

Modul: M.WIWI-VWL.0134

Seminar:

Development Economics of Innovations

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2 SWS, 6 Credit Points

Content of the Course

This seminar covers selected topics on economics of innovations in developing countries. The seminar is structured in two parts. The first part introduces fundamental concepts of conditions and constraints for technological adoption and innovation processes, in low-income countries. The second part covers current issues of innovation incentives of firms, the effects of innovations on market structure, and intellectual property rights. The course will discuss how households act as adopters of innovations and specific aspects of the innovation processes of firms. The seminar will discuss the aforementioned topics in different markets, e.g. in the agricultural sector but also in other markets. Some of the given topics have a focus on South Asia.

Aims and Qualifications

Students will elaborate on a chosen topic current research and the research gaps in the literature on the selected topic and present their results in a 30 minute presentation. Upon completion of the course, students hand a paper on the selected topic of 10 to 15 pages. A good understanding of the theoretical concepts and empirical methods as well as a profound knowledge of development economics are helpful.

Grading:

- Seminar Paper (50%)

The main part of the seminar paper should be dedicated to the description and discussion of the assigned papers. It is highly important to place the papers' content into the scientific literature and the broader framework of development economics. Here, the book "Portfolios of the Poor" as well as the background literature are helpful.

- In total the seminar paper should comprise 10 to 15 pages of text (references, tables and figures do not count toward the 10 - 15 pages).
- It should be written in either English or German.
- If you include tables or illustrations, please include those in the appendix.
- Use font style "Times New Roman", font size 12, 1.5 spacing, margins each 2.5cm.
- Do not provide an abstract, a table of contents or a list of illustrations/tables/abbreviations and minimize the use of footnotes.
- Provide a bibliography at the end of your paper. It is highly important to cite all ideas or information you obtained from others and do so in the course of the text and not in footnotes.

- Presentation & Class Participation (50%)

- You have up to 30 minutes to present your seminar paper.
- Present by using slides in ppt or pdf format. Presentation and discussion will be in English.
- The discussion will be about 10 minutes. If appropriate finish up your presentation with a question or a provocative statement to start the discussion.
- Class Participation
 - Attendance and in class discussions are expected. If you are unable to attend some of the sessions please do not register for this seminar.
 - A topic of preference can be send via email if you cannot attend the preliminary meeting.

Dates

- Preliminary Meeting and Topic Assignment: June 9th, 2016; 10:00-14:00, Oec. 0.168
- Introduction to Scientific Writing and Randomized Control Trials: *date will be announced*
- Hand-in Seminar Paper: August 31st, 2016 as pdf via email and 1x printed
- Hand-in Presentation Slides: 7.07.2016
- Seminar: 08.07. and 09.07.2016; 10:00-14:00; KWZ 3.701

Seminar Topics

Students can choose among the following key topics. The background literature is given below each single topic.

1. Technology adoption and underinvestment

- Foster, A. D., and M. R. Rosenzweig. 2010. “Microeconomics of Technology Adoption.” *Annual Review of Economics*, Vol. 2,: 395-424.
- G. Bryan, S. Chowdhury and A. M. Mobarak. 2014. “Under-Investment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh,” *Econometrica*, 82(5), 1671 - 1748.

2. Behavioral reasons of technology adoption

- Duflo, Esther, Michael Kremer, and Jonathan Robinson. 2011. “Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya.” *American Economic Review*, 101(6): 2350 - 90.
- Organizational Barriers to Technology Adoption: Evidence from Soccer-Ball Producers in Pakistan. (2015) NBER Working Paper No. 21417.

