
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Emmanuelle Auriol, office MF 513, meeting by appointment only, preferred mean of interaction
email: emmanuelle.auriol@tse-fr.eu

Course's Objectives - Objectifs du cours :

The course aims at providing students with an overview of recent research in the field of development micro-economics, especially that concerned with industrial organization issues, the behaviour of firms, the organization of markets and the functioning of supporting institutions. The course's aim will be to show how simple conceptual frameworks and theory can help guide public policy in the specific context of developing countries.

The prominent form of government intervention in markets no longer is public ownership of production means. Rather, modern forms of regulation attempt at correcting market failures. The latter are diverse, and so are the modes of intervention. The course will focus on the intervention of government in market economies, both from a positive and from a normative point of view. The key topics will include intervention of the government in the context of economic development such as privatization, public-private partnerships, regulation of public utilities and infrastructure, entry barrier to the formal sector and to entrepreneurship, the size of the informal economy, technological transfer and innovation through the enforcement of intellectual property rights. We will discuss the impact of the fiscal burden of financing public services (i.e., opportunity cost of public funds) and the cost imposed by asymmetric information faced by public authorities. We will also analyse incentives in public administrations, including the cause of corruption and in its implication in the implementation of public policies, and in non-profit organizations.

Key Themes:

- Privatization, (de)regulation, infrastructure.
- Firms in developing countries: informality and entrepreneurship
- Government and non-profit organizations: incentives and capacity building

Outline:

- Lecture 1: Introduction
- Lecture 2: Privatization, Deregulation and Public-Private Partnership
- Lecture 3: Corruption in Procurement and in Privatization
- Lecture 4: Taxation Base and the Marginal Cost of Public Funds in Developing Countries
- Lecture 5: Entrepreneurship, Innovation and Quality Provision in Developing Countries
- Lecture 6: Reforms and Governance

Prerequisites - Pré requis :

Although the course will not use difficult mathematics, some familiarity with game theory and incentive theory will be helpful.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Laptops or tablets are accepted

Students are expected to participate in the class with questions and discussions

Grading system - Modalités d'évaluation :

The students will have to write in group of two a paper on a topics related to the papers studied in class. They will have to read the literature on the chosen topics and structured it to make an analytical survey.

Bibliography/references - Bibliographie/références :

General Readings:

- Laffont J.J. Regulation and Development, collection Frederico Caffé Lectures, Cambridge University Press, mars 2005.
- Antonio Estache and Quentin Wodon, "Infrastructure and Poverty in Sub-Saharan Africa", Palgrave Macmillan, 2014.
- Christopher Decker, "Modern Economic Regulation An Introduction to Theory and Practice", Cambridge University Press, December 2014.

1. Introduction: Institutions and Economic Development

- Olson, M. "Big Bills Left on the Sidewalk: Why Some Nations are Rich and Others Poor". Journal of Economic Perspectives. 10: 3-24. 1996.
- Bardhan P., Scarcity, Conflicts and Cooperation, MIT Press, 2005, Chapter 1.
- Fafchamps, M. Market Institutions in Sub-Saharan Africa. MIT Press: Massachusetts. 2004.

2. Privatization, Deregulation and Public-Private-Partnerships

- Auriol, E. and P. Picard (2004), "Infrastructure and Public Utilities Privatizations in Developing Countries", World Bank Economic Review.
- Auriol, E. and P. Picard (2009), "Government Outsourcing: Public Contracting with Private Monopoly", the Economic Journal, vol. 119, n°540, p. 1464-1493
- Auriol, E. and P. Picard (2010), "A Theory of BOT Concession Contracts", forthcoming in the Journal of Economic Behavior and Organization.
- Auriol, E. (2005) "Telecommunication Reforms in Developing Countries", Communications & Strategies, November 2005, special issue, pp. 31-53.
- Auriol, E. and Blanc A. (2009) "Capture and Corruption in Public Utilities: The Cases of Water and Electricity in Sub-Saharan Africa", Utilities Policy, 17 (2009) 203–216
- Auriol, E. and S. Biancini, "Powering Up Developing Countries through Economic Integration" AURIOL Emmanuelle and Sara, World Bank Economic Review, vol. 29, n°1, 2015, p. 1-40.
- Estache A. and A. Iimi "The Economics of Infrastructure Procurement: Theory and Evidence", (2011), CEPR, London
- Bennesen, M. (2000), "Political Ownership", "Journal of Public Economics, 76: 559-581.
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- Laffont, J.J. and J. Tirole (1993), A Theory of Incentives in Procurement and Regulation, MIT Press.
- Shleifer, A. and R. Vishny (1994), "Politicians and Firms", Quarterly Journal of Economics, 109: 599-617.
- Birdsall N. and J. Nellis (2005) Eds., Reality Check: The Distributional Impact of Privatization in Developing Countries, Center for Global Development.
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- Bortolotti B. and D. Siniscalco, 2003, The Challenges of Privatization: An International Analysis, Oxford University Press.
- Engel, E. , R. Fischer and A. Galetovic (2003), "Privatizing Highways in Latin America: Fixing what Went Wrong", Economia, 4: 129-164.
- Galiani, S., P. Gertler and E. Schargrodsky (2005), "Water for Life: The Impact of Privatization of Water Services on Child Mortality", Journal of Political Economy, 113: 83-120.
- Guasch, J.L., J.J. Laffont and S. Straub (2007), "Renegotiation of Concession Contracts in Latin America", International Journal of Industrial Organization.
- Guasch, J.L., J.J. Laffont and S. Straub (2006), "Concession of Infrastructure in Latin America: Government-Led Renegotiations", Journal of Applied Econometrics.
- Harris, C. (2003), "Private Participation in Infrastructure in Developing Countries. Trends, Impacts, and Policy Lessons", World Bank Working Paper No.5, Washington D.C.
- Kessides I. (2004), Reforming Infrastructure. Privatization, Regulation and Competition, World Bank and Oxford University Press.
- Megginson W. (2005), The Financial Economics of Privatization, Oxford University Press.
- Megginson W. and J. Netter (2000), "From State to Market: A Survey of Empirical Studies on Privatization" Journal of Economic Literature, 39: 321-389.

3. Corruption in Procurement and in Privatization

- Auriol, E. and Tina Soreide, "An Economic Analysis of Debarment Rules", mimeo.
- Auriol, Emmanuelle, Stephane Straub and Thomas Flochel, "Public Procurement and Rent-Seeking in Paraguay", mimeo.
- Auriol E. and S. Straub (2011), "Privatization of Rent-Generating Industries and Corruption", in the International Handbook on the Economics of Corruption, Volume 2, edited by Susan Rose-Ackerman and Tina Soreide, Edward Elgar Publishing
- Auriol, Emmanuelle and Julie Lassebie, (2014) "Capture for the Rich, Extortion for the Poor", mimeo.
- Bardhan, P. "Corruption and Development: A Review of Issues". Journal of Economic Literature, 35. 1997.
- Hoff, K. and J. Stiglitz (2005), "The Creation of the Rule of Law and the Legitimacy of Property Rights: The Political and Economic Consequences of a Corrupt Privatization", NBER working paper 11772, Cambridge, MA.
- Martimort D. and S. Straub (2006), "Privatization and Changes in Corruption Patterns", forthcoming Journal of Development Economics.
- Clarke, G. and L. Xu (2004), "Privatization, Competition, and Corruption: How Characteristics of Bribe Takers and Payers Affect Bribes to Utilities", Journal of Public Economics, 88: 2067-2097.
- Olken, B. (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia., Journal of Political Economy, 115(2), 200-249.
- Olken, B. & Pande, R. (2012). Corruption in Developing Countries. Annual Review of Economics, 4, 479-505.
- Pande, R. (2008). Understanding Political Corruption in Low Income Countries, in Handbook of Development Economics, Vol. 4, eds.T. Schultz and J. Strauss. North-Holland: Elsevier.

4. Taxation Base and the Marginal Cost of Public Funds in Developing Countries

- Auriol, Emmanuelle. and Michael Warlters, "Taxation Base in Developing Countries", Journal of Public Economics, 2004.
- Auriol, Emmanuelle and Michael Warlters (2011), " The Marginal Cost of Public Fund in Developing Countries: An application to 38 African countries", Journal of Development Economics.
- Besley, T. and T. Persson, "Why do Developing Countries Tax So little?", Journal of Economics Perspectives, Vol. 28, N°4, pp. 99-120
- Bardhan P. and C. Udry, Developments Microeconomics, Chapter 5.
- Schneider, Friedrich and Dominik Enste, "Shadow Economies: Size, Causes, and Consequences", Journal of Economic Literature, XXXVIII, (2000), 77-114.
- Straub, Stéphane, "Informal Sector: The Credit Market Channel", Journal of Development Economics, 2005.

