

## International Economics Development Economics

Academic year 2020-2021

## Advanced Development Microeconomics: Market Failures

### EI098 - Printemps - 3 ECTS

Monday 16h15 - 18h00

### Course Description

The course focuses on labor, credit and insurance markets, and more precisely on the role that market failures play in poverty and underdevelopment. It discusses canonical papers in applied micro theory that lay out the constraints faced by individuals, and recent empirical work evaluating programs that aim at alleviating those constraints.

### > PROFESSOR

[Lore Vandewalle](#)

[Office hours](#)

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### > ASSISTANT

[Office hours](#)

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## Syllabus

### Grading

The evaluation consists of the presentation of a paper from the reading list (40% of grade), a literature review (40% of grade) and participation in the class discussions (20% of grade).

The presentation lasts 30 minutes and covers the main points of the paper. The first presentation(s) will be organized in the third lecture, so preferences should be indicated by the second lecture at the latest.

The literature review covers a topic of choice and should be handed in at the end of the course. The review should be a concise (5-6 pages) discussion of the recent advances in a topic, identifying what has been learnt and what are the remaining challenges. This review can form the basis of the literature review of your MPT or one of your chapters.

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## OUTLINE

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Readings marked with an asterisk (\*) are required and will be discussed in class. You will be expected to answer questions about these readings in class. You should also skim the recommended papers (indicated with \*\*). Other readings are provided as references for students interested in a certain topic, but I highly recommend you to review the abstracts of a couple of those papers to have a better sense of how these fit into the related literature. Important, the papers covered may change throughout the semester. The final readings will be provided ten days before each lecture.

### LECTURE 1 [FEBRUARY 22]: INTRODUCTION

- Acemoglu, D., S. Johnson and J. Robinson (2001), The Colonial Origins of Comparative Development: An Empirical Investigation. *American Economic Review* 91(5), 1369-1401.
- (\*\*) Banerjee, A. and E. Duflo (2007), The Economic Lives of the Poor. *Journal of Economic Perspectives* 21(1): 141-167.
- Banerjee, A. and S. Mullainathan (2010), The Shape of Temptation: Implications for the Economic Lives of the Poor. *NBER Working Papers 15973, National Bureau of Economic Research, Inc.*
- Banerjee, A. and A. Newman (1993), Occupational Choice and the Process of Development. *Journal of Political Economy* 101(2): 274-298.
- Bils, M. and P. Klenow (2000), Does Schooling Cause Growth? *American Economic Review* 90(5): 1160-1183.
- Blumenstock, J. (2016), Fighting Poverty with Data. Machine Learning Algorithms Measure and Target Poverty. *Science* 353(6301): 753-754.
- Bourguignon, F. and C. Morrisson (2002), Inequality among World Citizens: 1820–1992. *American Economic Review* 92(4): 727-744.
- Buera, F. and R. Lucas (2018), Ideas Flows, Economic Growth and Trade. *Annual Reviews of Economics* 10(1): 315-145.
- Caselli, F. (2005), Accounting for Cross-Country Income Differences, *Handbook of Economic Growth*, in: Philippe Aghion & Steven Durlauf (ed.), *Handbook of Economic Growth*, edition 1, volume 1, chapter 9, pages 679-741, Elsevier.
- Deaton, A. (2005), Measuring Poverty in a Growing World (or Measuring Growth in a Poor World). *Review of Economics and Statistics* 87(1): 1–19.
- (\*) Deaton, A. and O. Dupriez (2011), Purchasing Power Parity Exchange Rates for the Global Poor. *American Economic Journal: Applied Economics* 3(2):137-66.
- Doepke, M. and F. Zilibotti (2014), Culture, Entrepreneurship, and Growth. *Handbook of Economic Growth* 2: 1-48.

