FOURTEENTH SUMMER SCHOOL
IN INTERNATIONAL AND DEVELOPMENT ECONOMICS

Risks and Policy Responses in Developing Countries

Tuesday 8 September to Friday 11 September 2015
University of Milan, Palazzo Feltrinelli, Gargnano (BS), Italy

Syllabus

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OVERVIEW AND OBJECTIVES

Health is a key form of human capital. Despite the massive gains in most human health indices during the past several decades, huge disparities remain, both within and across countries. Economic development and health are closely intertwined, but the causal link that goes from one to the other (and/or vice versa) is very hard to study rigorously in the data.

The primary aim of this course is to provide an introduction to some of the fundamental Global Health topics studied by development economists. The course will also cover a number of key methodological issues that are essential to study such topics empirically, including in the context of Randomized Controlled Trials.

COURSE OUTLINE & REFERENCES

Below, PE is a shortcut for Poor Economics, by Abhijit Banerjee and Esther Duflo (2011). Public Affairs, NY.

1. Economic Development and Nutrition

a. PE, Chapter 2.
b. Deaton, Angus and Jean Drèze (2009). "Food and Nutrition in India: Facts and Interpretations", *Economic and Political Weekly*, v. 44, no. 7, pp. 42-65.

c. Subramanian, S. and Angus Deaton (1996). "The Demand for Food and Calories". *Journal of Political Economy* 104(1), 133-162.
d. Jensen and Miller (2008). "Giffen Behavior and Subsistence Consumption", American Economic Review 98(4), 1553–1577.

Additional Readings:

- Fogel, Robert W. (1994), "Economic Growth, Population Theory, and Physiology: The Bearing of Long-Term Processes on the Making of Economic Policy", *The American Economic Review*. 84.3: 369-395.
- Jensen, Robert and Nolan Miller (2010). "A Revealed Preference Approach to Measuring Hunger and Undernutrition", Working Paper.
- Jensen, Rob and Nolan Miller (2011). "Do Consumer Price Subsidies Really Improve Nutrition?" *Review of Economic Statistics*. 93(4), 1205-1223.
- Behrman, Jere R., and Deolalikar, Anil B. (1987). "Will Developing Country Nutrition Improve with Income? A Case Study for Rural South India." Journal of Political Economy 95, 108-38.
- Bouis, Howarth E., and Haddad, Lawrence J. (1992). "Are Estimates of Calorie-Income Elasticities Too High? A Recalibration of the Plausible Range." Journal of Development Economics. 39, 333-64.
- Strauss, John (1986). "Does Better Nutrition Raise Farm Productivity?" Journal of Political Economy 94, 297–320.
- Tarozzi A. (2008). Growth Reference Charts and the Nutritional Status of Indian Children, Economics and Human Biology, 6(3), 455-468.
- Tarozzi A. (2011) Some Facts about Boy vs. Girl Health Indicators in India: 1992 to 2005. CESifo Economic Studies, 58(2), 296-321.
- Tarozzi A. and A. Mahajan (2007). Child Nutrition in India in the Nineties. Economic Development and Cultural Change. 55(3), 441-486.

2. The Causal Pathway From Health To Wealth

a. PE, Chapter 2.
b. Hoddinott, Maluccio, Behrman, Flores and Martorell (2008). "Effect of a nutrition intervention during early childhood on economic productivity in Guatemalan adults". *Lancet*. 371, 411-416.
c. Maccini, S and D. Yang (2009). "Under the weather: Health, schooling and economic consequences of early life rainfall." *American Economic Review*, 99(3), pp. 1006-36.
d. Strauss, J. and D. Thomas. 2008. "Health over the life course" in T. Paul Schultz and John Strauss, (eds.), Handbook of Development Economics Volume 4, Chapter 54, 3375-3474, 2008, Elsevier Press. NOTE: You do not need to read Ch. 2.2, 2.3 and from 4.2 onwards.
e. Thomas, Duncan, Frankenberg, Elizabeth, Friedman, Jed, Habicht, Jean-Pierre, Ingwersen, Nicholas, McKelvey, Christopher, Hakimi, Mohammed, Jaswadi, Pelto, Gretel, Sikoki, Bondan, Seeman, Teresa, Smith, James P., Sumantri, Cecep, Suriastini, Wayan and Wilopo, Siswanto (2006). "Causal effect of health on labor market outcomes: Experimental evidence", Working Paper.