- Marcouiller, Douglas and Leslie Young, "The Black Hole of Graft: The Predatory State and the Informal Economy", *American Economic Review*, 85(3), (1995), 630-646.
- Field, E; Torrero M (2004) "Do Property Titles Increase Credit Access among the Urban Poor? Evidence from a Nationwide Titling Program", mimeo.
<http://post.economics.harvard.edu/faculty/field/papers.html>
- Besley, T (1995) 'Property Rights and Investment Incentives: Theory and Evidence from Ghana' *The Journal of Political Economy* Vol. 103, pp.903-937
- Field, Erica (2003) "Entitled to Work: Urban Property Rights and Labor Supply in Peru", *Quarterly Journal of Economics*, November 2007.
- Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes and Andrei Shleifer, "The Regulation of Entry", *Quarterly Journal of Economics*, CXVII, (2002), 1-37.
- Friedman, Eric., Simon Johnson, Daniel Kaufmann and Pablo Zoido-Lobaton, "Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 countries", *Journal of Public Economics*, 76, (2000), 459-493.
- Johnson, Simon and Daniel Kaufmann, "Why Do Firms Hide? Bribes and Unofficial Activity after Communism", *Journal of Public Economics*, 76, (2000), 495-520.
- Johnson, Simon, Daniel Kaufmann, and Andrei Shleifer, "The Unofficial Economy in Transition", *Brookings Papers on Economic Activity*, Vol. 1997(2), (1997), 159-221.
- Johnson, Simon, Daniel Kaufmann and Pablo Zoido-Lobaton, "Regulatory Discretion and the Unofficial Economy", *American Economic Review Papers and Proceedings*, 88(2), (1998), 387-392.
- Lemieux, Thomas, Bernard Fortin and Pierre Fréchette, "The Effect of Taxes on Labor Supply in the Underground Economy", *American Economic Review*, 84(1), (1994), 231-254.

5. Entrepreneurship, Innovation and Quality provision in Developing Countries

- Alby Philippe, Emmanuelle Auriol and Pierre Nguimkeu (2014), "Social Barriers to Entrepreneurship in Africa: the Forced Mutual Help Hypothesis", mimeo.
- Auriol Emmanuelle and Jean-Luc Démonsant (2012), "Education and Migration Decisions in Hierarchical Societies: the Case of Matam, Senegal", *Regional Science and Urban Economics*, vol 42, p. 875–889
- Auriol, Emmanuelle, Sara Biancini, and Rodrigo Paillacar, (2014) "Intellectual Property Rights Protection and Trade", mimeo.
- Auriol, E. and S. Schilizzi, "Quality Signalling through Certification in Developing Countries", forthcoming in the *Journal of Development Economics*.
- Auriol, E. and Pepita Miquel-Florensa, mimeo.
- Balineau, G., 2013, "Disentangling the Effects of Fair Trade on the Quality of Malian Cotton", *World Development*, 44, 241-255.
- Balineau, G. & I. Dufeu, 2010, "Are Fair Trade goods credence goods? A new proposal, with French illustrations", *Journal of Business Ethics*, 92 (suppl.2), 331-345.
- Balineau, G. (2015), "Fair Trade? Yes, but not at Christmas! Evidence from scanned data on French Fairtrade purchases", *AFD Research Paper Series*, No. 2015-0XX

- Darby, M. R., & Karni, E. (1973). "Free Competition and Optimal Amount of Fraud", *Journal of Law & Economics*, 16(1), 67-88.
- Engel, S. (2006). "Overcompliance, labeling, and lobbying: The case of credence goods", *Environmental Modeling & Assessment*, 11(2), 115-130.
- Fridell, G. (2004). "The Fair Trade Network in Historical Perspective", *Canadian Journal of Development Studies*, 25(3), 411-428
- Lupton, S. (2005). "Shared quality uncertainty and the introduction of indeterminate goods", *Cambridge Journal of Economics*, 29(3), 399-421.
- Nelson, P. (1970). "Information and Consumer Behavior", *Journal of Political Economy*, 78(2), 311-329.
- Strausz, R. (2005). "Honest certification and the threat of capture", *International Journal of Industrial Organization*, 23(1-2), 45-62.
- Tirole, J. (1988). *The theory of industrial organization*. MIT press. (Chapters 2 & 7)

6. Reforms and Governance

- Auriol, Emmanuelle and Stefanie Brilon (2014), "Anti-Social Behavior in Profit and Non-Profit Organizations", *the Journal of Public Economics*.
- Bénabou R. and J. Tirole, (2003), "Intrinsic and Extrinsic Incentives", *Revue of Economics Studies*, 70, 489-520.
- Besley T. and M. Ghatak (2005), "Competition and Incentives with Motivated Agents", *American Economic Review*, 95 (3), 616-636.
- Auriol, Emmanuelle and Anais Dahmani, "Decentralization Reforms in Autocracy", mimeo.
- "A Theory of Religious Seduction in Autocracy", AURIOL Emmanuelle and Jean-Philippe PLATTEAU, work in progress.
- Auriol, Emmanuelle and Robert Garry-Bobo, "On Robust Constitution Design", 2007, *Theory and Decision*, 62, 241-279.
- Auriol, Emmanuelle and Robert Garry-Bobo, "On the Optimal Number of Representatives", 2012, AURIOL Emmanuelle and Robert GARRY-BOBO, *Public Choice*. Volume 153, Issue 3 (2012), Page 419-445

Political Economy and Development

Course title - Intitulé du cours	Political Economy and Development
Level / Semester - Niveau /semestre	M2 / S1
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	AZAM JEAN-PAUL
Other teacher(s) - Autre(s) enseignant(s)	None
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

I am easily available either at my office #MF120 or at the end of the course. This is the most popular method and students never hesitate to come and talk to me at that time. You can also make an appointment by e-mail. If you need me to give you my address, please go back to first-year undergraduate.

Course's Objectives - Objectifs du cours :

I want you to understand how economic theory and applied econometrics can help you to (i) understand the real world, (ii) make precise diagnoses about important distortions, and (3) find appropriate policy responses. That's why the course focuses on various aspects of foreign aid: what it is supposed to achieve, what it is really used for, and what rich countries get in return for the disbursement of aid money. As a profession, development economics is mainly about spending foreign aid.

Prerequisites - Pré requis :

You need (i) to master standard microeconomic reasonings and some elementary game theory, and (ii) to have some understanding of the basic techniques of applied econometrics, e.g., 2SLS.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Come the way you are. Laptops, drinks and sandwiches are allowed, provided you don't make noise or disturb the others in any way. I expect you to be very active in the class, asking any question that is bugging you. The papers discussed and the corresponding slides are available on Moodle a few weeks before the course, so you're not supposed to spend your time copying under dictation.

Grading system - Modalités d'évaluation :

The final exam is an oral one. You pick up the title of a paper in a bag, and you have 18 minutes to allocate between preparation and presentation. The papers are the ones discussed in class, and you can take whichever notes you have about them. The best grades go to the students who clearly show that they have understood the paper and its implications for the real world, and that they have some intuition about how to move further on.

Bibliography/references - Bibliographie/références :

The reading list is posted on Moodle.

Session planning - Planification des séances :

The table of contents is posted on Moodle.

Econometrics of Program Evaluation

Course title - Intitulé du cours	Econometrics of Program Evaluation
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	Jacint ENRICH-MOYA
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

E-mail address: jacint.enrich-moya@ut-capitole.fr - Office number: MF 007

Office(s) hours/day(s) of the week when students can drop by: Wednesday, 9.30-12.30

Preferred means of interaction: Questions that can be of general interest (comprehension, etc.) are to be raised preferentially in class or after class. Interactions by email or during office hours are dedicated to more specific questions (assignment, general comments about the course,...).

Course's Objectives - Objectifs du cours :

This course covers the basic theoretical knowledge and technical skills required for implementing microeconomic methods of estimation of causal or treatment effects.

The class will be structured in three broad sequences:

1/ The two fundamental problems of inference

1.1/ The fundamental problem of causal inference

1.2/ The fundamental problem of statistical inference

2/ Methods of causal inference

2.1/ Randomized Controlled Trials

2.1.1/ 4 designs: Brute Force, After self-selection, Eligibility, Encouragement

2.1.2/ Power analysis

2.2/ Natural Experiments (RDD, DID, IV)

2.3/ Observational methods (OLS, Matching)

3/ Additional notions

3.1/ Placebo tests

3.2/ Clustered and Stratified Designs

3.3/ Diffusion effects
Goals of the class: - Understanding of the basic language to encode causality, - knowledge of the fundamental problems of inference and the biases of intuitive estimators, - understanding of how econometric methods recover treatment effects, - ability to compute these estimators along with an estimate of their precision using the statistical software R.

The students are not expected to know how to reproduce the mathematical derivations of the various results seen in class.

Prerequisites - Pré requis :

Students are expected to master the basic notions of statistical inference (population, sample, OLS, IV, unbiasedness, consistency, estimation of standard errors, testing, probit and logit). Therefore, some Econometrics training is required. M1 Intermediate Econometrics is a good benchmark for what is needed. Basic knowledge of how to implement these estimators with R is highly recommended. Knowledge of nonparametric estimation techniques (e.g. kernel estimation) is a plus (some estimators covered in class are nonparametric, even though we cover first their parametric forebears). Knowledge of Rstudio and Latex is a plus. Obviously, having taken the Program Evaluation class in M1 is a plus. For each notion, we will go further than the introduction done in the M1 class.

Practical information about the sessions - Modalités pratiques de gestion du cours :

I expect students to show up in class. All slides will be posted in advance along with lecture notes, but class interaction is crucial, for me to understand where students have problems and for students to have these problems solved. Also, I expect a lot of participation from students, especially around the exercises and the applied project. Laptops and tablets are accepted, but I reserve the option of reversing that authorization if attention in class falters.

Grading system - Modalités d'évaluation :

Evaluation will be made of three parts: report (10/20), oral presentation (7/20) and class participation (3/20). Students will work by groups of 3 or 4 at reproducing the results of a published paper using the same methodology AND an alternative methodology studied in class AND performing a power analysis AND a placebo test. Students will provide a report detailing their analysis and the code using the software R, so that the route to the results is apparent. In the report, I expect students to show their mastery of the basic skills learned in class (definition of treatment effects, understanding of confounding factors and sampling noise, understanding of estimation methods). Students will present their results orally in a 20 min session followed by 10 min of questions. They are expected to explain the goals of their work, the main results and the methods used to reach them. I expect students to be clear and focused on the main notions and results. Participation will be graded based on the following

metric: - not showing up to 2 classes w/o sending an email of explanation when not there: -1 - showing up to every class (sending an email of explanation when not there is expected): 0 - showing up + participation: (1 to 3 depending on the intensity) Project cooperation (vs competition) among groups will also be rewarded. Of course, cooperation doesn't mean cheating, which will be highly penalized.