- Dollar, D. and A. Kraay (2002), Growth Is Good for the Poor. *Journal of Economic Growth* 7(3): 195-225.
- Dubois, P., R. Griffith and A. Nevo (2014), Do Prices and Attributes Explain International Differences in Food Purchases? *American Economic Review* 104(3): 832-867.
- Engerman, S. and K. Sokoloff (2000), Institutions, Factor Endowments, and Paths of Development in the New World. *Journal of Economic Perspectives* 14(3): 217-232.
- Galor, O. and J. Zeira (1993), Income Distribution and Macroeconomics. *Review of Economic Studies* 60(1): 35-52.
- Goldberger, A. (1972), Structural Equation Methods in the Social Sciences. *Econometrica* 40(6): 979-1001.
- Haavelmo, T. (1944), The Probability Approach in Econometrics. Supplement to *Econometrica* 12: 1-115.
- Heckman, J. (2000), Microdata, Heterogeneity and the Evaluation of Public Policy. Nobel Price Lecture.
- Holland, P. W. (1986), Statistics and Causal Inference (in Theory and Methods). *Journal of the American Statistical Association* 81(396): 945-960.
- Klenow, P. and A. Rodriguez-Clare (1997), Economic growth: A review essay. *Journal of Monetary Economics* 40(3): 597-617.
- Mankiw, G., D. Romer, and D. Weil (1992), A Contribution to the Empirics of Economic Growth. *Quarterly Journal of Economics* 107(2): 407-437.
- Mookherjee, D. and D. Ray (2003), Persistent Inequality. *Review of Economic Studies* 70(2): 369-393.
- Piketty, T. and E. Saez (2003), Income Inequality in the United States, 1913-1998. *Quarterly Journal of Economics* 118(1): 1-39.
- (\*) Pritchett, L. (1997), Divergence, Big Time. *Journal of Economic Perspectives* 11(3): 3-17.
- Rubin, D.B. (1974), Estimating Causal Effects of Treatments in Randomized and Nonrandomized Studies. *Journal of Educational Psychology* 66(5): 688-701.
- Rodrik, D., A. Subramanian and F. Trebbi (2004), Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth* 9(2): 131-165.
- (\*) Sala-i-Martin, X. (2006), The World Distribution of Income: Falling Poverty and ... Convergence, Period. *Quarterly Journal of Economics* 121(2): 351-397.
- Sen, Amartya (2001), Development as Freedom. Oxford University Press.

## LECTURE 2 [MARCH 1]: AGRICULTURE

- (\*) Aker, J. (2010), Information from Markets Near and Far: Mobile Phones and Agricultural Markets in Niger. *American Economic Journal: Applied Economics* 2(3): 46-59.
- Arcand, J.-L. and B. d'Hombres (2011), Testing for Separation in Agricultural Household Models and Unobservable Household-Specific Effects. *Working Paper*.
- Bardhan, P. and D. Mookherjee (2011), Subsidized Farm Input Programs and Agricultural Performance: A Farm-Level Analysis of West Bengal's Green Revolution, 1982-1995. *American Economic Journal: Applied Economics* 3(4): 186-214.
- (\*) Beaman, L., D. Karlan, B. Thuysbaert and C. Udry (2013), Profitability of Fertilizer: Experimental Evidence from Female Rice Farmers in Mali. *American Economic Review: Papers & Proceedings* 103(3): 381-386.
- Benjamin, D. (1992), Household Composition, Labor Markets, and Labor Demand: Testing for Separation in Agricultural Household Models. *Econometrica* 60 (2): 287-322.
- Bold, T., K. Kaizzi, J. Svensson and D. Yanagizawa-Drott (2017), Lemon Technologies and Adoption: Measurement, Theory, and Evidence from Agricultural Markets in Uganda. *Quarterly Journal of Economics* 132(3): 1055-1100.
- Bulte, E., S. Di Falco and R. Lensink (2020), Randomized Interventions and "Real" Treatment Effects: A Cautionary Tale and an Example. *World Development* 127.
- Carter, M., R. Laajaj and D. Yang (2013), The Impact of Voucher Coupons on the Uptake of Fertilizer and Improved Seeds: Evidence from a Randomized Trial in Mozambique." *American Journal of Agricultural Economics* 95(5): 1345-1351.
- Carter, M., E. Tjernstrom and P. Toledo (2019), Heterogeneous Impact Dynamics of a Rural Business Development Program in Nicaragua." *Journal of Development Economics* 138: 77-98.
- Cole, S., X. Giné, J. Tobacman, P. Topalova, R. Townsend, and J. Vickery (2013), Barriers to Household Risk Management: Evidence from India. *American Economic Journal: Applied Economics* 5(1): 104-135.
- (\*) Conley, T. and C. Udry (2010), Learning about a New Technology: Pineapple in Ghana. *American Economic Review* 100(1): 35-69.
- (\*\*) De Janvry, A., E. Sadoulet and T. Suri (2017), Field Experiments in Developing Country Agriculture. *Handbook of Field Experiments* Vol. 2: 427-466.
- (\*\*) Duflo, E., M. Kremer and J. Robinson (2008), How High are Rates of Return to Fertilizer? Evidence from Field Experiments in Kenya. *American Economic Review: Papers & Proceedings* 98(2): 482-488.
- (\*\*) Duflo, E., M. Kremer, and J. Robinson (2011), Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya. *American Economic Review* 101(6): 2350-2390.
- (\*) Emerick, K., A. De Janvry, E. Sadoulet and M. Dar (2016), Technological Innovations, Downside Risk and the Modernization of Agriculture. *American Economic Review* 106(6): 1537-1661.

