

Syllabus for Econ 899: Development Economics

Professor Laura Schechter

Spring 2026

1 Administrative Details

Course meets:	223 Ingraham, TTh 11:00-12:15
Office:	6462 Social Sciences
E-mail:	lschechter@wisc.edu
Office Hours:	By appointment
Website:	Canvas
Instructional mode:	Face-to-face
Credits:	3 ¹

2 Course Description

This class is a PhD-level development economics course covering multiple topics. The first half of the class, Jan 20 through March 5, will be taught by me. This syllabus covers my half of the class. The second half of the class will be taught by Fernanda Rojas Ampuero and her half of the class has a separate syllabus.

My half of the class will start by studying risk-coping mechanisms including risk sharing agreements across people, difficulties saving over time, and self control. Then we will cover some other psychological topics relevant to development. We will move on to study agricultural markets and end by covering governance and corruption.

3 Learning Objectives

In this course you can expect to learn how to:

- construct models of insurance markets in developing countries and measure their impacts empirically.

¹This class meets for two 75-minute class periods each week over the spring semester and carries the expectation that students will work on course learning activities (reading, writing, problem sets, studying, etc) for about 3 hours out of classroom for every class period. This syllabus includes more information about meeting times and expectations for student work.

- measure corruption and governance and their impact on economic development.
- correctly use and evaluate econometric concepts including fixed effects, attenuation bias, and instrumental variables.
- think critically about empirical research and write a referee report.

4 Prerequisites

A PhD level microeconomic theory course (often Econ 711) and a PhD level econometrics course (often Econ 709) are prerequisites for this class. If you are not a PhD student enrolled in either Economics or AAE you must obtain my consent to take the course.

5 Course Requirements

The due dates for assignments and distribution of points for the semester are given below. All assignments are due *before* the beginning of class on the date listed below unless you request an extension in advance. Extensions will not be given for referee reports. Please upload all assignments as pdfs on Canvas. We will discuss plagiarism and explore examples of plagiarism early in the course.

Homework assignment #1	24%	January 29
Research idea #1	5%	February 10
Homework assignment #2	24%	February 24
Research idea #2	5%	March 5
Discussion questions on readings	5%	Assorted Dates
Referee report and presentation	13%	Assorted Dates
Final exam	24%	March 9, 5:00-7:00

5.1 Research Ideas

A research idea is a 1-2 page (maximum) write-up of a research question of your choice related to the themes that have been covered in this half of the class. It should include the following pieces: What is your specific question? What does theory say the answer should be? What data would you need to answer the question? What estimating equation would you use and what coefficients would you expect? What identification issues will you face and how would you deal with them? (You need to do more than just identifying an endogeneity problem and stating that you will find an instrument. If your strategy involves IV, specify what instrument you are thinking of using.)

Please don't cite previous literature. This assignment requires no literature review. Just sit down and think about a research question and write about it. You can always check if somebody else already did it later on. Please don't spend time giving the background of

the situation either. Focus on developing your research question. Finally, you don't need to choose your question based on data that already exists. You can write about what you would do if you had the ideal feasible data set. (You must write about a data set that would be feasible to collect with time and money.)

5.2 Referee Report and Presentation

Each of you will be assigned one paper about which to both (individually) write a 3-5 page referee report and give a (potentially group) presentation. Each of the papers fits into a different section of the syllabus. Please submit your top five papers (ordered) on Canvas by midnight Wednesday January 21. They are all job market papers of students on the job market this year.

A referee report should include approximately one or two paragraphs of summary (in your own words) and then longer sections on larger concerns and minor concerns. Many students spend too much space on the summary, and not enough space on the critique. Make sure to have approximately two to four pages of detailed critiques. Please number your critiques. Referee reports should not include your recommendation of whether the editor should request a revision or reject the paper - that only goes in your anonymous letter to the editor.²

I posted an overview document on this course's website which explains how one should write a referee report. (The first draft of this document is thanks to Emilia Tjernström.) I also posted real examples of referee reports I have received. Please don't share these.

