



Syllabus

Evaluating Development Effectiveness

(Evaluierung der Effektivität von Entwicklungsmaßnahmen)

Summer semester 2020

(as of April 17, 2020)

Current information related to the corona virus:

Due to the current situation (coronavirus), this course or parts of it may be offered online. Please register for the course on Stud.IP so that you receive all information in due course (e.g., registration, virtual meetings). Please also note the information page of the university: <https://www.uni-goettingen.de/en/621808.html>

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Office hours: Thursday 12.30-14.00

1. General information

1.1 Seminar content

The seminar provides an overview on the evolution of the academic literature regarding development effectiveness and it also introduces students to the current policy debate, including the Agenda 2030 for Sustainable Development. Students will learn how to provide a clean and systematic overview about the related literature. Moreover, students will get introduced to state-of-the-art methods for evaluating development effectiveness and will learn how to critically reflect on data quality and methods. The seminar covers the effects of development policies on economic growth, health, education, the environment, and business activities. Applications may also cover aid allocation and potentially unwelcomed side effects of development cooperation.

1.2 Course goals

Students will learn to evaluate the effectiveness of development policies with politico-economic theories and empirical methods.

1.3 Prerequisites

There are no formal requirements but prior knowledge in the following areas is highly recommended: econometrics, microeconomics, macroeconomics, and development economics. While facultative, we recommend the module “International Development Policy” ([M.WIWI-VWL.0175](#)) as an introduction to the underlying theories and methods.

1.4 Credit points

6 ECTS-LP

1.5 Registration

In order to assure a high-quality supervision, the number of participants is restricted to 10. The attendance at the introductory meeting is compulsory for registration. Please indicate your favorite three replication papers in the “registration form”, which you can find under the rider “Dateien” on the course website at StudIP. Please send the digital form to lennart.kaplan@wiwi.uni-goettingen.de on Tuesday, April 21 2020, until 23h59. The allocation will be done as quick as possible, based on the priority criteria of the examination board.

Additionally, you need to register via FlexNow until **Thursday, 30 April, 2020**. If not all places have been filled by the deadline, we will re-open registration based on a waiting list.

2. Course overview

2.1 Description of the teaching and learning methods

The seminar meetings are supplemented by self-study based on the provided materials and literature. Meetings provide an overview of recent advances in the development effectiveness literature as well as the policy debate. While knowledge on academic writing and econometric methods are prerequisites for this course, the seminar will provide students with a refresher on literature research and quasi-experimental econometric methods. By replicating a recent paper, students demonstrate their ability to apply econometric methods as well as their ability to go beyond the results of previous research, which they critically reflect on in a term paper. In presenting the term paper, students demonstrate their ability to defend, but also to critically reflect upon arguments from the empirical literature.

2.2 Mandatory Meetings

Tuesday, 21 April 2020, 18:00-20:00 (Preparatory Presentation will be uploaded via Stud.IP)

- Introduction to the Aid Effectiveness Literature and contemporary policy debates
- Introduction to literature research, proper citing and accessing replication files
- Introduction to methods of evaluating development effectiveness: Difference-in-Differences, Randomized Controlled Trials, Regression Discontinuity Design, Instrumental Variable Regressions
- Allocation of replication papers (students must be present to register for the seminar and a maximum of 10 participants can participate)

Thursday, 07 May 2020, TBC

- Lecture on development effectiveness by Professor Dr. Jörg Faust (DEval)

Friday, 22 May 2020, TBC

- Lecture on development effectiveness by Dr. Christoph Strupat (DIE)

Friday, 08 May 2020, 12:00-17:00

- Student presentations and group discussion of underlying replication paper
- Discussion on data quality and potential pitfalls of policy evaluations

Friday, 10 July 2020, 8:00-17:00 & Saturday, 11 July 2020, 8:00-17:00:

- Student presentations of own replication

2.3 Course portfolio and grading of the module

The grading consists of two components:

- Replication of one research article and discussion of results in a term paper [70%]
- Presentation of the term paper and peer discussions of two papers [30%]

Furthermore, participants must

- be present and actively participate for all seminar dates,
- submit all written course requirements (draft outline and introduction, research paper) on time, and
- achieve a weighted average grade exceeding or equal to 4.0.

Dates:

- Mandatory meetings (see above)
- Paper submission: 06 July 2020

2.4 Course materials

- Every student chooses one paper to replicate. There are different papers to choose from the list of topics
- Supplementary course materials will be announced at the beginning of each seminar meeting and/or published on Stud.IP via updated Syllabi.

2.5 Papers for replication:

Allocation:

Faye, Michael, and Paul Niehaus (2012). "Political aid cycles." *American Economic Review*, 102(7): 3516–3530.