Bibliography/references - Bibliographie/références :

There will be no textbook assigned for this class. Angrist and Pischke's two books "Mostly Harmless Econometrics" and "Mastering 'Metrics" cover a lot of the notions seen in class in a fun and interesting way. Most of the notions seen in class have been presented in Handbook chapters or review articles. Here are the most useful ones that will be uploaded on the Moodle webpage of the class:

- John DiNardo and David Lee, "Program Evaluation and Research Designs," in Handbook of Labor Economics, ed. by Orley Ashenfelter and David Card, 4a:463-536, Elsevier, 2011.
- Petra Todd, "Evaluating Social Programs with Endogenous Program Placement and Selection of the Treated," in Handbook of Development Economics, ed. by T. Paul Schultz and John A. Strauss, 4(60):3847-3894, Elsevier, 2007.
- Guido Imbens and Jeffrey Wooldridge, "Recent Developments in the Econometrics of Program Evaluation," Journal of Economic Literature, 47(1):5-86, 2009.
- Josh Angrist and Alan Krueger, "Empirical Strategies in Labor Economics," in Handbook of Labor Economics, ed. by Orley Ashenfelter and David Card, 3:1277-1366, Elsevier, 1999.
- Jim Heckman, Rob LaLonde and Jeff Smith, "The Economics and Econometrics of Active Labor Market Programs," in Handbook of Labor Economics, ed. by Orley Ashenfelter and David Card, 3:1865-2097, Elsevier, 1999.
- Esther Duflo, Rachel Glennerster and Michael Kremer, "Using Randomization in Development Economics Research: A Toolkit," in Handbook of Development Economics, ed. by T. Paul Schultz and John A. Strauss, 4(60):3895-3962, Elsevier, 2007.
- Guido Imbens, "Nonparametric Estimation of Average Treatment Effects Under Exogeneity: A Review," Review of Economics and Statistics, 86:4-29, 2004.
- Guido Imbens and Thomas Lemieux, "Regression Discontinuity Designs: A Guide to Practice," Journal of Econometrics, 142:615-635, 2008. There are excellent blogs, websites and twitter accounts on the topic of causal inference and program evaluation. Here are the blogs and websites that I like the most:
- <http://blogs.worldbank.org/impactevaluations/blog>
- <http://andrewgelman.com/>
- <http://freakonometrics.hypotheses.org/>
- <http://chrisblattman.com/>
- <https://www.povertyactionlab.org/>
- <http://www.g-feed.com/>
- <https://energyathaas.wordpress.com/>
- <https://epic.uchicago.edu/>

Session planning - Planification des séances :

In class, all the notions and estimators will be introduced using a numerical example. The R code used to generate the results presented in class will be uploaded before on the moodle webpage of the class, as well as the slides of the class and a document we will use to extend and explain them. At the end of each class, a set of exercises based on the generated data will help the students reproduce the main notions seen in class with the generated data. The exercises are not part of the evaluation.

Economic Analysis of Infrastructure and Network Industries

Course title - Intitulé du cours	Economic Analysis of Infrastructure and Network Industries
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	Farid GASMI
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30h
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Farid GASMI : MF 123, farid.gasmi@tse-fr.eu

Course's Objectives - Objectifs du cours :

The objective of this class is to stimulate, through presentations of papers, discussions on some industrial organization and regulatory economics theoretical and applied topics that are particularly useful for the understanding of the evolution of infrastructure and network industries during the last three decades or so in both developed and developing countries.

These topics include such classical topics as

- Natural monopoly and regulation (Cost structure, Traditional regulation, Incentive regulation, etc.)
- Network interconnection (Access, interconnection, and competition, different methods of access pricing, etc.)
- Universal service (Cost, financing, etc.)
- Network effects (Growth of markets, etc.)
- Competition policy (Market power, tacit collusion, competition policy vs. regulation, etc.)
- Political economy of reforms (Capture, revolving door, career concerns in regulation and competition policy, efficiency of institutions, etc.)

but also some more recently emerging ones such as

- Empirical evaluation of reforms' impact
- E-commerce (Emergence and role)
- Social networks (Emergence and role)

- Technological convergence and market structure (Industry concentration)
- The big data phenomenon (Impact)

Ideally, the analysis should rely on both economic theory and econometrics, which gives us the opportunity to discuss the theoretical frameworks within which some particular aspects of these issues are highlighted and the empirical approaches used to further explore them.

Prerequisites - Pré requis :

Interest in Industrial organization and Regulatory economics and their applications

Practical information about the sessions - Modalités pratiques de gestion du cours :

Students are expected to actively participate in class and present papers that address any of the issues listed above or some others in the context of some specific infrastructure or network industry (telecoms, postal service, energy, transport, media, etc.).

Grading system - Modalités d'évaluation :

Innovative choice of paper, quality of presentation, and class participation with weights 20%, 50%, and 30% respectively, will be accounted for in the determination of the course final grade.

Bibliography/references - Bibliographie/références :

Papers studied in class

Development Microeconomics

Course title - Intitulé du cours	Development Microeconomics
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	Stephane STRAUB
Other teacher(s) - Autre(s) enseignant(s)	Emmanuelle AURIOL
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Emmanuelle Auriol, office MF 513, meeting by appointment, preferred mean of interaction email emmanuelle.auriol@tse-fr.eu

Stéphane Straub, office MF 125, meeting by appointment, preferred mean of interaction email stephane.straub@tse-fr.eu

Course's Objectives - Objectifs du cours :

The course aims at providing students with an overview of recent research in the field of development micro-economics, especially that concerned with industrial organization issues, the behaviour of firms and government, the organization of markets and the functioning of supporting institutions and related public policies. The course will be in two parts. The first one with Emmanuelle Auriol will be theoretically oriented, while the second one with Stéphane Straub will be more empirically oriented. The aim of the first part of the course will be to show how simple conceptual frameworks and theory can help guide public policy in the specific context of developing countries. The second part of the course will cover the application of microeconomic tools to economic development issues in developing and emerging countries, with a special focus on the empirical study of infrastructure and regulation issues. This will be addressed from different angles, including institutional aspects such as corruption and political connections, as well as impact evaluation of infrastructure investments, policies, and regulation. The general objective is to introduce students to the corresponding development literature, to make them familiar with the tools used by economists to address these issues, to highlight promising research avenues, and to discuss the policy implications of the works covered.

Key Themes:

- Privatization, (de)regulation, infrastructure.
- Institutions, governance, corruption, rent-seeking, political connections.
- Firms in developing countries: informality and entrepreneurship.
- Government and non-profit organizations: incentives and capacity building.

Prerequisites - Pré requis : Although the course will not use difficult mathematics or econometrics, familiarity with game theory and incentive theory will be helpful for the theoretical part, and familiarity with panel data econometrics for the empirical part.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Grading system - Modalités d'évaluation : Grading will consist of a home assignment (part 1) / exam (part 2). Late home assignments will be discounted by 50% if they are less than a week late. No home assignment will be accepted more than 1 week after the due date.

Part 1: Emmanuelle Auriol

Description: The prominent form of government intervention in markets no longer is public ownership of production means. Rather, modern forms of regulation attempt at correcting market failures. The latter are diverse, and so are the modes of intervention. This part of the course will focus on the intervention of government in market economies, both from a positive and from a normative point of view. The key topics will include intervention of the government in the context of economic development such as privatization, public-private partnerships, regulation of public utilities and infrastructure, entry barrier to the formal sector and to entrepreneurship, the size of the informal economy, technological transfer and innovation through the enforcement of intellectual property rights. We will discuss the impact of the fiscal burden of financing public services (i.e., opportunity cost of public funds) and the cost imposed by asymmetric information faced by public authorities. We will also analyse incentives in public administrations, including the cause of corruption and its implication in the implementation of public policies, and in non-profit organizations.

Outline:

- Theme 1: Privatization, Deregulation and Public-Private Partnership
- Theme 2: Corruption in Procurement and in Privatization
- Theme 3: Taxation Base and the Cost of Public Funds in Developing Countries
- Theme 4: Entrepreneurship, Innovation and Quality Provision

General Readings:

- Laffont J.J. Regulation and Development, collection Frederico Caffé Lectures, Cambridge University Press, mars 2005.
- Antonio Estache and Quentin Wodon, "Infrastructure and Poverty in Sub-Saharan Africa", Palgrave Macmillan, 2014.

- Christopher Decker, “Modern Economic Regulation: An Introduction to Theory and Practice”, Cambridge University Press, December 2014.