The exact format of the presentations will depend on class size. Tentatively, students will pair up to give a 20-minute presentation on one paper and lead a class discussion³ that will be held on the day of class listed below. Fourteen minutes should be spent explaining what the paper does; three minutes should be spent discussing the main shortcomings of the paper; leaving three minutes for discussion and Q&A. While these numbers are approximate, you must make sure to cover the main shortcomings of the paper. Often students summarize the paper and forget to add in a critical analysis of shortcomings of the research.

All students are expected to read the introduction of each job market paper before class the day it is presented. The presenter should upload his or her referee report to Canvas *before* class on the day the presentation is scheduled. Late referee reports are not accepted. The papers from which you can choose, and the dates that go along with them, are listed below.

- Jan 27 Qiu, C. (2025), "[Endogenous Transfer Networks Under Spatial Risk](#)," Current Job Market Paper.
- Jan 29 Killen, G. (2025), "[Risk Aversion and Barriers to Firm Growth: Experimental Evidence from Small Retailers](#)," Current Job Market Paper.

²You are not writing a letter to the editor for this class, I just mention it because your recommendation does not belong in the referee report you submit to me.

³A general rule is that you should have fewer slides than minutes, so no more than 20 slides. Probably 15 slides is better.

- Feb 3 Poll, M. (2025), [“Poverty Alleviation at High Frequency,”](#) Current Job Market Paper.
- Feb 5 Nimmagadda S. (2025), [“Parental Misperceptions on Child Nutrition in India,”](#) Current Job Market Paper.
- Feb 10 Srivastava, K. (2025), [“Familiar Strangers: Evidence from Referral-based Hiring Experiments in India,”](#) Current Job Market Paper.
- Feb 12 Fleischman, G. (2025), [“Economic and Psychological Returns to Social Relationships: Alleviating Constraints to Network Formation in Malawi,”](#) Current Job Market Paper.
- Feb 17 Berrutti, F. & M. Ruzzante (2025), [“Price Regulation and the Adoption-Innovation Trade-off,”](#) Current Job Market Paper.
- Feb 19 Graff, T (2025), [“Depreciation and Growth: Evidence from Machine Repair in Uganda,”](#) Current Job Market Paper.
- Feb 24 Nottmeyer, S. (2025), [“Trac\(k\)tors of Change: Monitoring, Tractor Mobility and Agricultural Mechanization in Kenya,”](#) Current Job Market Paper.
- Feb 26 Kapoor, V. (2025), [“Wage Theft, Reneging and Liquidity Constraints in Informal Labor Markets,”](#) Current Job Market Paper.

5.3 Problem Sets

There will be two problem sets throughout this half of the semester combining data analysis and theory. You are welcome to collaborate and work in groups, but the final document you submit must be in your own words. Students will receive zero points for any answer that is the same as one of their classmate’s answers. Please work on the problem sets on your own, without consulting AI.

5.4 Discussion Questions

There are 10 required readings on the syllabus for this half of the class. For each of these required readings you will need to post two or three questions in the discussion tab of Canvas before class on the day the paper is assigned. These should be questions you had while reading the paper, and they can span the spectrum anywhere from the most big picture question to the most nit-picky question. Please write these questions on your own, without consulting AI.

5.5 Final Exam

There will be a final exam at the end of this class. I have tentatively chosen Monday March 9 from 5-7 PM. If this time will not work for you please let me know before the end of January. The exam will be closed book and I will provide blue books to write your answers in.

6 Children in the Classroom

UW Madison does not have a formal policy on children in the classroom so I adapted one from a Yale Business School class taught by Florian Ederer and Kevin Williams.

1. All babies (bottle-feeding, nursing,...) are welcome in class as often as is necessary.
2. For older children, I understand that unforeseen disruptions in childcare often place parents in the position of having to miss class to stay home. You are welcome to bring your child to class in order to cover gaps in care. This is not meant to be a long-term solution.
3. I ask that all students work together to create a welcoming environment that is respectful of all forms of diversity, including diversity in parenting status.
4. In all cases when your children come to class, please sit close to a door. This will allow you to step outside in case your child needs special attention.
5. I maintain the same standards and expectations for all students. However, please contact me if you are having difficulty with school-parenting balance.