- (\*) Goldstein, M. and C. Udry (2008), The Profits of Power: Land Rights and Agricultural Investment in Ghana. *Journal of Political Economy* 116(6): 981-1022.
- (\*) Goyal, A. (2010), Information, Direct Access to Farmers, and Rural Market Performance in Central India. *American Economic Journal: Applied Economics* 2(3): 22-45.
- Hanna, R., S. Mullainathan and J. Schwartzstein (2014), Learning through Noticing: Theory and Experimental Evidence in Farming. *Quarterly Journal of Economics* 129(3): 1311-1353.
- (\*\*) Karlan, D., R. Osei, I. Osei-Akoto and C. Udry (2014), Agricultural Decisions after Relaxing Credit and Risk Constraints. *Quarterly Journal of Economics* 129(2): 597-652.
- Mobarak, M. and M. Rosenzweig (2013), Informal Risk Sharing, Index Insurance, and Risk Taking in Developing Countries, *American Economic Review: Papers & Proceedings* 103(3): 375-380.
- Rosenzweig, M. and C. Udry (2014), Forecasting Profitability. Working Paper.
- Singh, I., L. Squire, and J. Strauss (1986), A Survey of Agricultural Household Models: Recent Findings and Policy Implications. *World Bank Economic Review* 1(1): 149-179.
- Tarozzi, A., J. Desai and K. Johnson (2015), The Impacts of Microcredit: Evidence from Ethiopia. *American Economic Journal: Applied Economics* 7(1): 54-89.
- (\*\*) Udry, C. (2010), The Economics of Agriculture in Africa: Notes on a Research Program. *African Journal of Agricultural and Resource Economics* 5(1): 1-16.

### LECTURE 3 [MARCH 8]: ENTREPRENEURSHIP

- Acemoglu, D. and J. Robinson (2012), *Why Nations Fail: The Origins of Power, Prosperity and Poverty*. 1st ed. New York: Crown, 529.
- Anderson, S., R. Chandy, and B. Zia (2018), Pathways to Profits: the Impact of Marketing vs. Finance Skills on Business Performance. *Management Science* 64(12): 5559-5583.
- Bandiera, O., R. Burgess, N. Das, S. Gulesci, I. Rasul, and M. Sulaiman (2017), Labor Markets and Poverty in Village Economies. *Quarterly Journal of Economics* 132(2): 811-870.
- Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Parienté, J. Shapiro, B. Thuysbaert and C. Udry (2015), A Multi-faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries. *Science* 348(6236): 772-789.
- Banerjee, A. and A. Newman (1993), Occupational Choice and the Process of Development, *Journal of Political Economy*, 101(2): 274-298.
- Berge, L.I., K. Bjorvatn and B. Tungodden (2015), Human and financial Capital for Microenterprise Development: Evidence from a Field and Lab Experiment." *Management Science* 61(4): 707-722.
- Bernhardt, A., E. Field, R. Pande and N. Rigol (2019), Household Matters: Revisiting the Returns to Capital among Female Microentrepreneurs. *American Economic Review: Insights* 1(2): 141-160.

