

PPOL 540:

SOCIAL AND ECONOMIC DEVELOPMENT POLICY

ANDREW ZEITLIN

FALL 2021

COURSE AT A GLANCE

Class meetings: Thursdays, 9:30–12:00, Walsh 491

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Office hours: Mondays, 2–4 pm (bit.ly/ZeitlinCalendar) or by appointment.

COURSE OBJECTIVES

This course provides a framework for understanding the process of development, with an emphasis on the scope for policy to affect this process. Students gain an understanding of and ability to draw predictions from the array theoretical models that guide development policymaking, and will be introduced to the available evidence to support—or question—each of these. Throughout, the course will draw on historical and contemporary examples from a range of developing countries, and will develop the broadly applicable skills of critical analysis and of the communication of theory and evidence for policymaking purposes.

The course will be organized around five modules, each covering a central topic in policymaking in developing countries. These topics are: (I) Growth and structural transformation; (II) External flows of goods, people, and money; (III) Human capital; (IV) Financial markets; and (V) State capabilities.

COURSE FORMAT

The majority of our class meetings will be structured as a series of seminars. I will lead discussion of key ideas, models, and empirical results. I expect you all to have read at least the core (starred) readings for each week in advance of our meetings, and to be prepared to ask questions and actively discuss the ideas they contain.

This does not mean that you need to have a full understanding prior to class: I understand that some material and techniques will be new, and challenging, and the role of our meetings is to help you master these. But you will get a lot more out of our meetings if you have invested in understanding these prior to our meetings. To support that and help you focus your energies, I will provide discussion questions in advance of each week.

REQUIREMENTS AND GRADING

Your grade will be comprised of two types of inputs:

- 10%: Class participation, including occasional exercises and presentations
- 90%: Total of five module-specific policy memos, comprised as a weighted average of 20 percentage points for each of your four best-marked memos, and 10 percentage points for your lowest-scoring memo.

Throughout, your mark will be based on your ability to demonstrate three things: that you have mastered the technical material; that you can apply models of development to particular problems and cases, and that you are able to critically assess evidence in favor of (and against) an argument. Writing persuasively—rather than rote repetition of textbooks and articles—is essential to demonstrate each of these.

COURSE OUTLINE

- Week 1 (August 26) Introduction: Development aims and stylized facts
Week 2 (September 2) Regional narratives

Module 1: Growth and structural transformation

- Week 3 (September 9) Growth: Theory
Week 4 (September 16) Growth: Evidence
Week 5 (September 23) Structural transformation, dual economy models
Memo 1 due September 27.

Module 2: External flows: goods, people, and money

- Week 6 (September 30) Migration
Week 7 (October 7) Trade
Week 8 (October 14) Aid
Memo 2 due October 18.

Module 3: Human capital

- Week 9 (October 21) Returns to human capital: Education and health
Week 10 (October 28) Policies to improve education and health
Memo 3 due November 1.

Module 4: Financial markets for the poor

- Week 11 (November 4) Credit
Week 12 (November 11) Insurance and savings
Memo 1 due November 18.

Module 5: State functions and failures

- Week 13 (November 18) Property rights
Week 14 (December 2) Taxation
Memo 5 due December 6.

READINGS

There is no single textbook for this course. However, we will draw relatively heavily on the following books:

- Debraj Ray, *Development Economics*. Note this is also available as an e-Textbook via Amazon.
- Meier and Rauch, 2005, *Leading issues in economic development*, 8th ed.
- Charles Jones, *Introduction to Economic Growth*
- Beatriz Armendariz and Jonathan Morduch, *The Economics of Microfinance*

Of these, I recommend that you buy the textbook by Ray. The books by Jones and by Armendariz and Morduch are also extremely useful, but are specialized to particular topics within the course. We will use the book by Meier and Rauch as a supplement to Ray. Where possible, I will make these chapters and other selected readings available via the Canvas site.

For each of the topics below, I outline readings as follows. Required readings, such as texts that are central to the material, are denoted by an asterisk (*). You are required to have read these in advance of class. I also suggest a number of recommended readings. While you do not need to read any one of these in particular, you will need to demonstrate understanding of, and ability to apply, the recommended readings in order to do well in the course. My expectation is that you will read a few of these each week, being selective to reflect areas upon which you wish to focus. In addition, in some cases I highlight works for ‘further reading’, denoted by a dagger (†). These are typically longer or more technical works, which you might explore for use in this course and beyond, or more thorough or advanced treatments of the material.

One challenge in this course is that you will be learning applications of both economics and statistics to development issues, at the same time that you are learning the basic skills of those disciplines. The assignments and lectures will seek to keep the technical requirements to an appropriate level, and to demonstrate both intuitions for techniques you may not be familiar with as well as applications that may help to inspire you to ‘skill up’. As background, you may also find the following materials helpful:

- Meier and Rauch, “Appendix: How to read a regression table” in *Leading Issues in Economic Development*.
- Jones, “Appendix A: Mathematical review” in *Introduction to Economic Growth*

Finally, please note that topics and readings are subject to change, based on pace and interests of the class.