1. Privatization, Deregulation and Public-Private-Partnerships

- Auriol, E. and P. Picard (2004), “Infrastructure and Public Utilities Privatizations in Developing Countries”, World Bank Economic Review.
- Auriol, E. and P. Picard (2009), “Government Outsourcing: Public Contracting with Private Monopoly”, the Economic Journal, vol. 119, n°540, p. 1464-1493
- Auriol, E. and P. Picard (2010), “A Theory of BOT Concession Contracts”, Journal of Economic Behavior and Organization.
- Auriol, E. (2005) “Telecommunication Reforms in Developing Countries”, Communications & Strategies, November 2005, special issue, pp. 31-53.
- Auriol, E. and S. Biancini, “Powering Up Developing Countries through Economic Integration” World Bank Economic Review, vol. 29, n°1, 2015, p. 1-40.
- Auriol, E., Antonio Estache and Liam Wren-Lewis, “Can supranational infrastructure regulation compensate for national institutional weaknesses? 2017 mimeo.
- Estache A. and A. Iimi “The Economics of Infrastructure Procurement: Theory and Evidence”, (2011), CEPR, London
- Boycko, M. Shleifer, A. and R. Vishny (1996), “A Theory of Privatization”, Economic Journal, 106, 309-319.
- Laffont, J.J. and J. Tirole (1993), A Theory of Incentives in Procurement and Regulation, MIT Press.
- Shleifer, A. and R. Vishny (1994), “Politicians and Firms”, Quarterly Journal of Economics, 109: 599-617.
- Birdsall N. and J. Nellis (2005) Eds., Reality Check: The Distributional Impact of Privatization in Developing Countries, Center for Global Development.
- Bortolotti B. and D. Siniscalco, 2003, The Challenges of Privatization: An International Analysis, Oxford University Press.
- Engel, E. , R. Fischer and A. Galetovic (2003), “Privatizing Highways in Latin America: Fixing what Went Wrong”, Economia, 4: 129-164.
- Galiani, S., P. Gertler and E. Schargrotsky (2005), “Water for Life: The Impact of Privatization of Water Services on Child Mortality”, Journal of Political Economy, 113: 83-120.
- Guasch, J.L., J.J. Laffont and S. Straub (2007), “Renegotiation of Concession Contracts in Latin America”, International Journal of Industrial Organization.
- Guasch, J.L., J.J. Laffont and S. Straub (2006), “Concession of Infrastructure in Latin America: Government-Led Renegotiations”, Journal of Applied Econometrics.
- Harris, C. (2003), “Private Participation in Infrastructure in Developing Countries. Trends, Impacts, and Policy Lessons”, World Bank Working Paper No.5, Washington D.C.
- Kessides I. (2004), Reforming Infrastructure. Privatization, Regulation and Competition, World Bank and Oxford University Press.
- Megginson W. (2005), The Financial Economics of Privatization, Oxford University Press.

- Megginson W. and J. Netter (2000), "From State to Market: A Survey of Empirical Studies on Privatization" *Journal of Economic Literature*, 39: 321-389.

2. Corruption in Procurement and in Privatization

- Auriol, Emmanuelle "Corruption in Procurement and Public Purchase", 2006, AURIOL Emmanuelle, *International Journal of Industrial Organization*, 24, 867-885.
- Auriol, Emmanuelle, Erling Hjelmeng, and Tina Soreide "Deterring Corruption and Cartels: In Search of a Coherent Approach" Feb. 2017, *Concurrences Review* N° 1-2017, Art. N° 82670.
- Auriol, Emmanuelle and Tina Soreide, "An Economic Analysis of Debarment", 2017, *International Review of Law and Economics*, Volume 50, June 2017, Pages 36–49
- Auriol, Emmanuelle and Aymeric Blanc "Capture and Corruption in Public Utilities: The Cases of Water and Electricity in Sub-Saharan Africa", *Utilities Policy*, 17 (2009) 203–216
- Auriol, Emmanuelle, Stephane Straub and Thomas Flochel, "Public Procurement and Rent-Seeking in Paraguay", *World Development* Vol. 77, pp. 395–407, 2016
- Auriol E. and S. Straub (2011), "Privatization of Rent-Generating Industries and Corruption", in the *International Handbook on the Economics of Corruption*, Volume 2, edited by Susan Rose-Ackerman and Tina Soreide, Edward Elgar Publishing
- Auriol, Emmanuelle and Julie Lassebie 2017 "A Theory of Petty Corruption", mimeo TSE.
- Hoff, K. and J. Stiglitz (2005), "The Creation of the Rule of Law and the Legitimacy of Property Rights: The Political and Economic Consequences of a Corrupt Privatization", NBER working paper 11772, Cambridge, MA.
- Martimort D. and S. Straub (2006), "Privatization and Changes in Corruption Patterns", forthcoming *Journal of Development Economics*.
- Clarke, G. and L. Xu (2004), "Privatization, Competition, and Corruption: How Characteristics of Bribe Takers and Payers Affect Bribes to Utilities", *J. of Public Economics*, 88: 2067-2097.
- Olken, B. (2007). *Monitoring Corruption: Evidence from a Field Experiment in Indonesia.*, *Journal of Political Economy*, 115(2), 200-249.
- Olken, B. & Pande, R. (2012). *Corruption in Developing Countries.* *Annual Review of Economics*, 4, 479-505.
- Pande, R. (2008). *Understanding Political Corruption in Low Income Countries*, in *Handbook of Development Economics*, Vol. 4, eds.T. Schultz and J. Strauss. North-Holland: Elsevier.

4. Taxation Base and the Cost of Public Funds in Developing Countries

- Auriol, Emmanuelle. and Michael Warlters, "Taxation Base in Developing Countries", *Journal of Public Economics*, 2004.
- Auriol, Emmanuelle and Michael Warlters, 2011, "The Marginal Cost of Public Fund in Developing Countries: An application to 38 African countries", *J. of Development Economics*.
- Bardhan P. and C. Udry, *Developments Microeconomics*, Chapter 5.
- Besley, T. and T. Persson, "Why do Developing Countries Tax So little?", *Journal of Economics Perspectives*, Vol. 28, N°4, pp. 99-120
- Schneider, Friedrich and Dominik Enste, "Shadow Economies: Size, Causes, and Consequences", *Journal of Economic Literature*, XXXVIII, (2000), 77-114.
- Straub, Stéphane, "Informal Sector: The Credit Market Channel", *Journal of Development Economics*, 2005.

- Field, Erica "Entitled to Work: Urban Property Rights and Labor Supply in Peru", *Quarterly Journal of Economics*, November 2007.
- Djankov, Simeon, Rafael La Porta, Florencio Lopez de Silanes and Andrei Shleifer, "The Regulation of Entry", *Quarterly Journal of Economics*, CXVII, (2002), 1-37.
- Friedman, Eric., Simon Johnson, Daniel Kaufmann and Pablo Zoido-Lobaton, "Dodging the Grabbing Hand: The Determinants of Unofficial Activity in 69 countries", *Journal of Public Economics*, 76, (2000), 459-493.
- Johnson, Simon and Daniel Kaufmann, "Why Do Firms Hide? Bribes and Unofficial Activity after Communism", *Journal of Public Economics*, 76, (2000), 495-520.
- Johnson, Simon, Daniel Kaufmann, and Andrei Shleifer, "The Unofficial Economy in Transition", *Brookings Papers on Economic Activity*, Vol. 1997(2), (1997), 159-221.
- Johnson, Simon, Daniel Kaufmann and Pablo Zoido-Lobaton, "Regulatory Discretion and the Unofficial Economy", *American Economic Review P&P*, 88(2), 1998, 387-392.
- Lemieux, Thomas, Bernard Fortin and Pierre Fréchette, "The Effect of Taxes on Labor Supply in the Underground Economy", *American Economic Review*, 84(1), (1994), 231-254.

5. Entrepreneurship, Innovation and Quality provision in Developing Countries

- Alby Philippe, Emmanuelle Auriol and Pierre Nguimkeu (2014), "Social Barriers to Entrepreneurship in Africa: the Forced Mutual Help Hypothesis", mimeo.
- Auriol Emmanuelle and Jean-Luc Démonsant (2012), "Education and Migration Decisions in Hierarchical Societies: the Case of Matam, Senegal", *Regional Science and Urban Economics*, vol 42, p. 875–889
- Auriol, Emmanuelle, Sara Biancini, and Rodrigo Paillacar, (2014) "Intellectual Property Rights Protection and Trade", mimeo.
- Auriol, E. and S. Schilizzi, "Quality Signalling through Certification in Developing Countries", forthcoming in the *Journal of Development Economics*.
- Balineau, G., 2013, "Disentangling the Effects of Fair Trade on the Quality of Malian Cotton", *World Development*, 44, 241-255.
- Balineau, G. & I. Dufeu, 2010, "Are Fair Trade goods credence goods? A new proposal, with French illustrations", *Journal of Business Ethics*, 92 (suppl.2), 331-345.
- Balineau, G. (2015), "Fair Trade? Yes, but not at Christmas! Evidence from scanned data on French Fairtrade purchases", *AFD Research Paper Series*, No. 2015-0XX
- Darby, M. R., & Karni, E. (1973). "Free Competition and Optimal Amount of Fraud", *Journal of Law & Economics*, 16(1), 67-88.
- Engel, S. (2006). "Overcompliance, labeling, and lobbying: The case of credence goods", *Environmental Modeling & Assessment*, 11(2), 115-130.
- Fridell, G. (2004). "The Fair Trade Network in Historical Perspective", *Canadian Journal of Development Studies*, 25(3), 411-428
- Lupton, S. (2005). "Shared quality uncertainty and the introduction of indeterminate goods", *Cambridge Journal of Economics*, 29(3), 399-421.
- Nelson, P. (1970). "Information and Consumer Behavior", *Journal of Political Economy*, 78(2), 311-329.
- Strausz, R. (2005). "Honest certification and the threat of capture", *International Journal of Industrial Organization*, 23(1-2), 45-62.