3. Technology adoption and profitability

- Suri, Tavneet. Selection and Comparative Advantage in Technology Adoption, *Econometrica.*, 79 (1), pp. 159-209, January 2011.
- Beaman, Lori, Dean Karlan, Bram Thuysbaert and Chris Udry Profitability of Fertilizer: Experimental Evidence from Female Rice Farmers in Mali *AER: Papers & Proceedings*, May 2013

4. Technology diffusion and the role of networks

- Foster, A. D. and M. R. Rosenzweig (1995). “Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture.” *Journal of Political Economy* 103(6): 1176-1209.
- Munshi, K. (2004). “Social learning in a heterogeneous population: technology diffusion in the Indian Green Revolution.” *Journal of Development Economics* 73(1): 185-213.

5. Information and farm market performance

- Goyal, Aparijita. 2010. Information, Direct Access to Farmers, and Rural Market Performance in Central India *AEJ: Applied Economics* 2(3):22-45.
- Marcel Fafchamps? and Bart Minten. 2012. Impact of SMS-Based Agricultural Information on Indian Farmers. *World Bank Economic Review*. 26(3), 383 - 414.

6. Property rights and economic development

- Besley Timothy and Maitreesh Ghatak. 2010. Property Rights and Economic Development. *Handbook of Development Economics*, Volume 5 Chapter 68, parts 1-2, and 4.
- Galiani, Sebastian and Ernesto Schargrodsky. 2011. “Land Property Rights and Resource Allocation.” *Journal of Law and Economics* 54 (4): 329 - 345.

7. Effects of property rights on investment

- Bandiera, Oriana. 2007. “Land Tenure, Investment Incentives, and the Choice of Techniques: Evidence from Nicaragua”. *The World Bank Economic Review*, 21 (3): 487-508

- Besley, Timothy. 1995. Property Rights and Investment Incentives: Theory and Evidence from Ghana. *The Journal of Political Economy*, Vol. 103, No. 5. pp. 903-937.

8. Effects of property rights on land acquisition

- Jacoby H.G. and Bart Minten. 2007. Is Land Titling in Sub-Saharan Africa Cost-Effective? Evidence from Madagascar ” *The World Bank Economic Review*, 21 (3): 461-485
- Jacoby, Hanan, and Ghazala Mansuri. 2008. “Land Tenancy and Non-Contractible Investment in Rural Pakistan.” *Review of Economic Studies*. 75(3): 763 ? 788.
- Goldstein, Markus and Christopher Udry. 2008. The Profits of Power: Land Rights and Agricultural Investment in Ghana. *Journal of Political Economy*. Volume 116, Issue 6, Page 981 - 1022, Dec 2008.

9. Effects of expropriation risk / insecurity

- Jacoby H.G., Li G., and Rozelle S. (2002). “Hazards of Expropriation: Tenure Insecurity and Investment in Rural China” *The American Economic Review*, 92(5) pp. 1420-1447.
- Macours, Karen, Alain de Janvry, and Elisabeth Sadoulet. 2007. “Insecurity of Property Rights and Matching in the Tenancy Market” *European Economic Review* 54(7): 880-899.

10. Effects of certification programs

- de Janvry Alain, Marco Gonzalez-Navarro, and Elisabeth Sadoulet. 2014a. Why are land reforms granting complete property rights politically risky?

Electoral outcomes of Mexico's certification program. *Journal of Development Economics* 110: 216-25.

- de Janvry, Alain, Kyle Emerick, Marco Gonzalez-Navarro, and Elisabeth Sadoulet "Delinking Land Rights to Land use: Certification and Migration in Mexico", 2014b.
- Field, Erica. 2007. "Entitled to Work: Urban Property Rights and Labor Supply in Peru." *Quarterly Journal of Economics*, 4(122): 1561-1602.

11. Entrepreneurship and Innovation

- Field, Erica, Rohini Pande, John Papp, and Natalia Rigol. 2013. "Does the Classic Microfinance Model Discourage Entrepreneurship Among the Poor? Experimental Evidence from India" *American Economic Review*, 103(6): 2196 - 2226.
- Banerjee, Abhijit, Dean Karlan, and Jonathan Zinman. Six Randomized Evaluations of Microcredit: Introduction and Further Steps. forthcoming, *American Economic Journal: Applied Economics*.