INTRODUCTION

Week 1. Development aims and stylized facts

How should we define and measure the aims of development policy? What phenomena are associated with the process of development?

- * Ray, ch. 2, 6, 8
- * Sen, A.K., 1999, Development as Freedom. Chapters 1 – 2.
- * Meier and Rauch, ch. IA, “Measuring development”, pp. 1 – 33.
- Banerjee and Duflo, 2007, “The Economic Lives of the Poor”, Journal of Economic Perspectives, 21:1, 141 – 167.
- Basu, K., 2001, “On the goals of development”, in Meier and Stiglitz, eds., Frontiers of Development Economics. New York: Oxford University Press. See also Comments by Paul Streeten and Michael Lipton.
- Deaton, 2006, “Measuring poverty”, ch. 1 in Banerjee, Bénabou, and Mookherjee, Understanding Poverty. New York: Oxford University Press, pp.3 – 16.
- Haushofer, 2014, “The price of poverty: Psychology and the cycle of need”, Foreign Affairs.
- Kanbur, R. and L. Squire, 2001, “The evolution of thinking about poverty”, in Meier and Stiglitz, eds., Frontiers of Development Economics.
- Sen, A.K., 1988, “The Concept of Development,” chapter 2 in H.Chenery and T.N.Srinivasan, Handbook of Development Economics, vol. 1.

Week 2. Regional narratives

(a) Overview

- * Ray, ch. 7
- * Meier and Rauch, ch. 8.A – 8.C
- *Williamson, 1990. “What Washington means by policy reform”, ch. 2 from Williamson, ed., Latin American Adjustment: How much has happened? Washington, DC: Peterson Institute for International Economics.
- *Williamson, 2002, “Did the Washington Consensus fail?” Outline of speech given at the Center for Strategic and International Studies, Washington, D.C., November 6.
- Anand, S. and M.Ravallion, (1993), “Human development in poor countries: on the role of private incomes and public services”, Journal of Economic Perspectives, 1 (1).
- Birdsall, 2007, “Inequality matters”, Boston Review, March 1, online at <http://bostonreview.net/nancy-birdsall-inequality-matters>.
- Ravallion, M. 2004. “Pro-poor growth: a primer”. World Bank Policy Research Working Paper No. 3242.

- Deininger and Squire, 1998, “New ways of looking at old issues: Inequality and growth”, *Journal of Development Economics*, 57(2), 259—287.
- Dollar, D. & Kraay, A., 2002, “Growth is Good for the Poor”, *Journal of Economic Growth*, 7, 195-225
- Piketty, 2006, “The Kuznets curve: Yesterday and tomorrow”, ch. 4 in Banerjee, Bénabou, and Mookherjee, *Understanding Poverty*, 63 – 72.
- Ravallion, M. 2005, “Inequality is bad for the poor.” *World Bank Policy Research Working Paper No. 3677*.

(b) Africa

- Meier and Rauch, 2005, “Why has Africa grown slowly”, ch. I.B.5 in *Leading Issues*, pp. 62 – 71.
- Moss, *African development: Making sense of the issues and actors*. Boulder: Lynne Rienner, publishers. Chs 6 – 10.
- Van de Walle, 2001. *African Economies and the Politics of Permanent Crisis*. New York: Cambridge University Press. Chapters 1, 2, 5, 6.
- Collier, P. & Gunning, J. W., 1999. “Explaining African Economic Performance”. *Journal of Economic Literature*, 37, 64-111.
- Collier, 2008, “Growth strategies for Africa”, *Commission for Growth and Development, Working paper no. 9*.
- Page, 2009, “Africa’s growth turnaround: From fewer mistakes to sustained growth”, *Commission on Growth and Development, Working paper no. 54*.
- *Economist Magazine*, 2013, Special report on “Emerging Africa”. Includes articles on “Africa rising”, “A hopeful continent”, and debate on “How real is the rise of Africa?”

(c) East Asian ‘Tigers’

Miracle:

- Rodrik, 1994, “Getting interventions right: How South Korea and Taiwan grew rich”. NBER working paper no. 4964.
- Ranis, 1995, “Another look at the East Asian miracle”, *World Bank Economic Review*, September.
- World Bank, 1993, *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press. Especially the Overview; see also chs. 1, 2, 5.

And subsequent crisis:

- Hill, 2000, “Indonesia: The strange and sudden death of a Tiger economy”. *Oxford Development Studies*, 28:2, 117 – 139.
- Corsetti, Pesenti, and Roubini, 1998. “What cause the Asian currency and financial crisis? Part II: The policy debate”, NBER Working Paper no. 6834.