7 Misconduct Statement

Academic integrity is critical to maintaining fair and knowledge-based learning at UW Madison. Academic dishonesty is a serious violation: it undermines the bonds of trust and honesty between members of our academic community, degrades the value of your degree and defrauds those who may eventually depend upon your knowledge and integrity.

Examples of academic misconduct include, but are not limited to: cheating on an examination (copying from another student's paper, referring to materials on the exam other than those explicitly permitted, continuing to work on an exam after the time has expired, turning in an exam for regrading after making changes to the exam), copying the homework of someone else, submitting for credit work done by someone else, stealing examinations or course materials, tampering with the grade records or with another student's work, or knowingly and intentionally assisting another student in any of the above. Students are reminded that online sources, including anonymous or unattributed ones like Wikipedia, still need to be cited like any other source; and copying from any source without attribution is considered plagiarism.

The Department of Economics will deal with these offenses harshly following [UWS14](#) procedures:

1. The penalty for misconduct in most cases will be removal from the course and a failing grade.
2. The department will inform the Dean of Students as required and additional sanctions may be applied.
3. The department will keep an internal record of misconduct incidents. This information will be made available to teaching faculty writing recommendation letters and to admission offices of the School of Business and Engineering.

If you think you see incidents of misconduct, you should tell your instructor about them, in which case they will take appropriate action and protect your identity. You can also choose to contact our department administrator, Tammy Herbst-Koel (therbst@wisc.edu), and your identity will be kept confidential.

For more information, refer to <https://conduct.students.wisc.edu/academic-misconduct/>

8 Grievance Procedure

If a student feels unfairly treated or aggrieved by faculty, staff, or another student, the University offers several avenues to resolve the grievance. The student is encouraged to speak first with the person toward whom the grievance is directed to see if the situation can be resolved at this level if they feel safe and comfortable doing so. Students are welcome to seek advice from the Graduate Advisor, Director of Graduate Studies, or another faculty or staff member that they feel comfortable with to discuss the grievance. The detailed grievance procedures of the economics department can be found here: <https://econ.wisc.edu/doctoral/program-guidelines/#Grievance-Procedures>

9 Course Outline and Readings

If you click on the title of any of the papers below, it should take you directly to the paper. For information on how to get access when you are off campus, see this website: <https://www.library.wisc.edu/help/off-campus-access/>. When I posted this syllabus on Canvas all of the links worked. Please let me know if any of them seem to be acting funny throughout the semester.

Although lectures may draw from any or all of these readings, you will only be required to do one reading for each class period. There is an **(R)** in front of the required readings. You are required to do these readings. The readings are all quite excellent, and discussing them in class is *not* a substitute for reading them yourself! You will have to post discussion questions for each reading on Canvas.

9.1 Insurance (January 20 and 22)

9.1.1 Overview

- Bardhan, P. & C. Udry (1999), *Development Microeconomics*, New York: Oxford University Press. Chapter 8. Reading posted on Canvas.

9.1.2 Full Insurance

- (R) Townsend, R. (1994), “[Risk and Insurance in Village India](#),” *Econometrica* 62(3), 539-591.

9.1.3 Limited Commitment

- Coate, S. & M. Ravallion (1993), “[Reciprocity Without Commitment: Characterization and Performance of Informal Insurance Arrangements](#),” *Journal of Development Economics* 40(1), 1-24.
- Ligon, E., J.P. Thomas, & T. Worrall (2002), “[Informal Insurance Arrangements with Limited Commitment: Theory and Evidence from Village Economies](#),” *Review of Economic Studies* 69(1), 209-244.
- Genicot, G. & D. Ray (2003), “[Group Formation in Risk-Sharing Arrangements](#),” *Review of Economic Studies* 70(1), 87-113.

9.1.4 Network Papers

- (R) Karlan, D., M. Möbius, T. Rosenblat, & A. Szeidl (2009), “[Trust and Social Collateral](#),” *Quarterly Journal of Economics* 124(3), 1307-1361.
- Chandrasekhar, A.G., C. Kinnan, & H. Larreguy (2018), “[Social Networks as Contract Enforcement: Evidence from a Lab Experiment in the Field](#),” *American Economic Journal: Applied Economics* 10(4), 43-78.