- Tirole, J. (1988). The theory of industrial organization. MIT press. (Chapters 2 & 7)

Part 2: Stéphane Straub

Description: Development economics increasingly recognizes the importance of the institutional environment in fostering favourable development outcomes. This is especially true when it comes to issues such as infrastructure (understood here to cover energy, water and sanitation, transport and information and communication technologies (ICT)), which are key to individuals' welfare and entrepreneurial capacity and also involve complex interactions between the public and the private sector. Public policies in these sectors frequently raise governance issues, and examples of corruption and abuse of political connections abound. This part of the course will draw on the rich empirical literature that has documented these issues and analysed their impact on the process of development. We will review papers assessing the long-term impact of institutions, as well as the contemporaneous impact of corruption and rent-seeking on public policies. We will also discuss the economic literature on the impact of infrastructure on development outcomes and review its contribution to the process of public policy definition.

Outline:

- Theme 1: Governance in developing countries (long-term effect of institutions, corruption, rent-seeking, political connections and capture by entrepreneurs), in particular related to the course main issues, i.e., regulation and infrastructure.
- Theme 2: Infrastructure investments and policies long-term impact, and regulatory issues.

This part of the course will be organized as follows: session 1 will cover the long-term effects of institutions, sessions 2 and 3 will address corruption and political connections in the context of infrastructure, and sessions 4 and 5 will cover infrastructure impact, policies, and regulation.

Readings: Stéphane Straub will indicate each week which papers should be read for the following classes. Note that the reading list by no mean pretends to be an exhaustive list. On each of these topics, there are many more relevant papers not listed here, which can be found in the references of the papers below or doing a specific search.

General readings:

Econometrics references:

- Wooldridge, Jeffrey, Econometric Analysis of Cross Section and Panel Data, MIT Press
- Angrist, Joshua D, and Pischke, Jorn-Steffen, Mostly Harmless Econometrics, Princeton University Press

1) Long-Term Effect of Institutions

- Melissa Dell, "The Persistent Effects of Peru's Mining Mita", *Econometrica*, Vol. 78, No. 6 (November, 2010), 1863–1903.
- Nunn, Nathan and Leonard Wantchekon, "The Slave Trade and the Origins of Mistrust in Africa," *American Economic Review*, Vol. 101, No. 7, December 2011, 3221-3252.
- Stelios Michalopoulos and Elias Papaioannou, "Pre-colonial Ethnic Institutions and Contemporary African Development", *Econometrica*, 2013, 81(1): 113–152.
- Marcella Alsan, 2012, "The Effect of the TseTse Fly on African Development", *American Economic Review*.
- Acemoglu, D., S. Johnson, and J. A. Robinson (2001): "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91, 1369–1401.
- Engerman, S., and K. Sokoloff (1997): "Factors Endowments, Institutions, and Differential Paths of Growth Among NewWorld Economies," in *How Latin American Fell Behind*, ed. by S. Haber. Stanford: Stanford University Press, 260–304.
- Banerjee, A., and L. Iyer (2005): "History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India," *American Economic Review*, 95, 1190–1213.
- Baumol, William J. 1990. "Entrepreneurship: Productive, Unproductive, and Destructive." *Journal of Political Economy*, 98(5): 893—921.
- Raghuram G. Rajan, 2009. "Rent Preservation and the Persistence of Underdevelopment," *American Economic Journal: Macroeconomics*, vol. 1(1), pages 178-218, January.
- Acemoglu, Daron, 2003. "Why not a political Coase theorem? Social conflict, commitment, and politics," *Journal of Comparative Economics*, Elsevier, vol. 31(4), pages 620-652, December.
- Murphy, Kevin M., Andrei Shleifer and Robert W. Vishny. 1991. "The Allocation of Talent: Implication for Growth." *Quarterly Journal of Economics*, 106(2): 503—530.

2) Corruption, Political Connections, and Rent-Seeking

- Olken, Benjamin and Pande, Rohini, "Corruption in Developing Countries". *Annual Review of Economics* 4, pp. 479-505, July 2012.
- Ritva Reinikka & Jakob Svensson "Fighting corruption to improve schooling: Evidence from a newspaper campaign in Uganda", *Journal of the European Economic Association*, 2005, 3 (2-3): 259-267.
- Jie Bai, Seema Jayachandran, and Edmund J. Malesky, and Benjamin Olken, 2014, "Does Economic Growth Reduce Corruption? Theory and Evidence from Vietnam". NBER Working Paper #19483.
- Ferraz, Claudio and Frederico Finan. 2008. "Exposing Corrupt Politicians: The Effect of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics*. 123(2): 703—745.
- Frederico Finan and Claudio Ferraz, "Electoral Accountability and Corruption in Local Governments: Evidence from Audit Reports", *American Economic Review*, 2011, 101: 1274-1311.
- Mauro, P. (1995). "Corruption and Growth." *The Quarterly Journal of Economics*, 110(3): 681-712.

- John McMillan and Pablo Zoido, 2004, "How to Subvert Democracy: Montesinos in Peru", *Journal of Economic Perspectives*, Volume 18, Number 4, Pages 69-92.
- Bertrand, Marianne, Simeon Djankov, Rema Hanna and Sendhil Mullainathan. 2007. "Obtaining a Driving License in India: An Experimental Approach to Studying Corruption." *The Quarterly Journal of Economics*, 122(4): 1639-1676.
- Olken, Benjamin. 2007. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *Journal of Political Economy* 115(2): 200-249.
- Olken, B. and Barron, P. (2009). "The Simple Economics of Extortion: Evidence from Trucking in Aceh." *Journal of Political Economy*, 117(3): 417-452.
- Rose-Ackerman, Susan. 1999. *Corruption and Government: Causes, Consequences, and Reform*. Cambridge: Cambridge University Press.
- Olken B., "Corruption Perceptions vs. Corruption Reality". *Journal of Public Economics*, 93 (7-8), pp. 950-964, August 2009.
- Hanna, R., Mullainathan S., and A. Banerjee, "Corruption," *The Handbook of Organizational Economics*. Ed. Robert Gibbons and John Roberts. Princeton University Press, 1109-1147, 2012.
- Fisman, Raymond. 2001. "Estimating the Value of Political Connections." *American Economic Review*, 91(4): 1095-1102.
- Fisman, Raymond, Florian Schulz and Vikrant Vig, "The Private Returns to Public Office", 2013.
- Fisman, Raymond and Yongxiang Wang, "The Mortality Cost of Political Connections", forthcoming, *Review of Economic Studies*, 2015.
- Hsieh, Chang-Tai, Edward Miguel, Daniel Ortega and Francisco Rodriguez. 2008. "The Price of Political Opposition: Evidence from Venezuela's Maisanta." *American Economic Journal: Applied Economics*.
- Khwaja, Asim I. and Atif Mian. 2005. "Do lenders favor politically connected firms? Rent provision in an emerging financial market." *Quarterly Journal of Economics*, 120 (4): 1371-1411.
- Frederico Finan and Laura Schechter, "Vote-buying and Reciprocity", *Econometrica*, 2012, 80(2): 863-882.
- Li, Hongbin, Lingsheng Meng, Qian Wang and Li-An Zhou. 2008. "Political connections, financing and firm performance: Evidence from Chinese private firms." *Journal of Development Economics*, 87(2): 283-299.
- Barbosa, Klenio, and Stéphane Straub. 2017. "The Value of Revolving Doors in Public Procurement." Mimeo.
- Straub, S., 2014, "Political Firms, Public Procurement, and the Democratization Process", TSE working paper 461.
- Auriol, Emmanuelle, Thomas Flochel and Stéphane Straub, 2016, "Public Procurement and Rent-Seeking: The Case of Paraguay", *World Development*, 77, 395-407.
- Jean-Marie Baland & James A. Robinson, 2008. "Land and Power: Theory and Evidence from Chile," *American Economic Review*, vol. 98(5), pages 1737-65, December.
- Krueger, A. (1974). The political economy of the rent seeking society. *American Economic Review*, 64, 291-303.

3) Infrastructure Impact, Policies, and Regulation

- Lipscomb, M., M. Mobarak and T. Barham, 2013, "Development Effects of Electrification: Evidence from the Topographic Placement of Hydropower Plants in Brazil", *AEJ: Applied Economics*, 5(2): 200--231.
- T. Dinkelman, 2011, "The effects of rural electrification on employment: New evidence from South Africa", *American Economic Review*, 101(7): 3078--3108.
- Duflo E. and R. Pande (2007), "Dams", *Quarterly Journal of Economics*, 122(2), 601-646.
- Galiani, S., P. Gertler and E. Schargrodsky (2005), "Water for Life: The Impact of Privatization of Water Services on Child Mortality", *Journal of Political Economy*, 113: 83-120.
- Gertler, P., O. Shelef, C. Wolfram, and A. Fuchs. (2016). "The Demand for Energy-Using Assets among the World's Rising Middle Classes," *American Economic Review*. Vol. 106, No. 6, pp. 1366-1401.
- Lee, K., Miguel, T., and C. Wolfram. (2016). "Experimental Evidence on the Demand for and Costs of Rural Electrification." Unpublished working paper.
- Jensen R. (2007), "The Digital Divide: Information (Technology), Market performance, and Welfare in the South Indian Fisheries Sector", *Quarterly Journal of Economics*, 122(3), 879-924.
- D. Donaldson, "Railroads of the Raj: Estimating the Impact of Transportation Infrastructure", forthcoming, *American Economic Review*.
- Bird, J. and S. Straub, 2014, "The Brasília Experiment: Road Access and the Spatial Pattern of Long-term Local Development in Brazil", *World Bank Policy Research Working Paper* No.6964.
- Abhijit Banerjee, Esther Duflo and Nancy Qian. "On the Road: Access to Transportation Infrastructure and Economic Growth in China". mimeo, February 2012.
- Allcott, Hunt, Allan Collard-Wexler, and Stephen D. O'Connell (2016). "How Do Electricity Shortages Affect Industry? Evidence from India." *American Economic Review*, Vol. 106, No. 3 (March), pages 587-624.
- J. Assunção, M. Lipscomb, A. M. Mobarak, D. Szerman. "Agricultural Productivity and Deforestation in Brazil", mimeo.
- Robin Burgess, Remi Jedwab, Edward Miguel, Ameet Morjaria and Gerard Padro-i-Miguel. "The Value of Democracy: Evidence from Road Building in Kenya", *NBER Working Paper* No. 19398, forthcoming, *American Economic Review*, June 2015
- Remi Jedwab and Alexander Moradi. "The Permanent Economic Effects of Transportation Revolutions in Poor Countries: Evidence from Africa", forthcoming, *Review of Economics and Statistics*.
- Bleakley, Hoyt, and Jeffrey Lin. 2012. "Portage and Path Dependence." *The Quarterly Journal of Economics*, 127(2): 587--644.
- Baum-Snow, N, L Brandt, V Henderson, M Turner and Q Zhang (2012), "Roads, Railroads and Decentralization of Chinese Cities", working paper.
- Ghani, E., Goswami, A. and W. Kerr, 2013, "Highway to success in India: the impact of the golden quadrilateral project for the location and performance of manufacturing", *Policy Research Working Paper Series* 6320, The World Bank.
- Saugato Datta. "The impact of improved highways on Indian firms". *Journal of Development Economics*, Volume 99, Issue 1, September 2012, Pages 46—57.