- Bianchi, M. and M. Bobba (2013), Liquidity, Risk, and Occupational Choices. *Review of Economic Studies* 80:491–511.
- (\*) Blattman, C., N. Fiala and S. Martinez (2014), Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda. *Quarterly Journal of Economics* 129: 697-752.
- Bloom, N., B. Eifert, D. McKenzie, A. Mahajan and J. Roberts (2013), Does Management Matter: Evidence from India. *Quarterly Journal of Economics* 128(1): 1-51.
- Bloom, N., D. McKenzie, A. Mahajan and J. Roberts (2020), Do Management Interventions Last? Evidence from India. *American Economic Journal: Applied Economics* Forthcoming.
- Boeri, T., G. Giupponi, A. Krueger and S. Machin (2020), Solo Self-Employment and Alternative Work Arrangements: A Cross-Country Perspective on the Changing Composition of Jobs. *Journal of Economic Perspectives* 34(1): 170-195.
- Brooks, W., K. Donovan and T. Johnson (2018), Mentors or Teachers? Microenterprise Training in Kenya. *American Economic Journal: Applied Economics* 10: 196-221.
- Bruhn, M. and D. McKenzie (2014), Entry Regulation and Formalization of Microenterprises in Developing Countries. *World Bank Research Observer* 29(2): 186-201.
- Bruhn, M., D. Karlan and A. Schoar (2017), The Impact of Consulting Services on Small and Medium Enterprises: Evidence from a Randomized Trial in Mexico. *Journal of Political Economy* 126(2): 635-687.
- Buera, F., J. Kaboski and Y. Shin (2011). Finance and Development: A Tale of Two Sectors. *American Economic Review* 101(5):1964-2002.
- Buvinic, M. and R. Furst-Nichols (2014), Promoting Women’s Economic Empowerment: What Works?” *World Bank Research Observer* 31(1): 59-101.
- Cai, J. and A. Szeidl (2018), Interfirm Relationships and Business Performance. *Quarterly Journal of Economics* 133: 1229-1282.
- (\*) Calderon, G., J. Cunha, and G. De Giorgi (2020), Business Literacy and Development: Evidence from a Randomized Controlled Trial in Rural Mexico. *Economic Development and Cultural Change* 68(2): 507-540.
- (\*) Campos, F., M. Frese, M. Goldstein, L. Iacovone, H. Johnson, D. McKenzie and M. Mensmann (2017), Teaching Personal Initiative Beats Traditional Training in Boosting Small Business in West Africa. *Science* 357(6357): 1287-90.
- Crepon, B., E. Duflo, M. Gurgand, R. Rathelot and P. Zamora (2013), Do Labor Market Policies Have Displacement Effects: Evidence from a Clustered Randomized Experiment. *Quarterly Journal of Economics* 128(2): 531-580.
- (\*) De Mel, S., D. McKenzie and C. Woodruff (2008), Returns to Capital in Microenterprises: Evidence from a Field Experiment. *Quarterly Journal of Economics* 123(4): 1329-1372.

- De Mel, S., D. McKenzie and C. Woodruff (2009a), Measuring Microenterprise Profits: Must we ask How the Sausage is Made? *Journal of Development Economics* 88(1): 19-31.
- De Mel, S., D. McKenzie and C. Woodruff (2009b), Innovative Firms or Innovative Owners? Determinants of Innovation in Micro, Small, and Medium Enterprises. *Working Paper*.
- De Mel, S., D. McKenzie and C. Woodruff (2010), Who are the Microenterprise Owners? Evidence from Sri Lanka on Tokman versus De Soto. In *International Differences in Entrepreneurship*, NBER Chapters, pp. 63–87. National Bureau of Economic Research.
- De Mel, S., D. McKenzie and C. Woodruff (2012), One-time Transfers of Cash or Capital have Long-lasting Effects on Microenterprises in Sri Lanka.” *Science* 335(6071): 962-966.
- De Mel, S., D. McKenzie and C. Woodruff (2014), Business Training and Female Enterprise Start-up, Growth, and Dynamics: Experimental evidence from Sri Lanka. *Journal of Development Economics* 106: 199-210.
- Drexler, A., G. Fischer and A. Schoar (2014), Keeping it Simple: Financial Literacy and Rules of Thumb. *American Economic Journal: Applied Economics* 6 (2): 1-31.
- Fafchamps, M. and C. Woodruff (2017), Identifying Gazelles: Expert Panels vs Surveys as a Means to Identify Firms with Rapid Growth Potential. *World Bank Economic Review* 31(3): 670-686.
- Fafchamps, M., D. McKenzie, S. Quinn and C. Woodruff (2014), Microenterprise Growth and the Flypaper Effect: Evidence from a Randomized Experiment in Ghana. *Journal of Development Economics* 106: 211-226.
- Field, E., S. Jayachandran, and R. Pande (2010), Do Traditional Institutions Constrain Female Entrepreneurship? A Field Experiment on Business Training in India. *American Economic Review* 100 (2): 125-129.
- Fischer, G. and D. Karlan (2015), The Catch-22 of External Validity in the Context of Constraints to Firm Growth. *American Economic Review: Papers & Proceedings* 105(5): 295-299.
- Giné, X. and G. Mansuri (2020), Money or Management? A Field Experiment on Constraints to Entrepreneurship in Rural Pakistan. *Economic Development and Cultural Change*. Forthcoming
- Groh, M. N. Krishnan, D. McKenzie and T. Vishwanath (2016), The Impact of Soft Skills Training on Female Youth Employment: Evidence from a Randomized Experiment in Jordan, *IZA Journal of Labor and Development* 5(9).
- Guiso, L., L. Pistaferri and F. Schivardi (2021), Learning Entrepreneurship from other Entrepreneurs. *Journal of Labour Economics* 39(1).
- Hacamo, I. and K. Kleiner (2019), Confidence Spillovers in Competitive Environments: Evidence from Entrepreneurship. *Working Paper*.
- Hussam, R., N. Rigol and B. Roth (2020), Targeting High Ability Entrepreneurs Using Community Information: Mechanism Design in the Field. *Harvard Business School Working Paper, No. 20-082*.