(d) China

- Gordon, 2009, “Public finance and economic development: Reflections based on the experience in China.” Commission on Growth and Development, Working paper no. 61.
- El-Erian and Spence, 2008, “Growth strategies and dynamics: Insights from country experiences”, Commission on Growth and Development, Working paper no. 6.
- Meier and Rauch, 2005, ch. I.B.2, “How reform worked in China”, in *Leading Issues*, pp. 45 – 51.
- Qian, 2003. “How reform worked in China”, ch. 11 in D. Rodrik, *In search of prosperity*. Princeton, NJ: Princeton University Press, 297 – 333.

(e) India

- Ahmed and Varshney, 2008, “Battles half won: The political economy of India’s growth and economic policy since independence“, Commission on Growth and Development, Working paper no. 15.
- Meier and Rauch, 2005, “India since independence”, ch. I.B.3. in *Leading Issues*, pp. 52 – 57.
- DeLong, 2003. “India since Independence: An analytic growth narrative”, ch. 7 in Rodrik, *In Search of Prosperity*. Princeton, NJ: Princeton University Press, 184 – 204.
- Drèze and Sen, 2013, *An uncertain glory: India and its contradictions*. Princeton, NJ: Princeton University Press.
- Bhagwati and Panagariya, 2013, *Why Growth Matters*.
- See also subsequent debates between Bhagwati and Sen in *The Economist*, etc., as summarized recently in *Foreign Policy*

MODULE 1: GROWTH AND STRUCTURAL TRANSFORMATION

Week 3. One-sector growth models: theory

- * Jones, chs 2, 3, and 8, and (optionally) more challenging material in chs. 4-5 (the Romer model).
- Duflo and Banerjee, 2011, *Poor Economics*, ch. 1.
- Ray, ch. 3 – 4.
- Krugman, “The fall and rise of development economics”. Unpublished. Available online at <http://web.mit.edu/krugman/www/dishpan.html>.

Week 4. One-sector growth models: evidence

- * Easterly and Levine, 2002, “It’s not factor accumulation: Stylized facts and growth models”. *World Bank Economic Review*, 15(2).
- * Mankiw, G., D.Romer and D.Weil (1992), “A contribution to the Empirics of Economic Growth”, *Quarterly Journal of Economics*, vol.107, pp.407-437.

- * Pritchett, L. 1997. “Divergence, Big Time” *Journal of Economic Perspectives*, 11, 3-17.
- Easterly, 2001, *Elusive Quest for Growth*, chs 2, 3, 8.
- Barro, R. J. & Sala-i-Martin, X. 1992. “Convergence” *Journal of Political Economy*, 100, 223-251.
- Baumol, W. J., 1986. “Productivity Growth, Convergence, and Welfare: What the Long-Run Data Show” *The American Economic Review*, 76, 1072-1085.
- De Long, J. B. 1988. “Productivity Growth, Convergence, and Welfare: Comment” *The American Economic Review*, 78, 1138-1154.

Week 5. Dual-economy growth models and structural transformation

- * Ray, D. (1998), *Development Economics*, 1998, Chapter 10 (dualism and migration)
- * Vines, D. and A. Zeitlin (2008), “Dual economies”, in S. N. Durlauf and Lawrence E. Blume, eds., *The New Palgrave Dictionary of Economics*, 2nd edition. Palgrave Macmillan.
- * Eswaran, M. and A. Kotwal (1995), *Why poverty persists in India*, Oxford University Press .
- Dercon, Vargha Hill, and Zeitlin, 2009, “In search of a strategy: Rethinking agriculture-led growth in Ethiopia”. Synthesis paper prepared as part of a study on Agriculture and Growth in Ethiopia, Oxford University.
- Eswaran, M. and A. Kotwal. (1993), “A theory of real wage growth in LDCs”, *Journal of Development Economics*, 42, 243—269.
- Page, J., 2012, “Can Africa industrialise?” *Journal of African Economies*, 21, ii86—ii125.
- Ravallion, M. and G. Datt, 1999, “When is growth pro-poor? Evidence from the diverse experiences of India’s states”, *World Bank Policy Research Working Paper*, no.2263
- Ravallion, M. and G. Datt, 2002, “Why has economic growth been more pro-poor in some states of India than others?” *Journal of Development Economics*, 68, 381—400.

MODULE 2: EXTERNAL FLOWS: GOODS, PEOPLE, AND MONEY

Week 6. Migration

- * Clemens, 2011, “Economics and emigration: Trillion-dollar bills on the sidewalk?” *Journal of Economic Perspectives*, 25(3): 83–106.
- * Yang, 2011, “Migrant remittances”, *Journal of Economic Perspectives*, 25(3): 129–152.
- * Banerjee and Duflo, *Good Economics for Hard Times*, Ch. 2: “From the mouth of the shark”.
- Clemens, McKenzie, 2018, “Why don’t remittances appear to affect growth?” *Economic Journal*, 128(612): F179-F209.
- Clemens, Montenegro, and Pritchett, 2019, “The place premium: Bounding the price equivalent of migration barriers”, *Review of Economics and Statistics*, 101(2): 201–213.