- Storeygard, A., 2016, "Farther on down the road: transport costs, trade and urban growth in sub-Saharan Africa", *Review of Economic Studies* 83(3): 1263-1295.
- Gilles Duranton and Matt Turner, 2011, "Urban growth and transportation", *Review of Economic Studies*, forthcoming
- Casaburi, L., Glennerster, R. and Suri, T., 2013, "Rural Roads and Intermediated Trade: Regression Discontinuity Evidence from Sierra Leone", mimeo.
- Jenny Aker and Marcel Fafchamps, 2013, "How does mobile phone coverage affect farm-gate prices? Evidence from West Africa." *World Bank Economic Review*.
- Jenny Aker and Isaac M. Mbiti. 2010. " Mobile Phones and Economic Development in Africa." *Journal of Economic Perspectives*. 24(3): 207-32.
- Jenny Aker. 2010. " Information from Markets Near and Far: The Impact of Mobile Phones on Grain Markets in Niger." *American Economic Journal: Applied Economics*. 2: 46-59.
- Jenny Aker, Christopher Ksoll and Travis Lybbert. 2012. "Can Mobile Phones Improve Learning? Evidence from a Field Experiment in Niger." 4(4), *American Economic Journal: Applied Economics*.
- Michael Greenstone, Rema Hanna and Esther Duflo "Up in Smoke: The Influence of Household Behavior on the Long-Run Impact of Improved Cooking Stoves," *American Economic Journal: Economic Policy*, 2016, 8(1): 80-114.
- Michael Greenstone, Esther Duflo, Raymond Guiteras, and Thomas Clasen, 2015, "Toilets Can Work: Short and Medium Run Health Impacts of Addressing Complementarities and Externalities in Water and Sanitation," *Mimeograph*.
- David Martimort et Stéphane Straub, « How to Design Infrastructure Contracts in a Warming World? A Critical Appraisal of Public-Private Partnerships », *International Economic Review*, vol. 57, n° 1, février 2016, p. 61–88.
- Jean-Jacques Dethier, Alex Moore et Stéphane Straub, « Regulation, Renegotiation and Capital Structure: Theory and Evidence from Latin American Transport Concessions », *Journal of Regulatory Economics*, vol. 45, n° 2, 2014, p. 209–232.
- Straub, S. (2011), "Infrastructure and Development: A Critical Appraisal of the Macro-Level Literature", *The Journal of Development Studies*, vol. 47, n°5, p. 683-708.
- Straub, S. (2008), "Infrastructure and Growth in Developing Countries: Recent Advances and Research Challenges", *World Bank Policy Research Working Paper No.4460*.
- Philippe Alby, Jean-Jacques Dethier et Stéphane Straub, « Firms Operating under Electricity Constraints in Developing Countries? », *The World Bank Economic Review*, vol. 27, n° 1, 2013, p. 109–132.
- Céline Bonnet, Pierre Dubois, David Martimort and Stéphane Straub, 2012, "Empirical Evidence on Satisfaction with Privatization in Latin America", *World Bank Economic Review*, Volume 26, Issue 1, Pp. 1-33.
- Martimort, D., and S. Straub. 2009. "Infrastructure Privatization and Changes in Corruption Patterns: The Roots of Public Discontent". *Journal of Development Economics* 90: 69–84.
- Rafael Di Tella, Sebastian Galiani, Ernesto Schargrodsky, 2012, "Reality versus propaganda in the formation of beliefs about privatization", *Journal of Public Economics*, Volume 96, Issues 5–6, June 2012, Pages 553–567.

Foreign Aid: Organization and Effectiveness

Course title - Intitulé du cours	Foreign Aid: Organization and Effectiveness
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	MIQUEL-FLORENSA JOSEPA
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Josepa (Pepita) Miquel-Florensa

Office: MF123bis

Office hours: By appointment

Email: pepita.miquel@tse-fr.eu

Course's Objectives - Objectifs du cours :

International development assistance has evolved considerably from WWII. Although some of the initial development agencies are still operating and remain influential, the way they function has evolved and important new players have entered the field. This course provides an overview of the organizational structure of aid organizations, the contractual arrangements with the recipient countries, and the political and economic motivations behind these relationships.

In the first part of the course we will study the different players on the aid game: on the one side, the aid recipients, and on the other side the aid donors. On the aid donors, we will study the governance structure and behaviour of multilateral agencies (like the World Bank or the Inter-American Development Bank), of bilateral agencies (like the AFD, GTZ, USAid,...) and of Non-Governmental organizations. We will also look at the new donors (like China or the Arab Donors) recent entrants on the aid game with their own strategies and motivations.

We will study the comparative advantage of each of these institutions, how they allocate funds, how they interact, and how their behaviour affects the aid recipients' behaviour. We will also look in detail into the effectiveness of aid flows, and the factors that affect this effectiveness. We will conclude with a discussion on the (lack of) coordination between donors and how it affects the effectiveness of transferred funds.

Prerequisites - Pré requis :

Applied econometrics

Grading system - Modalités d'évaluation :

The grade will come from a project proposal - groups of 2 students - to be presented to the class (in the last weeks of the course) and handed the week of term exams. A preliminary one-page version of the proposal should be handed in by Feb. 22nd to be discussed with the professor.

The project proposal should be the foundation of a paper, and should (i) lay out the scientific question you want to address, (ii) explain why it is important, (iii) summarize the literature on the topic, and (iv) provide an overview of the theory, data and empirical methods you would employ to answer the question. You need to motivate the research idea (in the context of the existing literature), present suggestive statistics from available data, lay out the research design, and present preliminary results when possible. Length: 10-15 pages.

Historical perspective on development

Course title - Intitulé du cours	Historical perspective on development
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	SALEH MOHAMED
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	Anglais

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

E-mail: mohamed.saleh@tse-fr.eu

Office: MF 512 Office hours: Fridays 14:30 – 16:30

Preferred means of interaction: after the classes or by email

Course's Objectives - Objectifs du cours :

The course lies at the intersection of economic history and development economics. It integrates economic theory, econometric methods, and historical analysis, in order to examine economic development in the long run. Economic history (Cliometrics) is an economics field that is concerned with applying economic theory and econometric methods to examine long-term economic phenomena. As such, it intersects with many fields of economics, including development economics, in the sense that it provides a wider laboratory to test economic theories. The objective of the course is to introduce TSE graduate students at the Master II level in Public Policy and Development to economic history and to motivate them to ask interesting research questions that could form the nuclei of their MA theses or perhaps their PhD dissertations later on. The course draws on a wide range of topics such as technical change and inequality, slavery, intergenerational mobility, migration, education, social capital, and health.

Prerequisites - Pré requis :

Microeconomic theory and applied econometrics

Practical information about the sessions - Modalités pratiques de gestion du cours :

Each class will be a mixture of lecture and discussion. All readings will be posted on the class website on Moodle at least one week before class. There are two required readings per class. All students are required to read the required readings before class in order to have stimulating class discussions. There

is NO mandatory attendance. Laptops and tablets are allowed in class if they are used for taking notes. Students who arrive late can enter from the back door of the classroom.

Grading system - Modalités d'évaluation :

The class grade will consist of: a) Class Presentation and Discussion (20%): The grade will be assigned based on two elements. (a) (10%) Each student is required to present one paper of her choice during the course. Papers will be assigned on a first-come first-served basis and the exact allocation will depend on the number of students. (b) (10%) Each student is required to participate actively in class discussions. b) Two research assignments (40%): The two assignments will be due in hard copy in class during weeks 4 and 7 respectively. The assignments will be posted on Moodle 10 days before the due date. NO late assignment will be accepted. c) Replication assignment (40%): Students will be asked to replicate the empirical analysis in one of the papers in class. The replication exercise is due on the last day of the final exams week. It must be submitted by email. NO late assignment will be accepted.

