Aim

This PhD course consists of two parts. The first part of the course will aim at providing a broad review and assessment of the aid and development literature. Focus will be on ongoing debates from the perspective of the aid effectiveness literature as it has developed over the past couple of decades, on the one hand, and competing paradigms of development, on the other. This part of the course will focus on broader more traditional themes including historical background on development thinking, aid allocation, the impact of foreign aid, the current aid and development debate and newer trends. While the first part of the course identifies endogeneity of aid as a key challenge, the second part will address the issue of designing identification strategies more specifically. Focus will be on the causal relationship between institutions and economic outcomes, and both macro and micro approaches will be covered. The former relies on observational data and identification rests on the discovery of a novel instrument; whereas the latter relies on quasi-experimental and experimental designs such as natural experiments and randomized field experiments to obtain exogenous variation in treatment assignment. The issue of identification via randomized field experiments is key to the methodological debate in the so-called “new development economics” on what constitutes valid causal inference.

A list of readings is included below with key readings marked with *. Papers intended for student presentation are marked +.

Structure

9.00 - 10.30: First lecture
10.30 – 11:00: Break
11:00 - 12.30: Second lecture
12.30 - 14.00: Lunch
14.00 – 17.00: Readings
17.00 - 17.30: Student presentations
17.30 - 18.00: Floor discussion

Lectures will be given in the morning. After lunch we will assign a paper to a group of students, which they are expected to present and discuss. The paper will be closely related with the papers covered during the morning lectures. Student presentations are meant to: (i) briefly explain the aim and content of the paper; (ii) discuss how it relates to the paper covered during the morning lectures; and (iii) identify the strengths/weaknesses in the paper. The floor discussion is meant to exchange thoughts on the material covered and identify research ideas.

READINGS: PART I


See also various articles in Review of World Economics Volume 143, Number 4 / April, 2007
READINGS: PART II


*Andersen, T. et al., 2008. The Internet, Digital Information, and Corruption: Evidence from U.S. States and Across Countries. Mimeo (University of Copenhagen)


+The Economist, Jun 12th 2008, Control Freaks, Economics Focus