- Banerjee and Duflo, *Good Economics for Hard Times*, chapter 2: “From the mouth of the shark”.
- Gibson, McKenzie, Stillman, 2013, “A land of milk and honey with streets paved with gold: Do emigrants have over-optimistic expectations about incomes abroad?”, *Journal of Development Economics*, 102: 116–127.
- Gibson, McKenzie, 2014, “The development impact of a best practice seasonal worker policy”, *Review of Economics and Statistics*, 96(2): 229–243.
- Bryan, Chowdhury, and Mobarak, 2014, “Underinvestment in a profitable technology: The case of seasonal migration in Bangladesh”, *Econometrica*, 82(5), 1671–1749.
- Rosenzweig, M. R. and O. Stark, 1989, “Consumption smoothing, migration, and marriage: Evidence from rural India”, *Journal of Political Economy*, 97(5), 905–926.
- Lucas, R. E. B. and O. Stark, 1985, “Motivations to remit: Evidence from Botswana”, *Journal of Political Economy*, 93(5), 901–918.
- Clemens, Lewis, and Postel, 2018, “Immigration restrictions as active labor market policy: Evidence from the Mexican *Bracero* exclusion”, *American Economic Review*, 108(6): 1468–1487.
- Card, 1990, “The impact of the Mariel Boatlift on the Miami labor market”, *Industrial and Labor Relations Review*, 43(2), 245–257.
- Munshi, 2003, “Networks in the modern economy: Mexican migrants in the U.S. labor market”, *Quarterly Journal of Economics*, 118:2, 549–599.
- Munshi and Rosenzweig, 2016, “Networks and misallocation: Insurance, migration, and the rural-urban wage gap”, *American Economic Review*, 106(1): 46–98.

Week 7. Trade

- * Krugman, P R and Obstfeld, M, *International Economics: Theory and Policy* (fifth edition, 2000) , chs. 2 – 4.
- * Banerjee and Duflo, *Good Economics for Hard Times*, Ch. 3: “The pains from trade”, through section on “Protection for whom?” (inclusive).
- * Rodrik, Dani, ”Trade Policy and Economic Growth: A Skeptic’s Guide to the Cross-National Evidence,” (with Francisco Rodríguez), *Macroeconomics Annual 2000*, eds. Ben Bernanke and Kenneth S. Rogoff, MIT Press for NBER, Cambridge, MA.
- Ray, ch. 16-17
- Goldberg and Pavcnik, 2007, “Distributional effects of globalization in developing countries”, *Journal of Economic Literature*, 55, March.
- Topalova, 2010, “Factor immobility and regional impacts of trade liberalization: Evidence on poverty from India”, *American Economic Journal: Applied Economics*, 2, 1–41.

- Krugman, P R and Obstfeld, M, International Economics: Theory and Policy (fifth edition, 2000), chs 5, 9 – 11
- Krugman, Accidental Theorist, pp. 73 – 95 (and especially “In Praise of Cheap Labor: Bad Jobs at Bad Wages are Better than No Jobs at All”)
- Tybout, J. (2000) “Manufacturing Firms in Developing Countries: How Well Do They Do and Why?” Journal of Economic Literature, 38.
- Wood, A. (2000) “Why Does Zimbabwe Export Manufactures, and Uganda Not? Econometrics Meets History.” Journal of Development Studies, 37(2).
- Frankel, J. and D. Romer (1999) “Does Trade Cause Growth”, American Economic Review, 89(3) June.

Week 8. Aid

- * Easterly, 2001, Elusive Quest for Growth, ch. 2.
- * Roodman, 2007, “Macro aid effectiveness research: A guide for the perplexed”. Center for Global Development, Working Paper No. 134.
- Hansen, H., and F. Tarp, 2000, “Aid Effectiveness Disputed,” Journal of International Development, 12(3), 375-98.
- Easterly, W., 1999, “The Ghost of Financing Gap: Testing the Growth Model Used in the International Financial Institutions,” Journal of Development Economics, 60(2), 423-38.
- Svensson, J., 2000, “When Is Foreign Aid Policy Credible? Aid Dependence and Conditionality,” Journal of Development Economics, 61(1), 61-84,
- Alesina, A., and D. Dollar (2000): “Who Gives Foreign Aid to Whom and Why?,” Journal of Economic Growth, 5(1).
- Banerjee, A., ed., 2006, Making aid work. (Original articles available via Boston Review). See in particular articles by Banerjee, Goldin et al., and Deaton).
- Collier, Bottom Billion, esp. ch. 7.
- Burnside, C., and D. Dollar (2000): “Aid, Policies, and Growth,” American Economic Review, 90(4), 847-
- Temple, 2010, “Aid and conditionality”, in Handbook of Development Economics, Vol. 5, 4415—4523.
- Van de Walle, D., and R. Mu (2007): “Fungibility and the flypaper effect of project aid: Micro-evidence for Vietnam,” Journal of Development Economics, 84, 667-685.