Bibliography/references - Bibliographie/références :

Detailed Syllabus: Part One: Institutions, Geography, and Long-Term Economic Development

1. Why Economic History and Development? • (Required) McCloskey, Donald. "Does the Past Have Useful Economics?" *Journal of Economic Literature* 14 (1976), no. 2: 434-461. • Greif, Avner. "Cliometrics after 40 Years." *American Economic Review* 87 (1997), no. 2: 400-403. • Kocka, Jürgen. "History, the Social Science, and Potential for Cooperation: With Particular Attention to Economic History." *InterDisciplines* 1 (2010): 43-63. • Freedman, D. A. "Statistical Models and Shoe Leather." *Sociological Methodology* 21 (1991), no. 2: 291-313. • Meyer, John R. and Alfred H. Conrad. "Economic Theory, Statistical Inference, and Economic History." *Journal of Economic History* 17 (1957), no. 4: 524-544.

2. Long-term Trends of Economic Development • (Required) Clark, Gregory. "The Condition of the Working-Class in England, 1209-2004." *Journal of Political Economy* 113 (2005), no. 6: 1307-1340. • Easterlin, Richard. "The Worldwide Standard of Living since 1800." *Journal of Economic Perspectives* 14 (2000), no. 1: 7-26. • Baumol, William. "Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show." *American Economic Review* 76 (1986), no. 5: 1072-85.

3. Institutions and Long-term Development I: Legal Origins • (Required) La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert Vishny. "Legal Determinants of External Finance." *Journal of Finance* 52 (1997): 1131-1150. • ———. "Law and Finance." *Journal of Political Economy* 106 (1998): 1113-1155. • La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer. "The Economic Consequences of Legal Origins." *Journal of Economic Literature* 46 (2008): 285-332. • North, Douglass. "Institutions." *Journal of Economic Perspectives* 5 (1997), no. 1: 97-112. • ———. "Economic Performance through Time." *American Economic Review* 84 (1994), no. 3: 359-368.

4. Institutions and Long-term Development II: The Engerman-Sokoloff Hypothesis • (Required) Sokoloff, Kenneth L., and Stanley L. Engerman. "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World." *Journal of Economic Perspectives* 14 (2000): 217-232. • Nunn, Nathan. "Slavery, Inequality, and Economic Development in the Americas." In *Institutions and Economic Performance*, Elhanan Helpman (ed.): 148-80 (Cambridge: Harvard University Press, 2008).

5. Institutions and Long-term Development III: The Acemoglu-Johnson-Robinson Thesis • (Required) Acemoglu, Daron, S. Johnson, and J. Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (2001), no. 5: 1369-1401. • ———. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics* 117 (2002): 1231-

1294. • ———. “The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth,” *American Economic Review* 95 (2005a): 546–579. 6. Institutions and Long-term Development IV: Game Theory • (Required) Greif, Avner. “Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition.” *American Economic Review* 83 (1993), no. 3: 525–548. • ———. “Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies.” *Journal of Political Economy* 102 (1994): 912–950. 7. Geography and Long-term Development I • (Required) Hornbeck, R. “The Enduring Impact of the American Dust Bowl: Short- and Long-Run Adjustments to Environmental Catastrophe.” *American Economic Review* 102 (2012), no. 4: 1477–1507. • Gallup, John Luke, Jeffrey D. Sachs, and Andrew D. Mellinger. “Geography and Economic Development.” *International Regional Science Review* 22 (1999), no. 2: 179–232. 8. Geography and Long-term Development II • (Required) Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. “Temperature Shocks and Economic Growth: Evidence from the Last Half Century.” *American Economic Journal: Macroeconomics* (2012): 66–95. • Sachs, Jeffrey D. “Institutions Don’t Rule: Direct Effects of Geography on Per Capita Income.” National Bureau of Economic Research Working Paper No. 9490, 2003. Part Two: Topics in History and Development 9. Human Capital I: Education • (Required) Chaudhary, Latika, Aldo Musacchio, Steven Nafziger, and Se Yan. “Big BRICs, Weak Foundations: The Beginning of Public Elementary Education in Brazil, Russia, India, and China.” *Explorations in Economic History* 49 (2012), no. 2: 221–240. • Goldin, Claudia. “Human Capital.” In *Handbook of Cliometrics*, Claude Diebolt and Michael Hauptert (eds.) (Springer-Verlag Berlin Heidelberg, 2014). • Goldin, Claudia. “The Human-Capital Century and American Leadership: Virtues of the Past.” *Journal of Economic History* 61 (2001), no. 2: 263–292. • Goldin, Claudia. “America’s Graduation from High School: The Evolution and Spread of Secondary Schooling in the Twentieth Century.” *Journal of Economic History* 58 (1998), no. 2: 345–74. 10. Human Capital II: Education and Religion • (Required) Becker, Sascha O., and Ludger Woessmann. “Was Weber Wrong? A Human Capital Theory of Protestant Economic History.” *Quarterly Journal of Economics* 124 (2009), no. 2: 531–596. • Botticini, Maristella, and Zvi Eckstein. “Jewish Occupational Selection: Education, Restrictions, or Minorities?” *Journal of Economic History* 65 (2005), no. 4: 922–948. • Saleh, Mohamed (2016), “On the Road to Heaven: Taxation, Conversions, and the Coptic-Muslim Socioeconomic Gap in Medieval Egypt,” TSE Working Paper. 11. Human Capital III: Health • (Required) Costa, Dora L., and Richard H. Steckel. “Long-Term Trends in Health, Welfare, and Economic Growth in the United States.” NBER Working Paper h0076, (1995). • Komlos, John. “Shrinking in a Growing Economy? The Mystery of Physical Stature during the Industrial Revolution.” *Journal of Economic History* 58 (1998), no. 3: 779–802. 12. Human Capital IV: Health • (Required) Miguel, Edward and Michael Kremer. “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities.” *Econometrica* (2004): 159–217. • Strauss, John, and Duncan Thomas. “Health, Nutrition, and Economic Development.” *Journal of Economic Literature* (1998): 766–817. • Schultz, T. Paul. “Wage Gains Associated with Height as a Form of Health Human Capital.” *American Economic Review* (2002): 349–353. 13. Land and Labor Institutions I: Slavery • (Required) Nunn, Nathan. “The Long-Term Effects of Africa’s Slave Trades.” *The Quarterly Journal of Economics* 123 (2008), no. 1: 139–176. • Wright, Gavin. “Slavery and American Agricultural History.” *Agricultural History* 77 (2003), no. 4: 527–552. • Fogel, Robert. *Without Consent or Contract: The Rise and Fall of American Slavery* (New York: W. W. Norton, 1989). • Fenoaltea, Stefano. “Slavery and Supervision in Comparative Perspective: A Model.” *Journal of Economic History* 44, no. 3 (1984): 635–668. • Dell, Melissa. “The Persistent Effects of Peru’s Mining Mita.” *Econometrica* 78 (2010), no. 6: 1863–1903. 14. Land and Labor Institutions II: Land Ownership • (Required) Banerjee, Abhijit, and Lakshmi Iyer. “History, Institutions and Economic Performance: The

Legacy of Colonial Land Tenure Systems in India." *American Economic Review* 95 (2005): 1190–1213.

- Fenske, James. "Does Land Abundance Explain African Institutions?" *The Economic Journal* 123 (2013), no. 573: 1363-1390.
- 15. Intergenerational Mobility I • (Required) Ferrie, Joseph and Jason Long, "A Tale of Two Labor Markets: Intergenerational Occupational Mobility in Britain and the U.S. Since 1850," NBER Working Paper No. 11253 (2008).
- Becker, Gary S., and Nigel Tomes. "An Equilibrium Theory of the Distribution of Income and Intergenerational Mobility." *Journal of Political Economy* (1979): 1153-1189.
- Solon, Gary. "A Model of Intergenerational Mobility Variation over Time and Place." In *Generational Income Mobility in North America and Europe*, Miles Corak (ed.), Cambridge: Cambridge University Press, 2004: 38-47.
- 16. Intergenerational Mobility II • (Required) Dahan, Momi, and Alejandro Gaviria. "Sibling Correlations and Intergenerational Mobility in Latin America." *Economic Development and Cultural Change* 49 (2001), no. 3: 537-554.
- Behrman, Jere R., Alejandro Gaviria, and Miguel Székely. "Intergenerational Mobility in Latin America." *Economica* 2 (2001), no. 1: 1-31.
- Clark, Gregory, and Gillian Hamilton. "Survival of the Richest: The Malthusian Mechanism in Pre-industrial England." *Journal of Economic History* 66 (2006), no. 3: 707-736.
- 17. Migration I • (Required) Abramitzky, Ran, Leah Boustan, and Katherine Eriksson. "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration." *American Economic Review* 102 (2012), no. 5: 1832-1856.
- Borjas, George. "Self-Selection and the Earnings of Immigrants." *American Economic Review* 77 (1987), no. 4: 531—553.
- 18. Migration II • (Required) Mishra, Prachi. "Emigration and Wages in Source Countries: Evidence from Mexico." *Journal of Development Economics* 82 (2007), no. 1: 180-199.
- Abramitzky, Ran, Leah Platt Boustan, and Katherine Eriksson. "A Nation of Immigrants: Assimilation and Economic Outcomes in the Age of Mass Migration." *Journal of Political Economy* 122 (2014), no. 3: 467-506.
- 19. Social Capital • (Required) Costa, Dora L., and Matthew E. Kahn. "Cowards and Heroes: Group Loyalty in the American Civil War." *Quarterly Journal of Economics* 118 (2003), no. 2: 519-548.
- _____. "Surviving Andersonville: The Benefits of Social Networks in POW Camps." *American Economic Review* 97 (2007), no. 4: 1467-1487.
- Knack, S. and Keefer, P. "Does Social Capital Have an Economic Payoff? A Cross-Country Investigation." *Quarterly Journal of Economics* 112 (1997), no. 4: 1251-1288.
- 20. Gender Roles in Economic Development • (Required) Alesina A, Giuliano P, Nunn N. "On the Origins of Gender Roles: Women and the Plough." *Quarterly Journal of Economics*. 2013; 128 (2): 469-530.
- Alesina, Alberto, Paola Giuliano, and Nathan Nunn. "Fertility and the Plough." *American Economic Review* 101 (2011), no. 3: 499-503.
- Boserup, Esther. *Women's Role in Economic Development* (London: Unwin, 1970), Chapter 1.