Additional Readings:

- Field, E. O. Robles and M. Torero. (2009). "Iodine deficiency and schooling attainment in Tanzania". *American Economic Journal: Applied Economics*, 1(4), 140-69.
- Almond, Douglas. 2006. "Is the 1918 Influenza pandemic over? Long-term effects of in utero exposure in the post-1940 US population", Journal of Political Economy, 114.4:672-712.
- Baird, Sarah, Joan Hicks, Michael Kremer and Edward Miguel (2011). "Worms at Work: Long-run Impacts of Child Health Gains", Mimeo.
- Behrman, Jere R. and Rosenzweig, Mark R. (2004). "Returns to birthweight", *Review of Economics and Statistics*, 86.2:586-601.
- Bleakley, Hoyt (2007). "Disease and development: Evidence from hookworm eradication in the American south." Quarterly Journal of Economics, February, 122.1.
- Bleakley, Hoyt (2010). "Malaria Eradication in the Americas: A Retrospective Analysis of Childhood Exposure." *American Economic Journal: Applied Economics*, 2(2): 1-45.
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Childhood Disease", *Demography*. 46(4): 647–669.

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- Miguel, Edward and Michael Kremer (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.
- Pitt, Rosenzweig and Hassan (2012). "Identifying the Hidden Costs of a Public Health Success: Arsenic Well Water Contamination and Productivity in Bangladesh." Working Paper.

3. Poor Health in Poor Countries: A Problem of Demand or a Problem of Supply?

a. PE, Chapter 3.
b. Ashraf, Nava, James Berry and Jesse Shapiro (2010). "Can Higher Prices Stimulate Product Use?," American Economics Review 100(5), 2383-2413.
c. Banerjee, Abhijit, Angus Deaton, and Esther Duflo (2004). "Wealth, Health, and Health Services in Rural Rajasthan." *American Economic Review*, 94(2), 326-330.
d. Das, J. and J. Hammer (2007). "Money for nothing. the dire straits of medical practice in Delhi, India." *Journal of Development Economics*. 83, pp. 1-36.
e. Frederick, S., G. Loewenstein, and E. D. O'Donoghue (2002). "Time discounting: A critical review." Journal of Economic Literature 40 (2), 351–401. Only Sections 4 and 5.
f. Kremer, Michael and Alaka Holla (2008). "Pricing and Access: Lessons from Randomized Evaluation in Education and Health", Working Paper.
g. Tarozzi, Alessandro, Aprajit Mahajan, Brian Blackburn, Dan Kopf, Lakshmi Krishnan and Joanne Yoong (2013). "Micro-loans, bednets and malaria: Evidence from a randomized controlled trial in Orissa (India)". Forthcoming in the American Economic Review.

Additional Readings:

- Adhvaryu, Achyuta (2013). "Learning, Misallocation, and Technology Adoption: Evidence from New Malaria Therapy in Tanzania." Forthcoming, Review of Economic Studies.
- Björkman-Nyqvist, M, J Svensson and D Yanagizawa-Drott (2013). "Can Good Products Drive Out Bad? Evidence from Local Markets for (Fake?) Antimalarial Medicine in Uganda". Working Paper.
- Cohen Jessica and Pascaline Dupas (2008). "Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment." Quarterly Journal of Economics, 125(1), 1-45.
- Cohen, J, P Dupas and S Schaner (2014). "Price Subsidies, Diagnostic Tests, and Targeting of Malaria Treatment: Evidence from a Randomized Controlled Trial". American Economic Review, 2015, 105(2): 609–645.
- Dupas, Pascaline, 2014. "Short-Run Subsidies and Long-Term Adoption of New Health Products: Experimental Evidence from Kenya", Econometrica 82(1), 197–228.
- Kremer, Michael and Edward Miguel, 2007, "The Illusion of Sustainability", Quarterly Journal of Economics, 122(3), 1007-1065.
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- Leonard, Kenneth and Melkiory Masatu (2010) "Using the Hawthorne Effect to Examine the Gap between a Doctor's Best Possible Practice and Actual Performance", Journal of Development Economics 93(2), 226-234.