Aims
The course provides an overview of the current literature in development microeconomics. The overarching interest is what creates and what reduces poverty and how poor people live their economic lives. Students will be introduced to theoretical and empirical approaches to the understanding of binding constraints to development, household decisions and organisation, effectiveness of public policy and alternative arrangements that arise when markets and institutions fail.

Learning Outcomes
Successful students will
- Have a comprehensive knowledge about the main issues in development microeconomics that are currently driving state-of-the-art research.
- Be able to engage analytically and critically with theoretical and empirical articles.
- Obtain a good understanding of policy issues: tools at hand, what are the likely mechanisms at play, different strategies to assess policy effectiveness.

Assessment
75% Final Exam; 25% in class test.

Reading
Main textbook: Development Economics: Theory and practice by Alain de Janvry and Elisabeth Sadoulet, Routledge (henceforth, DE)

Weekly Timetable

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<th>Week/Title</th>
<th>Reading</th>
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| **Week 1: Development Economics: stylised facts, definitions, and measurement issues** | DE, Ch 1. What is development? Indicators and issues  
DE, Ch 2, State of development  
| **Week 2: Methodological Issues in Development** | DE, Ch 2. 4. Impact evaluation of development policies and programs  
Duflo, E. (2001), “Schooling and Labour Market Consequences of School Construction in Indonesia: |
| Week 3: Poverty and Poverty Traps | DE, Ch 5. Poverty and vulnerability assessment  
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<td>Week 4: Inequality</td>
<td>DE, Ch 6. Inequality and inequity</td>
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| Week 5: Population, Labor and Migration | DE, Ch 11. Population and development  
DE, Ch 12. Labor and migration  
| Week 6: Credit and Microfinance | DE, Ch 13. Financial services for the poor  
DE, Ch 16. Common property resources and determinants of cooperation  
| Week 8: Health and education     | DE, Ch 17. Human capital: education and health  
| | DE, Ch 20. Institutional innovations and development |
| | DE, Ch 22. The economics of farm households |