- Jakiela, P. and O. Ozier (2016), Does Africa Need a Rotten Kin Theorem? Experimental Evidence from Village Economies. *Review of Economic Studies* 83(1): 231-268.
- Jayachandran, S. (2020), Microentrepreneurship. *Working Paper*.
- Karlan, D., R. Knight, and C. Udry (2012), Hoping to Win, Expected to Lose: Theory and Lessons on Micro Enterprise Development. *NBER Working Papers* 18325.
- La Porta, R. and A. Schelifer (2014), Informality and Development. *Journal of Economic Perspectives* 28(3): 109-26.
- Lazear, E. (2005) Entrepreneurship. *Journal of Labor Economics* 23(4): 649-80.
- Lerner, J. and U. Malmendier (2013), With a Little Help from My (Random) Friends: Success and Failure in Post-Business School Entrepreneurship. *Review of Financial Studies* 26 (10): 2411-2452.
- Levine, R. and Y. Rubinstein (2017), Smart and Illicit: Who Becomes an Entrepreneur and Do They Earn More? *Quarterly Journal of Economics* 132(2): 963-1018.
- (\*\*) Mckenzie, D. (2017), Identifying and Spurring High-Growth Entrepreneurship: Experimental Evidence from a Business Plan Competition. *American Economic Review* 107(8): 2278-2307.
- Mckenzie, D. and S. Puerto (Forthcoming), Growing Markets through Business Training for Female Entrepreneurs: A Market-level Randomized Experiment in Kenya. *American Economic Journal: Applied Economics*.
- McKenzie, D. and D. Sansone (2019), Predicting Entrepreneurial Success is Hard: Evidence from a Business Plan Competition in Nigeria. *Journal of Development Economics*.
- (\*\*) McKenzie, D. and C. Woodruff (2014), What are we Learning from Business Training and Entrepreneurship Evaluations around the Developing World? *World Bank Research Observer* 29(1): 48-82.
- (\*\*) McKenzie, D. and C. Woodruff (2017), Business Practices in Small Firms in Developing Countries *Management Science* 63(9): 2967-2981.
- Premand, P., S. Brodmann, R. Almeida, R. Grun, and M. Barouni (2016), Entrepreneurship Education and Entry into Self-Employment among University Graduates. *World Development* 77: 311-327.
- Schoar, A. (2010) The Divide between Subsistence and Transformational Entrepreneurship. In Joshua Lerner and Scott Stern (Eds.), *NBER Innovation Policy and the Economy Volume 10*: 57-81.
- Schumpeter, J. (1934) *The Theory of Economic Development: An Inquiry into Profits, Capital, Credit, Interest and the Business Cycle*. Cambridge: Harvard University Press.
- Ubfal, D., I. Arraiz, D. Beuermann, M. Frese, A. Maffioli and D. Verch (2019) The Impact of Soft-Skills Training for Entrepreneurs in Jamaica. *Working Paper*.