MODULE 3: HUMAN CAPITAL

Week 9. Returns to human capital

Education:

- *Pritchett, L. (1999), “Where has all the education gone?”, *World Bank Economic Review*, 15(3): 367-91.
- *Schultz, Paul (2004) “Evidence of returns to schooling in Africa from household surveys: Monitoring and restructuring the market for education”, *Journal of African Economies*, 13(2): ii95—ii148.
- Singh, Abhijeet (forthcoming), “Learning more with every year: School year productivity and international learning divergence”, *Journal of the European Economic Association*.
- Case, Anne (2006), “The primacy of education”, in Banerjee et al., eds, *Understanding Poverty*.
- Duflo, Esther (2001), “Schooling and labor market consequences of school construction in Indonesia: Evidence from an unusual policy experiment.
- Easterly, *Elusive Quest for Growth*, ch. 4. [contains a useful, non-technical summary of the Pritchett article.]
- Bennell, P. (1996), “Rates of return to education: does the conventional pattern prevail in Sub-Saharan Africa?”, *World Development*, 24 (1)
- Psacharopoulos, George and H. A. Patrinos (2004). “Returns to Investment in Education: A Further Update.” *World Bank Research Paper* 2881.
- Further reading (classics and more technical treatments – not required)
- Becker (1993). *Human Capital: A theoretical and empirical analysis, with special reference to education*, 3rd edition. Chicago: University of Chicago Press. Part 1
- Heckman J. J., Lochner L. J. and Petra E. Todd, (2006) “Earnings Function, Rates of Return and Treatment Effects: The Mincer Equation and Beyond”, Chapter 7 *Handbook of the Economics of Education*, Volume I, Eric A. Hanushek and Finis Welch Editors. (Note: focus on sections 2-8.)

Health:

- * Strauss, John and Duncan Thomas (1998), “Health, nutrition, and economic development”, *Journal of Economic Literature*, 36:2, 766—817.
- * Ray, *Development Economics*, ch. 8.3.4, 8.4.3, and ch. 9.
- Ainsworth, M., K. Beegle and A. Nyamete (1996). “The Impact of Women’s Schooling on Fertility and Contraceptive Use: A Study of 14 Sub-Saharan African Countries.” *World Bank Economic Review*, 10(1).
- Banerjee and Duflo, *Poor Economics*, ch. 2, 3, and 5 (discussion of experimental evidence on interventions relevant for next week as well).
- Bell, C., S. Devarajan, and H. Gersbach, (2003) “The Long Run Economic Costs of AIDS: Theory and an Application to South Africa.” *World Bank Policy Research Working Paper* 3152.

- Banerjee, Deaton, and Duflo (2004), “Wealth, health, and health services in rural Rajasthan”, *American Economic Review*, 94:2, 326 – 330.
- Deaton, Angus (2006), “Global patterns of income and health: facts, interpretations, and policies”, WIDER Annual Lecture number 10.
- Dreze, J. and M. Murthi (2001). “Fertility, Education and Development: Evidence from India.” *Population and Development Review*, 27(1).
- Young, A. (2005). “The Gift of the Dying: The Tragedy of AIDS and the Welfare of Future African Generations.” *Quarterly Journal of Economics*.

Week 10. Policies to improve human capital outcomes

- * Pritchett, L. (2013) *The Rebirth of Education: Schooling Ain’t Learning*. Chs 1,2,4.
- * Chaudhury, N.; Hammer, J.; Kremer, M.; Muralidharan, K. & Rogers, F. H. (2006) *Missing in Action: Teacher and Health Worker Absence in Developing Countries*. *Journal of Economic Perspectives*, 20, 91-116
- * Kremer, M. and A. Holla, 2009, “Improving education in the developing world: What have we learned from randomized evaluations?” *Annual Review of Economics*, 1, 513—542.
- * Banerjee, A. and E. Duflo, 2006, “Addressing absence”, *Journal of Economic Perspectives*, 20, 117—132.
- Cohen, J. and P. Dupas, 2010, “Free distribution or cost sharing? Evidence from a randomized malaria prevention experiment”, *Quarterly Journal of Economics*, 125(1): 1—45.
- Chomitz, K and N.Birdsall (1990), “Incentives for small families: concepts and issues”, *Proceedings of the World Bank Annual Conference on Development Economics*, special issue of the *World Bank Economic Review*, 309-339
- Deiniger, K. and P. Mpuga (2005) “Economic and Welfare Impact of the Abolition of Health User Fees: Evidence from Uganda.” *Journal of African Economies* 14(1), pp. 55-91.
- Glewwe, P.; Kremer, M.; Moulin, S. & Zitzewitz, E. Retrospective vs. prospective analyses of school inputs: the case of flip charts in Kenya. *Journal of Development Economics*, 2004, 74, 251-268
- The Probe Team (1999), *Public Report on Basic Education in India*. Oxford University Press, New Delhi.
- Muralidharan, K. & Sundararaman, V. Teacher performance pay: Experimental evidence from India. *Journal of Political Economy*, 2011, 119, 39-77
- World Development Report 2004: Overview.