9.1.5 State-Provided Insurance

- Gadenne, L., S. Norris, M. Singhal, & S. Sukhtankar (2024). “[In-Kind Transfers as Insurance](#),” *American Economic Review* 114(9), 2861-2897.

9.2 Catch-up Day and Plagiarism Discussion (January 27)

9.3 Behavioral Issues (January 29 and February 3 and 5)

9.3.1 Self Control

- Ashraf, N., D. Karlan, & W. Yin (2006), “[Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines](#),” *Quarterly Journal of Economics*

121(2), 635-672.

- Banerjee, A.V. & S. Mullainathan (2010), “[The Shape of Temptation: Implications for the Economic Lives of the Poor](#),” Unpublished working paper.
- Duflo, E., M. Kremer & J. Robinson (2011), “[Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya](#),” *American Economic Review* 101(6), 2350-2390.
- (R) Kaur, S., M. Kremer, & S. Mullainathan (2015), “[Self-Control at Work](#),” *Journal of Political Economy* 123(6), 1227-1277.
- Casaburi, L. & J. Willis (2018), “[Time versus State in Insurance: Experimental Evidence from Contract Farming in Kenya](#),” *American Economic Review* 108(12): 3778-3813.
- Schilbach, F. (2019), “[Alcohol and Self-Control: A Field Experiment in India](#),” *American Economic Review* 109(4), 1290-1322.
- Aggarwal, S., R. Dizon-Ross, & A. Zucker (2025), “[Designing Incentives for Impatient People: An RCT Promoting Exercise to Manage Diabetes](#),” *American Economic Journal: Applied Economics* Forthcoming.

9.3.2 Decision Making Under Scarcity

- (R) Fehr, D., G. Fink, & B.K. Jack (2022), “[Poor and Rational: Decision-Making under Scarcity](#),” *Journal of Political Economy* 130(11), 2771-3024.
- Kaur, S., S. Mullainathan, S. Oh, & F. Schilbach. (2025), “[Do Financial Concerns Make Workers Less Productive?](#),” *Quarterly Journal of Economics* 140(1), 635-689.

9.3.3 Discrimination

- (R) Rao, G. (2019), “[Familiarity Does Not Breed Contempt: Diversity, Discrimination and Generosity in Delhi Schools](#),” *American Economic Review* 109(3), 774-809.

9.4 Catch-up Day (February 10)

9.5 Agricultural Markets (February 12 and 17)

9.5.1 Empirical Papers

- (R) Moscona, J. & K.A. Sastry (2025) “[Inappropriate Technology: Evidence from Global Agriculture](#),” Unpublished working paper.

9.5.2 Experimental Papers

- (R) Bergquist, L.F. & M. Dinerstein (2020), “[Competition and Entry in Agricultural Markets: Experimental Evidence from Kenya](#),” *American Economic Review*, 110(12), 3705-3747.

9.6 Catch-up Day (February 19)

9.7 Governance (February 24 and 26 and March 3)

9.7.1 Elections

- (R) Ferraz, C. & F. Finan (2008), “[Exposing Corrupt Politicians: The Effect of Brazil’s Publicly Released Audits on Electoral Outcomes](#),” *Quarterly Journal of Economics* 123(2), 703-745.
- (R) Finan, F. & L. Schechter (2012), “[Vote-Buying and Reciprocity](#),” *Econometrica* 80(2), 863-881.

9.7.2 Corruption

- Olken, B.A. (2007), “[Monitoring Corruption: Evidence from a Field Experiment in Indonesia](#),” *Journal of Political Economy* 115(2), 200-249.
- (R) Sánchez de la Sierra, R., K. Titeca, H. S. Xie, A. A. Lameke, & A. Malukisa Nkuku (2024), “[The Real State: Inside the Congo’s Traffic Police Agency](#),” *American Economic Review* 114(12), 3976-4014.

9.8 Catch-up Day (March 5)