- Udry, C. and S. Anagol (2006), The Returns to Capital in Ghana. *American Economic Review: Papers & Proceedings* 96(2): 388–393.
- Valdivia, M. (2015), Business Training Plus for Female Entrepreneurship? Short and Medium-term Experimental Evidence from Peru. *Journal of Development Economics* 113:33-51.
- Vega-Redondo, F., P. Pin, D. Ubfal, C. Benedetti-Fasi, C. Brummitt, G. Rubera, D. Hovy and T. Fornaciari (2019), Peer Networks and Entrepreneurship. *Working Paper*.

#### LECTURE 4 [MARCH 15]: CREDIT MARKETS

##### Books

- Armendariz, B. and J. Morduch (2010), *The Economics of Microfinance*. Cambridge, Mass.: MIT Press, 2nd Edition.
- Collins, D., J. Morduch, S. Rutherford and O. Ruthven (2009), *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Princeton, N.J.: Princeton University Press.
- Rutherford, S. (1999), *The Poor and Their Money*. Oxford: Oxford University Press.

##### Papers

- (\*) Aleem, I. (1990), Imperfect Information, Screening and the Costs of Informal Lending: A Study of a Rural Credit Market in Pakistan. *World Bank Economic Review* 4(3): 329-49.
- Banerjee, A. and E. Duflo (2010), Giving Credit Where It Is Due. *Journal of Economic Perspectives* 24(3): 61-80.
- De Janvry, A., C. McIntosh and E. Sadoulet (2010), The Supply and Demand Side Impacts of Credit Market Information. *Journal of Development Economics* 93(2): 173-188.
- Giné, X., J. Goldberg and D. Yang (2012), Credit Market Consequences of Improved Personal Identification: Field Experimental Evidence from Malawi. *American Economic Review* 102(6): 2923-2954.
- (\*\*) Karlan, D. and J. Zinman (2009), Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Experiment. *Econometrica* 7(6): 1993-2008.
- Stiglitz, J. and A. Weiss (1981), Credit Rationing in Markets with Imperfect Information. *American Economic Review* 71(3): 393-410.

#### LECTURE 5 [MARCH 22]: CREDIT MARKETS

- Afzal, U., G. d'Adda, M. Fafchamps, S. Quinn and F. Said (2018), Two Sides of the Same Rupee? Comparing Demand for Microcredit and Microsaving in a Framed Field Experiment in Rural Pakistan. *Economic Journal* 128: 2161-2190.
- (\*) Angelucci, M., D. Karlan and J. Zinman (2015), Microcredit Impacts: Evidence from a Randomized Microcredit Program Placement Experiment by Compartamos Banco. *American Economic Journal: Applied Economics* 7 (1): 151-182.

- (\*) Attanasio, O., B. Augsburg, R. de Haas, E. Fitzsimons and H. Harmgart (2015), The Impacts of Microfinance: Evidence from Joint-Liability Lending in Mongolia. *American Economic Journal: Applied Economics* 7 (1): 90-122.
- (\*) Augsburg, B., R. de Haas, H. Harmgart and C. Meghir (2015), The Impacts of Microcredit: Evidence from Bosnia and Herzegovina. *American Economic Journal: Applied Economics* 7 (1): 183-203.
- Banerjee, A. (2013), Microcredit under the Microscope: What Have we Learnt in the Last Two Decades, What do we Need to Know? *Annual Review of Economics* 5.
- Banerjee, A. and E. Duflo (2014), Do Firms Want to Borrow More? Testing Credit Constraints Using a Directed Lending Program. *Review of Economic Studies* 81(2): 572–607.
- Banerjee, A., T. Besley and T. Guinnane (1994) Thy Neighbour's Keeper: The Design of a Credit Cooperative with Theory and a Test." *Quarterly Journal of Economics* 109(2): 491-515.
- (\*\*) Banerjee, A., E. Breza, E. Duflo and C. Kinnan (2019), Can Microfinance Unlock a Poverty Trap for Some Entrepreneurs. *NBER Working Paper 26346*.
- Banerjee, A., A. Chandrasekhar, E. Duflo and M. Jackson (2013), The Diffusion of Microfinance. *Science* 341, Issue 6144.
- Banerjee, A., A. Chandrasekhar, E. Duflo and M. Jackson (2020), Changes in Social Network Structure in Response to Exposure to Formal Credit Markets. *Working Paper*.
- (\*\*) Banerjee, A., E. Duflo, R. Glennerster and C. Kinnan (2015a), The Miracle of Microfinance? Evidence from a Randomized Evaluation. *American Economic Journal: Applied Economics* 7(1): 22-53.
- (\*\*) Banerjee, A., D. Karlan and J. Zinman (2015b), Six Randomized Evaluations of Microcredit: Introduction and Further Steps. *American Economic Journal: Applied Economics* 7(1): 1-21.
- Banerjee, A., P. Niehaus and T. Suri (2019), Universal Basic Income in the Development World. *Annual Review of Economics* 11: 959-983.
- Bauer, M., J. Chytilova and J. Morduch (2012), Behavioral Foundations of Microcredit: Experimental and Survey Evidence from Rural India. *American Economic Review* 102(2): 1118-1139.
- Besley, T. and S. Coate (1995), Group Lending, Repayment Incentives and Social Collateral. *Journal of Development Economics* 46(1): 1-18.
- Bhole, B. and S. Ogden (2010), Group Lending and Individual Lending with Strategic Default. *Journal of Development Economics* 91(2): 348-363.
- Blattman, C. and S. Dercon (2018), The Impacts of Industrial and Entrepreneurial Work on Income and Health: Experimental Evidence from Ethiopia. *American Economic Journal: Applied Economics* 10(3): 1-38.
- Bond, P. and A. Rai (2008), Cosigned vs. group loans. *Journal of Development Economics* 85(1-2): 58-80.