Session planning - Planification des séances :

We will cover two topics each week (1.5 hour per topic). Please see the description of the 20 topics that we will cover throughout the 10 weeks of class in the bibliography section.

Micro-Finance, Land and Labor

Course title - Intitulé du cours	Micro-Finance, Land and Labor
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	MIQUEL-FLORENSA JOSEPA
Lecture Hours - Volume Horaire CM	30
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	Anglais

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Josepa (Pepita) Miquel-Florensa
Office: MF123bis
Office hours: By appointment
Email: pepita.miquel@tse-fr.eu

Course's Objectives - Objectifs du cours :

The aim of this course is to study the peculiarities of financial markets in developing countries, and how they affect households and Small and medium-sized enterprises (SMEs).

The first part of the course centers on households: their access to savings, credit and insurance. More in particular we will study ROSCAS (Rotating Credit and Saving Associations), Microfinance contracts and formal and informal insurance networks. The productive activities of the household (mainly agricultural), entrepreneurship and SMEs are the focus of the second part of the course. For them, we focus on access to credit, technological adoptions and barriers to access markets.

The course will cover both theoretical models and empiric papers.

Prerequisites - Pré requis :

Applied econometrics and Microeconomics (asymmetric information, contracts).

Basic knowledge of program evaluation is needed.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Grading system - Modalités d'évaluation :

The grade will come from a project proposal - groups of 2 students - to be presented to the class (in the last weeks of the course) and handed the week of term exams. A preliminary one-page version of the proposal should be handed in by Feb. 22nd to be discussed with the professor.

The project proposal should be the foundation of a paper, and should (i) lay out the scientific question you want to address, (ii) explain why it is important, (iii) summarize the literature on the topic, and (iv) provide an overview of the theory, data and empirical methods you would employ to answer the question. You need to motivate the research idea (in the context of the existing literature), present suggestive statistics from available data, lay out the research design, and present preliminary results when possible. Length: 10-15 pages.

Topics in Applied Econometrics and Development

Course title - Intitulé du cours	Topics in Applied Econometrics and Development
Level / Semester - Niveau /semestre	M2 / S2
School - Composante	Ecole d'Economie de Toulouse
Teacher - Enseignant responsable	GAZMURI - SEABRIGHT
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Other teacher(s) - Autre(s) enseignant(s)	
Lecture Hours - Volume Horaire CM	
TA Hours - Volume horaire TD	
TP Hours - Volume horaire TP	0
Course Language - Langue du cours	Anglais
TA and/or TP Language - Langue des TD et/ou TP	

Teaching staff contacts - Coordonnées de l'équipe pédagogique :

Students with questions about the course material are encouraged to ask them during or at the end of class before requesting a meeting with the lecturer. Meetings should be requested by email.

Prof. Ana Gazmuri, e-mail: ana.gazmuri@tse-fr.eu

Prof. Paul Seabright, e-mail: Paul.Seabright@tse-fr.eu

Course's Objectives - Objectifs du cours :

The objective of this course is to familiarize the student with some of the econometric tools used in the development economics literature. Students should be able to work on a data set in a research project and to critically read the assigned papers.

Prerequisites - Pré requis :

Students should be familiar with basic econometrics.

Practical information about the sessions - Modalités pratiques de gestion du cours :

Students are expected to read the assigned papers before the class and participate actively in class discussions.

Grading system - Modalités d'évaluation :

A set of home assignments (in groups of up to 3 students) will constitute 50% of the grade; these will involve working on a data set, the details of which will be made available before the end of January. Also, there will be a final exam (50%). We shall endeavor to make the reading material available

either through e-mail, a shared dropbox folder or, for some books, through lending you our personal copies. The logistics of this will be discussed in the first class.

Bibliography/references - Bibliographie/références :

Wooldridge, Jeffrey, “Econometric Analysis of Cross Section and Panel Data”.

Required readings (marked with * below) will be covered in detail during lectures and we expect students to read them beforehand in order to participate in class discussion. Suggested readings will not be discussed in detail but may be referred to and are listed here as a guide for further study. There is also a reference bibliography for other works referred to in the course. We also include a number of books, of which some are used for reference purposes (in which case chapter or page numbers will be indicated) while others are for background reading. Do not think that background reading is unimportant! It matters just as much to acquire a rigorous and scientific outlook on empirical investigation as to learn specific techniques.

Session planning - Planification des séances :

- Experiments (2 sessions)

*Cohen, Jessica, and Pascaline Dupas, 2010, Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment, Quarterly Journal of Economics, 125(1), pp. 1-45.

*Muralidharan, Karthik and Venkatesh Sundararaman, 2011, Teacher Performance Pay: Experimental Evidence from India, Journal of Political Economy, 119, No. 1, February, pp. 39-77

Ashraf, Nava, Dean Karlan and Wesley Yin. 2006. “Tying Odysseus to the mast: Evidence from a commitment savings product in the Philippines”, The Quarterly Journal of Economics, 635-672.

Banerjee, Abhijit V. and Esther Duflo. 2009. “The Experimental Approach to Development Economics”, Annual Review of Economics, April, Vol. 1: 151-178.

Duflo, Esther, Michael Kremer, and Jonathan Robinson. 2011. “Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya.” American Economic Review, 101(6): 2350–90.

Duflo, Esther, Rachel Glennerster and Michael Kremer. 2007. “Using randomization in development economics research: A toolkit”, Handbook of Development Economics, 4, pp. 3895-3962.

Miguel, Ted, and Michael Kremer. 2004. “Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities”, Econometrica, vol. 72(1), pp. 159-217, 01

Books: Poor Economics, Bad Science, The Emperor’s New Drugs

- Panel Data (2 sessions)

*Wooldridge, Chapters 10 & 11

*Banerjee, Abhijit, Paul J. Gertler, and Maitreesh Ghatak, 2002, Empowerment and Efficiency: Tenancy Reform in West Bengal, Journal of Political Economy, 110(2), 239-280.

*Glick, P., and Sahn, D. E. 2010, Early Academic Performance, Grade Repetition, and School Attainment in Senegal: A Panel Data Analysis, *The World Bank Economic Review*, 24(1), 93-120.

Townsend, Robert M. 1994. "Risk and Insurance in Village India", *Econometrica*, Vol. 62, No. 3, May, pp. 539-591.

Jayachandran, Seema. 2006. Selling Labor Low: Wage Responses to Productivity Shocks in Developing Countries. *Journal of Political Economy*, Vol. 114, June, pp. 538-575.

- Instrumental Variables (3 sessions)

*Wooldridge, Chapter 5

*Angrist, Joshua D., and Alan B. Krueger, 2001, Instrumental Variables and the Search for Identification: From Supply and Demand to Natural Experiments, *Journal of Economic Perspectives*, 15(4), 69-85.

*Acemoglu, Daron, Simon Johnson, and James A. Robinson, 2002, Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution, *Quarterly Journal of Economics*, 117(4), 1231-1294.

*Rosenzweig, Mark and Kenneth Wolpin, 2000, Natural 'Natural Experiments' in Economics, *Journal of Economic Literature*, 38(4):827-74.

*Duflo, E. and Pande, R, 2007, Dams, *Quarterly Journal of Economics*, 122(2), 601-646.

*Paxson, Christina H., 1992, Using Weather Variability to Estimate the Response of Savings to Transitory Income in Thailand, *American Economic Review*, Vol. 82, No. 1, March, pp. 15-33.

*Butcher, Kristin F. and Anne Case, 1994, The Effect of Sibling Sex Composition on Women's Education and Earnings, *Quarterly Journal of Economics*, Vol. 109, No. 3, August, pp. 531-563.

Angrist, Joshua and Alan Krueger. 1999. "Empirical Strategies in Labor Economics" in *Handbook of Labor Economics*, Vol. III, ed. Orley Ashenfelter and David Card, pp. 1277-1366.

Angrist, Joshua, Guido Imbens, and Donald Rubin. 1996. "Identification of Causal Effects Using Instrumental Variables." *Journal of the American Statistical Association*, 91(434):444-455.

Bound, John, David Jaeger and Regina Baker. 1995. "Problems With Instrumental Variables Estimation When the Correlation Between the Instruments and the Endogenous Explanatory Variable is Weak." *Journal of the American Statistical Association* 90(430), 443-450.

Conley, Timothy and Christian B. Hansen, and Peter E. Rossi. 2012. "Plausibly Exogenous", *Review of Economics and Statistics*, 94(1): 260-272.

Heckman, James J, Sergio Urzua, and Edward Vytlacil. 2006. "Understanding Instrumental Variables in Models with Essential Heterogeneity", *Review of Economics and Statistics*, 88:3, 389-432

Heckman, James and Edward Vytlacil. 2002. "Structural Equations, Treatment Effects, and Econometric Policy Evaluation.", *Econometrica* 73(3):669-738.

Imbens, Guido W. and Joshua D. Angrist. 1994. "Identification and Estimation of Local Average Treatment Effects", *Econometrica*, Vol. 62, No. 2, March, pp. 467-475P.

- Regression Discontinuity Design (1 session)

*Imbens, Guido W. and Thomas Lemieux. 2008, Regression discontinuity designs: A guide to practice", *Journal of Econometrics*, 142, 615–635

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