

Development Economics: Syllabus – Davide Zufacchi

1. Introduction

- Introduction of the course
- Measurement of development (GDP, HDI, Inequality, ...)
- Causes of development: proximate vs long-run

Section 1: long-run causes

2. Growth Theory and Convergence

This lecture examines classic economic growth theories, particularly the Solow model, and empirical evidence on whether poor countries converge to rich countries' income levels.

1. **Solow, Robert M. (1956)** "A Contribution to the Theory of Economic Growth" *Quarterly Journal of Economics*
2. **Mankiw, N. Gregory, David Romer, and David N. Weil (1992)** "A Contribution to the Empirics of Economic Growth" *Quarterly Journal of Economics*
3. **Barro, Robert and Xavier Sala-i-Martin (1992)** "Convergence" *Journal of Political Economy*
4. **Hall, Robert E. and Charles I. Jones (1999)** "Why Do Some Countries Produce So Much More Output Per Worker Than Others?" *Quarterly Journal of Economics*

3. Long-run causes: Geography vs Culture vs Institutions

This lecture examines the debate over what fundamentally drives long-term economic development: geography, culture, or institutions, using empirical studies that analyze colonial history, European regional development, and Africa's slave trade legacy.

1. **Sachs, Jeffrey D. (2003)** "Institutions Don't Rule: Direct Effects of Geography on Per Capita Income" *NBER Working Paper*
2. **Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001)** "The Colonial Origins of Comparative Development: An Empirical Investigation" *American Economic Review*
3. **Tabellini, Guido (2010)** "Culture and Institutions: Economic Development in the Regions of Europe" *Journal of the European Economic Association*
4. **Nunn, Nathan and Leonard Wantchekon (2011)** "The Slave Trade and the Origins of Mistrust in Africa" *American Economic Review*

Part 2: proximate causes

4. Human Capital: Education and Health

This lecture explores how investments in human capital through education and health interventions affect economic development, examining evidence from randomized experiments on school construction, teaching methods, and health programs in developing countries.

1. **Duflo, Esther (2001)** "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment" *American Economic Review*
2. **Jensen, Robert (2010)** "The (Perceived) Returns to Education and the Demand for Schooling" *Quarterly Journal of Economics*
3. **Muralidharan, Karthik and Venkatesh Sundararaman (2011)** "Teacher Performance Pay: Experimental Evidence from India" *Journal of Political Economy*
4. **Miguel, Edward and Michael Kremer (2004)** "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities" *Econometrica*
5. **Banerjee, Abhijit, Eliana La Ferrara, and Victor Orozco-Olvera (2019)** "The

5. Poverty traps and anti-poverty interventions

This lecture examines poverty traps - situations where poor individuals or countries remain stuck in low-income equilibria - and evaluates anti-poverty interventions like cash transfers and microfinance through randomized controlled trials to understand what helps people escape persistent poverty.

1. **Banerjee, Abhijit V. and Esther Duflo (2011)** "Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty" *Chapters 1-3*
2. **Haushofer, Johannes and Jeremy Shapiro (2016)** "The Short-term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya" *Quarterly Journal of Economics*
3. **Banerjee, A., Duflo, E., Glennerster, R., & Kinnan, C. (2015).** "The miracle of microfinance? Evidence from a randomized evaluation." *American economic journal: Applied economics*
4. **Balboni, Clare, Oriana Bandiera, Robin Burgess, Maitreesh Ghatak, and Anton Heil (2022)** "Why Do People Stay Poor?" *Quarterly Journal of Economics*

*** Reading week ***

6. Firm productivity, market dimension, management, and technology

This lecture investigates why firm productivity is low in developing countries, examining factors like resource misallocation, management practices, and barriers to technology adoption through case studies from manufacturing in China, India, and Pakistan.