- Buera, F., J. Kaboski and Y. Shin (2013), The Macroeconomics of Microfinance. *Working Paper*.
- Bulow, J. and K. Rogoff (1989), Sovereign Debt: Is to Forgive to Forget? *American Economic Review* 79(1): 43-50.
- (\*) Chernozhukov, V., M. Demirer, E. Duflo and I. Fernandez-Val (2019), Generic Machine Learning Inference on Heterogeneous Treatment Effects in Randomized Experiments. *Working Paper*.
- Crépon, B., F. Devoto, E. Duflo, and W. Parienté (2015), Estimating the Impact of Microcredit of Those Who Take It Up: Evidence From a Randomized Experiment in Morocco." *American Economic Journal: Applied Economics* 7(1): 123-150.
- De Mel, S., D. McKenzie and C. Woodruff (2008), Returns to Capital in Microenterprises: Evidence from a Field Experiment. *Quarterly Journal of Economics* 123(4): 1329-1372.
- De Mel, S., D. McKenzie and C. Woodruff (2009), Are Women More Credit-Constrained? Experimental Evidence on Gender and Microenterprise Returns. *American Economic Journal: Applied Economics* 1(3): 1-32.
- Drugov, M. and R. Macchiavello (2014), Financing Experimentation. *American Economic Journal: Microeconomics* 6(1): 315-349.
- Fafchamps, M., D. McKenzie, S. Quinn and C. Woodruff (2014), Microenterprise growth and the flypaper effect: Evidence from a Randomized Experiment in Ghana. *Journal of Development Economics* 106: 211-226.
- Feigenberg, B., E. Field and R. Pande (2013), The Economic Returns to Social Interaction: Experimental Evidence from Microfinance. *Review of Economic Studies* 80(4): 1459-1483.
- Field, E. and R. Pande (2008), Repayment Frequency and Default in Microfinance: Evidence from India. *Journal of the European Economic Association* 6: 501-509.
- Field, E., R. Pande, J. Papp and N. Rigol (2013), Does the Classic Microfinance Model Discourage Entrepreneurship among the Poor? Experimental Evidence from India. *American Economic Review* 103(6): 2196-2226.
- Fischer, G. (2013), Contract Structure, Risk Sharing, and Investment Choice. *Econometrica* 81(3): 883-939.
- Fischer, G. and M. Ghatak (2016), Repayment Frequency in Microfinance Contracts with Present-Biased Borrowers. *Working Paper*.
- Gangopadhyay, S., M. Ghatak and R. Lensink (2005), Joint Liability Lending and the Peer Selection Effect. *Economic Journal* 115: 1005-15.
- Giné, X., P. Jakiela, D. Karlan, and J. Morduch (2010), Microfinance games. *American Economic Journal: Applied Economics* 2: 60-95.

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#### LECTURE 6 [MARCH 29]: INSURANCE

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LECTURE 7 [APRIL 12]: REMAINING PRESENTATIONS