Jablonski, Ryan S. (2014). "How Aid Targets Votes: the impact of electoral incentives on foreign aid distribution." *World Politics*, 66(2): 293–330.

Growth:

Chauvet, Liza, and H el ene Ehrhart (2017). "Aid and growth: Evidence using firm-level data." *Journal of Development Economics*, 135: 461-477.

Galiani, Sebastian, Stephen Knack, Lixin Colin Xu, and Ben Zou (2017). "The effect of aid on growth: evidence from a quasi-experiment." *Journal of Economic Growth*, 22(1): 1-33.

Education:

Olken, Benjamin A., Junko Onishi, and Susan Wong (2014). "Should aid reward performance? Evidence from a field experiment on health and education in Indonesia." *American Economic Journal: Applied Economics*, 6(4): 1-34.

Romero, Mauricio, Justin Sandefur, and Wayne Aaron Sandholtz (2020). "Outsourcing education: experimental evidence from Liberia." *American Economic Review*, 110(2): 364-400.

Health:

Blattman, Christopher, Julian C. Jamison, and Margaret Sheridan (2017). "Reducing crime and violence: experimental evidence from cognitive behavioral therapy in Liberia." *American Economic Review*, 107(4): 1165-1206.

Dykstra, Sarah, Amanda L. Glassman, Charles Kenny, and Justin Sandefur (2019). "Regression discontinuity analysis of Gavi's impact on vaccination rates." *Journal of Development Economics*, 140: 12-25.

Kotsadam, Andreas, Gudrun  stby, Siri Aas Rustad, Andreas For  Tollefsen, and Hendrik Urdal (2018). "Development Aid and Infant Mortality. Micro-level Evidence from Nigeria." *World Development* 105: 59–69.

Business Activities:

Groh, Matthew, and David McKenzie (2016). “Macroinsurance for microenterprises: A randomized experiment in post-revolution Egypt.” *Journal of Development Economics*; 118: 13-25.

Crépon, Bruno, Florencia Devoto, Esther Duflo, and William Parienté (2015). “Estimating the impact of microcredit on those who take it up: Evidence from a randomized experiment in Morocco.” *American Economic Journal: Applied Economics*, 7(1): 123-50.

Side effects of Aid:

Crost, Benjamin, Joseph Felter, and Patrick Johnston (2014). “Aid under fire: development projects and civil conflict.” *American Economic Review*, 104(6): 1833-56.

Isaksson, Ann-Sofie, and Andreas Kotsadam (2018). “Chinese Aid and Local Corruption.” *Journal of Public Economics* 159: 146–159.

Kersting, Erasmus, and Christopher Kilby (2014). “Aid and Democracy Redux.” *European Economic Review* 67: 125–143.

Nunn, Nathan, and Nancy Qian (2014). “US food aid and civil conflict.” *American Economic Review*, 104(6): 1630-66.

Note: Dates and contents subject to change!

2.6 Supplementary course material

These readings are not a formal requirement. Yet, they may serve as valuable background material.

Impact Evaluation textbooks:

Gertler, P. J., Martinez, S., Premand, P., Rawlings, L. B., & Vermeersch, C. M. (2016). *Impact evaluation in practice*. The World Bank.

Econometrics textbooks:

Angrist and Pischke. 2009. *Mostly Harmless Econometrics*. Princeton University Press.

Wooldridge, Jeffrey M. (2001), “Econometric Analysis of Cross Section and Panel Data”, MIT Press

Instrumental variables:

Angrist, J. D., & Krueger, A. B. (2001). Instrumental variables and the search for identification: From supply and demand to natural experiments. *Journal of Economic perspectives*, 15(4), 69-85.

Regression discontinuity design:

Lee, D. S., & Lemieux, T. (2010). Regression discontinuity designs in economics. *Journal of economic literature*, 48(2), 281-355.

Randomized controlled trials:

Duflo, E., Glennerster, R., & Kremer, M. (2007). Using randomization in development economics research: A toolkit. *Handbook of development economics*, 4, 3895-3962.

<https://blogs.worldbank.org/impac evaluations/curated-list-our-postings-technical-topics-your-one-stop-shop-methodology>

Difference-in-differences:

Bertrand, M., Duflo, E., & Mullainathan, S. (2004). How much should we trust differences-in-differences estimates?. *The Quarterly journal of economics*, 119(1), 249-275.

Kahn-Lang, A., & Lang, K. (2019). The promise and pitfalls of differences-in-differences: Reflections on 16 and pregnant and other applications. *Journal of Business & Economic Statistics*, 1-14.

https://www.nber.org/WNE/lect_10_diffindiffs.pdf

<https://www.mailman.columbia.edu/research/population-health-methods/difference-difference-estimation>