MODULE 4: FINANCIAL MARKETS FOR THE POOR

Week 11. Credit

- * Banerjee, A. “The two poverties”. In Dercon, ed., Insurance Against Poverty.
- * Armendáriz and Morduch, chs 1-5.
- Ray, ch. 14
- Morduch, JEL 1999, “The microfinance promise”.
- Morduch, WD 2000, “The microfinance schism”.
- Roodman, Due Diligence, chs 1, 4, 5

On empirical evidence of microcredit impacts, see articles in a special issue of the American Economic Journal: Applied Economics, Vol. 7, No. 1. (2015):

- * Banerjee, Karlan, and Zinman, “Six randomized evaluations of microcredit: Introduction and further steps”
- Banerjee, Duflo, Glennerster, and Kinnan, “The miracle of microfinance? Evidence from a randomized evaluation”
- Tarozzi, Desai, and Johnson, “The impacts of microcredit: Evidence from Ethiopia”
- Attanasio, Augsburg, De Haas, Fitzsimons, and Harmgart, “The impacts of microfinance: Evidence from joint-liability lending in Mongolia”
- Crepon, Devoto, Duflo, and Pariente, “Estimating the impact of microcredit on those who take it up: Evidence from a randomized experiment in Morocco”
- Angelucci, Karlan, and Zinman, “Microcredit impacts: Evidence from a randomized microcredit program placement experiment by Compartamos Banco”
- Augsburg, De Haas, Harmgart, and Meghir, “The impacts of microcredit: Evidence from Bosnia and Herzegovina”.

Also:

- Karlan and Zinman, 2011. “Microcredit in theory and practice: Using randomized credit scoring for impact evaluation. Science, 332, 1278–1284.
- Field, Pande, Papp, and Rigol, 2013. “Does the classic microfinance model discourage entrepreneurship among the poor? Experimental evidence from India”. American Economic Review, 103(6): 2196 – 2226.
- Giné and Karlan, 2014, “Group versus individual liability: Short and long term evidence from Philippine microcredit lending groups”. Journal of Development Economics, 107:65-83.
- Breza and Kinnan, 2018, “Measuring the equilibrium impacts of credit: Evidence from the Indian microfinance crisis”, NBER Working Paper 24329.
- Meagher, forthcoming, “Understanding the average impact of microcredit expansions: A Bayesian hierarchical analysis of seven randomized experiments”, American Economic Journal: Applied Economics.

- Meagher, 2018, “Aggregating distributional treatment effects: A Bayesian hierarchical analysis of the microcredit literature”.

Week 12. Insurance and savings

- * Ray, ch. 15
- * Dercon, Income risk, coping strategies, and safety nets”, World Bank Research Observer
- * Morduch, J. and D. Karlan, 2009, “Access to finance”, Handbook of Development Economics, vol. 5., sections 6-7 in particular.
- * Ashraf, Karlan, and Yin, 2006. “Tying Odysseus to the mast: Evidence from a commitment savings product in the Philippines”. 121, 635 – 672.
- Fafchamps, M. 1992. “Solidarity networks in preindustrial societies: Rational peasants with a moral economy”. *Economic Development and Cultural Change*, 41, 147 – 174.
- Townsend, R. M. (1995), ‘Consumption insurance: An evaluation of risk-bearing systems in low-income economies’, *The Journal of Economic Perspectives* 9(3), 83(102).
- Cole, Giné, Tobacman, Topalova, Townsend, Vickrey, 2008. Barriers to household risk management: Evidence from India.
- Blattman and Niehaus, “Show them the money”. *Foreign Affairs*, May/June 2014.
- Fafchamps, McKenzie, Quinn, and Woodruff, 2014, “Microenterprise growth and the flypaper effect: Evidence from a randomized experiment in Ghana”, *Journal of Development Economics* 106, 211–226.
- Haushofer and Shapiro, 2013, “Household Response to Income Changes: Evidence from an Unconditional Cash Transfer Program in Kenya”
- McKenzie, 2015. “Identifying and spurring high-growth entrepreneurship: Evidence from a business plan competition”. World Bank Policy Research Working Paper 7391.
- Dercon, Bold, Calvo, 2004. Insurance for the poor? Queen Elizabeth House Working Paper Number 125.
- Giné and Yang, 2009, “Insurance, credit, and technology adoption: Field experimental evidence from Malawi”, *Journal of Development Economics*, 89, 1—11.

