

Course title – Intitulé du cours	<b>Firms and Development</b>
Level / Semester – Niveau /semestre	MRes - S2
School – Composante	Ecole d'Economie de Toulouse
Teacher – Enseignant responsable	Josepa (Pepita) Miquel-Florensa
Other teacher(s) – Autre(s) enseignant(s)	
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Other teacher(s) – Autre(s) enseignant(s)	
Lecture Hours – Volume Horaire CM	15
TA Hours – Volume horaire TD	-
TP Hours – Volume horaire TP	-
Course Language – Langue du cours	English
TA and/or TP Language – Langue des TD et/ou TP	-

**Teaching staff contacts – Coordonnées de l'équipe pédagogique :**

Josepa (Pepita) Miquel-Florensa, email : pepita.miquel@tse-fr.eu

**Course Objectives – Objectifs du cours :**

Firms, large and small, provide employment and income for many households in the world and produce goods and services that constitute a large share of households' budgets. Hence, firm-related policies can potentially have large impacts on poverty, growth, and development.

Moreover, Global Value Chains trade – production processes broken up across countries - represents a relevant share of the world's trade. Understanding the structure of these chains, and especially the distribution of rents across the different steps, is key to understanding their economic impact on the countries involved in the first stages of production.

This course aims to provide an overview of the state-of-the-art research on Firms and Development, including topics such as contractual imperfections along the value chains, competition, and market structure in crops, quality upgrading requirements to reach export markets, and relevant interventions in industrial policy.

**Practical information about the sessions – Modalités pratiques de gestion du cours :**

**Grading system – Modalités d'évaluation :**

The grade of the course will consist of a combination of class participation (preparing the required readings) and a referee report of a working paper related to the topics that we discussed in class. Students will write the report (5-10 pages) and do an oral presentation (20 min + 10 min discussion).

## **Distance learning – Enseignement à distance :**

Classes will be held in person until further notice.

The instructor will be available for online and face-to-face office hours (please send an email to make an appointment).

## **Confidentiality – Confidentialité :**

Recording Zoom sessions in any form, including taking screenshots, is prohibited if classes are to be held online. Redistributing class materials (such as articles and slides uploaded on Moodle) is also prohibited.

## **Bibliography/references – Bibliographie/références :**

### 1. Trade, Development, and Global Value Chains – Introduction

- Introduction to GVC:
  - World Development Report 2020: Trading for Development in the Age of Global Value Chains.
  - Antràs, Pol. 2021 “De-Globalisation? Global Value Chains in the Post-COVID-19 Age.” 2021 ECB Forum: “Central Banks in a Shifting World” Conference Proceedings.
  - Goldberg, P and Reed, T. 2023 “Is the Global Economy Deglobalizing? And if so, why? And what is next?” Brookings Papers on Economic Activity (BPEA).
- Atkin, D and Donalson, D 2022 “The Role of Trade in Economic Development” Handbook of International Economics.
- Pavcnik, N 2017 “The Impact of Trade on Inequality in Developing Countries” Proceedings of Jackson Hole Economic Symposium, Fostering a Dynamic Global Economy

### 2. Markets and competition

- Burke, Falcao and Miguel 2019 “Sell low and buy high: Arbitrage and local price effects in Kenyan markets” Quarterly Journal of Economics
- Falcao and Dinerstein 2020 “Competition and entry in agricultural markets: Experimental evidence from Kenya” American Economic Review
- Robert J. and Miller N. 2018 “Market Integration, Demand, and the Growth of Firms: Evidence From a Natural Experiment in India,” American Economic Review
- Macchiavello, R. and Morjaria, A 2021 “Competition and Relational Contracts in the Rwanda Coffee Chain” Quarterly Journal of Economics
- Casaburi, L. and Reed, T. “Using individual-level randomized treatment to learn about market structure.” American Economic Journal: Applied Economics

### 3. Quality upgrading

- Verhoogen, E. 2023 “Firm-level upgrading in Developing Countries” Journal of Economic Literature
- Hjort, Hansman, Leon and Teachout 2020 “Vertical Integration, Supplier Behavior and Quality Upgrading among Exporters” Journal of Political Economy
- Macchiavello and Miquel-Florensa 2019 “Improving Export Quality: The case of the Sustainable Quality Program in Colombian Coffee” Working paper
- Khandelwal, Osman and Atkin 2017 “Exporting and Firm Performance: Evidence from a Randomized Experiment” Quarterly Journal of Economics

#### 4. Manufacturing exports: The Garment Industry

- McKenzie and Woodruff 2017 "Business Practices in Small Firms in Developing Countries" Management Science
- Boudreau, L 2022 "Multinational enforcement of labor law: Experimental evidence from Bangladesh's apparel sector" Econometrica
- Julia Cajal-Grossi, Rocco Macchiavello, Guillermo Noguera "Buyers' Sourcing Strategies and Suppliers' Markups in Bangladeshi Garments" Quarterly Journal of Economics
- Medina, P. 2022 "Import Competition, Quality Upgrading, and Exporting: Evidence from the Peruvian Apparel Industry" Review of Economics and Statistics

#### 5. Responsible sourcing and other general topics

- Dragusanu, Montero and Nunn 2022 "The Effects of Fair Trade Certification: Evidence from Coffee Producers in Costa Rica" Journal of the European Economic Association
- Alfaro-Ureña, A., Faber, B., Gaubert, C., Manelici, I. and Vasquez, J. 2022 "Responsible Sourcing? Theory and Evidence from Costa Rica" Working paper
- Campos, F., Goldstein, M. and McKenzie, D 2023 "How Should the Government bring Small firms into the Formal system? Experimental evidence from Malawi", Journal of Development Economics
- Matthew Grant and Meredith Startz 2020 "Cutting Out the Middleman: The Structure of Chains of Intermediation" Working paper
- Atkin, Chaudhry, Chaudry, Khandelwal and Verhoogen 2017 "Organizational Barriers to Technology Adoption: Evidence from Soccer-Ball Producers in Pakistan." Quarterly Journal of Economics