1. **Hsieh, Chang-Tai and Peter J. Klenow (2009)** "Misallocation and Manufacturing TFP in China and India" *Quarterly Journal of Economics*
2. **Hsieh, Chang-Tai and Benjamin A. Olken (2014)** "The Missing 'Missing Middle'" *Journal of Economic Perspectives*
3. **Bloom, N., Eifert, B., Mahajan, A., McKenzie, D., & Roberts, J. (2013).** "Does management matter? Evidence from India". *The Quarterly journal of economics*
4. **Jensen, Robert (2007)** "The Digital Divide: Information (Technology), Market Performance, and Welfare in the South Indian Fisheries Sector" *Quarterly Journal of Economics*
5. **Atkin, David, Azam Chaudhry, Shamyra Chaudry, Amit K. Khandelwal, and Eric Verhoogen (2017)** "Organizational Barriers to Technology Adoption: Evidence from Soccer-Ball Producers in Pakistan" *Quarterly Journal of Economics*

7. Labour markets, informality, and female labour force participation

This lecture examines labor market inefficiencies in developing countries, focusing on informal employment, barriers to formal job matching, and factors affecting female labor force participation.

1. **Bandiera, O., Burgess, R., Das, N., Gulesci, S., Rasul, I., & Sulaiman, M. (2017).** "Labor Markets and Poverty in Village Economies." *The Quarterly Journal of Economics*
2. **Ulyssea, G. (2018).** "Firms, Informality, and Development: Theory and Evidence from Brazil." *American Economic Review*
3. **Jensen, R. (2012).** "Do Labor Market Opportunities Affect Young Women's Work and Family Decisions? Experimental Evidence from India." *The Quarterly Journal of Economics*
4. **Abebe, G., Caria, A.S., Fafchamps, M., Falco, P., Franklin, S., & Quinn, S. (2021).** "Anonymity or Distance? Job Search and Labour Market Exclusion in a Growing African City." *The Review of Economic Studies*

8. Political Economy, governance, and bureaucracies

This lecture explores how political economy factors and governance quality affect economic development, examining corruption, accountability mechanisms, bureaucratic efficiency, and incentives for public service through field experiments in Indonesia, Brazil, and other developing countries.

1. **Olken, Benjamin A. (2007)** "Monitoring Corruption: Evidence from a Field Experiment in Indonesia" *Journal of Political Economy*
2. **Ferraz, Claudio and Frederico Finan (2008)** "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes" *Quarterly Journal of Economics*
3. **Bandiera, Oriana, Michael Carlos Best, Adnan Qadir Khan, and Andrea Prat (2021)** "The Allocation of Authority in Organizations: A Field Experiment with Bureaucrats" *Quarterly Journal of Economics*
4. **Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi (2013)** "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service" *Quarterly Journal of Economics*

9. Infrastructure, Structural Change, and Urbanization

This lecture examines structural change theory and how economies transition from agriculture to industry and services, exploring the role of infrastructure development in facilitating or hindering this transformation using evidence from Brazil's agricultural modernization and China's highway expansion.

1. **Kuznets, Simon (1955)** "Economic Growth and Income Inequality" *American Economic Review*
2. **Gollin, Douglas, David Lagakos, and Michael E. Waugh (2014)** "The Agricultural Productivity Gap" *Quarterly Journal of Economics*
3. **Bustos, Paula, Bruno Caprettini, and Jacopo Ponticelli (2016)** "Agricultural Productivity and Structural Transformation: Evidence from Brazil" *American Economic Review*
4. **Faber, Benjamin (2014)** "Trade Integration, Market Size, and Industrialization: Evidence from China's National Trunk Highway System" *Review of Economic Studies*
5. **Sonno, Tommaso and Zufacchi Davide (2025)** "Large Scale Land Acquisitions: Trees, Trade, and Structural Change" *CEP Working Paper*

10. Natural resources and conflict

This lecture explores the "resource curse" phenomenon - how natural resource abundance can paradoxically hinder economic growth - and examines the relationship between commodity wealth and armed conflict using evidence from Colombia, Africa, and other resource-rich regions.

1. **Sachs, Jeffrey D. and Andrew M. Warner (1995)** "Natural Resource Abundance and Economic Growth" *NBER Working Paper*
2. **Dube, Oeindrila and Juan F. Vargas (2013)** "Commodity Price Shocks and Civil Conflict: Evidence from Colombia" *Review of Economic Studies*
3. **Berman, N., Couttenier, M., Rohner, D., & Thoenig, M. (2017)** "This mine is mine! How minerals fuel conflicts in Africa." *American Economic Review*
4. **Caselli, Francesco and Andrea Tesei (2016)** "Resource Windfalls, Political Regimes, and Political Stability" *Review of Economics and Statistics*
5. **La Ferrara, Eliana and Zufacchi Davide (2025)** "Digging Deeper: Mining Companies and Armed Bands in the DRC"