Further reading:

- Dercon, ed., 2003, *Insurance Against Poverty*.

MODULE 5: STATE FUNCTIONS AND FAILURES

Week 13. Property rights

- * Ray, ch. 12.

- * Besley, T. (1995). “Property rights and investment incentives: Theory and evidence from Ghana”. *Journal of Political Economy*, 103: 903—937.
- * Jacoby and Minten, 2007, “Is land titling in Sub-Saharan Africa cost effective? Evidence from Madagascar”. *World Bank Economic Review*, 21, 461—485.
- Goldstein and Udry (2008). “The profits of power: land rights and agricultural investment in Ghana”, *Journal of Political Economy*, 116: 981—1022.
- Field, 2007, “Entitled to work: Urban property rights and the labor supply in Peru”, *QJE*.
- Field, 2005, “Property rights and investment in urban slums”, *Journal of the European Economic Association* 3(2-3), 279—290.
- Binswanger, H., K. Deininger, and G. Feder, 1995, “Power, distortions, revolt and reform in agricultural land relations”, *Handbook of Development Economics*, vol. 3, 2659—2772, esp. Part II.

Further reading

- De Soto, H., (2000). *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books

Week 14. Taxation

- * Besley and Persson, 2013, “Taxation and development”, in Feldstein, Auerbach, Chetty, and Saez, eds., *Handbook of Public Economics*, Vol. 5.
- * Gordon and Li, 2009, “Tax structures in developing countries: Many puzzles and a possible explanation.”, *Journal of Public Economics*.
- Hsieh and Olken, 2014, “The missing ‘missing middle’”. *Journal of Economic Perspectives*, 28(3): 89–108.
- Olken and Singhal, 2011, “Informal taxation”. *American Economic Journal: Applied Economics*, 3: 1–28.
- Pomeranz, 2016. “No taxation without information”. *American Economic Review*.
- Kleven, Kreiner, and Saez, 2016, “Why can modern governments tax so much? An agency model of firms as fiscal intermediaries”. *Economica*.

INSTRUCTIONAL CONTINUITY

It is possible—if not likely—that at some point this semester, either you, or I, will need to miss in-person class for reasons of illness, or otherwise. In the event that I cannot be physically present in class, when possible I will hold class online via zoom at the regular time.

My aim is to create a classroom setup in which students who have to miss class can do so with minimal disruption. To that end:

- All class meetings will be recorded.
- When students are unable to be physically present for class, they may join by Zoom. Technology permitting, I aim to provide a setup in which students can be active (speaking) participants even when remote.

Students should communicate anticipated absences for illness or other reasons to me by email by the evening prior to class.

ACCOMMODATIONS

STUDENTS WITH DISABILITIES

Under the Americans with Disabilities Act (ADA) and the Rehabilitation Act of 1973, individuals with disabilities have the right to specific accommodations that do not fundamentally alter the nature of the course. Some accommodations might include note takers, books on tape, extended time on assignments, and interpreter services among others. Students are responsible for communicating their needs to the Academic Resource Center, the office that oversees disability support services, (202-687-8354; arc@georgetown.edu; <https://academicsupport.georgetown.edu/disability/>) before the start of classes to allow time to review the documentation and make recommendations for appropriate accommodations. The University is not responsible for making special accommodations for students who have not declared their disabilities and have not requested an accommodation in a timely manner. Also, the University need not modify course or degree requirements considered to be an essential requirement of the program of instruction. For the most current and up-to-date policy information, please refer to the [Georgetown University Academic Resource Center website](#). Students are highly encouraged to discuss the documentation and accommodation process with an Academic Resource Center administrator.

ACCESSIBILITY AND INCLUSION

One of the central tenets of Georgetown’s educational mission is *cura personalis*, a Latin phrase meaning “care of the whole person.” Georgetown is committed to showing care and concern for each student by creating an inclusive and accessible learning environment that follows universal design principles to meet the needs of its diverse student body.

I am committed to creating a learning environment for my students that supports a diversity of thoughts, perspectives and experiences, and honors your identities (including race, gender, class, sexuality, religion, ability, etc.). If your name or pronoun needs to be corrected, please let me know early in the semester so that I can make the appropriate changes to my records.

ACADEMIC INTEGRITY

Students at Georgetown University are expected to maintain the highest standards of academic and personal integrity. Although most Georgetown students conduct themselves in accordance with these standards, occasionally, there are students who violate the code of conduct. Cheating harms the University community in many ways. For example, honest students are frustrated by the unfairness of cheating that goes undetected and students who cheat can skew the grading curve in a class, resulting in lower grades for students who worked hard and did their own work.

Academic dishonesty in any form is a serious offense, and students found in violation are subject to academic penalties that include, but are not limited to failure of the course, termination from the program, and revocation of degrees already conferred. All students are expected to fully adhere to the policies and procedures of Georgetown's Honor System and to take the Honor Code Pledge:

HONOR CODE PLEDGE

In pursuit of the high ideals and rigorous standards of academic life I commit myself to respect and to uphold the Georgetown University honor system:

- To be honest in every academic endeavor, and
- To conduct myself honorably, as a responsible member of the Georgetown community as we live and work together.

PLAGIARISM

Stealing someone else's work is a terminal offense in the workplace, and it will wreck your career in academia, too. Students are expected to work with integrity and honesty in all their assignments. The Georgetown University Honor System defines plagiarism as "the act of passing off as one's own the ideas or writings of another." More guidance is available through the [Gervase Programs](#). If you have any doubts about plagiarism, paraphrasing, and the need to credit, check out [Plagiarism.org](#).

All submissions must be your original work. Any submission suspected of plagiarism will be immediately referred to the Honor Council for investigation and possible adjudication. All students are expected to follow Georgetown's honor code unconditionally. If you have not done so, please read the honor code material located online at the [Honor Council website](#).

SUPPORT SERVICES

Georgetown recognizes that COVID-19 has a significant impact on everyone in the Georgetown community. Georgetown offers a variety of support services for students that can be accessed online and has put together [this newsletter](#) which aims to provide you with information about well-being resources and virtual meetings that can connect you with mental health professionals on and off campus during this time. Below are some resources available to you:

- Academic Resource Center 202-687-8354 — arc@georgetown.edu
- Counseling and Psychiatric Services 202-687-6985
- Institutional Diversity, Equity & Affirmative Action (IDEAA) (202) 687-4798

TITLE IX/SEXUAL MISCONDUCT

Georgetown University and its faculty are committed to supporting survivors and those impacted by sexual misconduct, which includes sexual assault, sexual harassment, relationship violence, and stalking. Georgetown requires faculty members, unless otherwise designated as confidential, to report all disclosures of sexual misconduct to the University Title IX Coordinator or a Deputy Title IX Coordinator. If you disclose an incident of sexual misconduct to a professor in or outside of the classroom (with the exception of disclosures in papers), that faculty member must report the incident to the Title IX Coordinator, or Deputy Title IX Coordinator. The coordinator, will, in turn, reach out to the student to provide support, resources, and the option to meet. [Please note that the student is not required to meet with the Title IX coordinator.].

Please note that University policy requires faculty to report any disclosures about sexual misconduct to the Title IX Coordinator, whose role is to coordinate the University's response to sexual misconduct. Georgetown has a number of fully confidential professional resources who can provide support and assistance to survivors of sexual assault and other forms of sexual misconduct. These resources include:

- Jen Schweer, MA, LPC, Associate Director of Health Education Services for Sexual Assault Response and Prevention. Phone (202) 687-0323, email jls242@georgetown.edu
- Erica Shirley, Trauma Specialist, Counseling and Psychiatric Services (CAPS). Phone: (202) 687-6985; email: els54@georgetown.edu

More information about reporting options and resources can be found on the [Sexual Misconduct Website](#).

TITLE IX/PREGNANCY AND PARENTING ACCOMMODATIONS

Georgetown University is committed to creating an accessible and inclusive environment for pregnant and parenting students. Students may request adjustments based on general pregnancy needs

or accommodations based on a pregnancy-related complication. Specific adjustments will be handled on a case by case basis and will depend on medical needs and academic requirements. Students seeking a pregnancy adjustment or accommodation should follow the process laid out on the [Title IX website](#).

Discrimination based on sex, including sexual misconduct and discrimination based on pregnancy or parenting status, subverts the University's mission and threatens permanent damage to the educational experience, careers, and well-being of students, faculty, and staff.

GEORGETOWN LIBRARY

If you have a question for a librarian you can go to their "Ask Us" page where you will have the option to chat online, send an email, or schedule a Zoom appointment to discuss a research topic, develop a search strategy, or examine resources for projects and papers. Librarians offer an overview of and in-depth assistance with important resources for senior or master's theses, dissertations, papers and other types of research. This service is available to currently enrolled students who need assistance with Georgetown-assigned projects and papers. Please review the [Services & Resources Guide for Online Students](#) for additional information.

eRESOURCES

Students enrolled in courses have access to the University Library System's eResources, including 500+ research databases, 1.5+ million ebooks, and thousands of periodicals and other multimedia files (films, webinars, music, and images). You can access these resources through the [Library's Homepage](#) by using your NetID and password.

LEARNING RESOURCES

Georgetown offers a host of learning resources to its students. Two that you might find particularly helpful in this course are the [Writing Center](#) and [Refworks](#).

- The [Writing Center](#) offers peer tutoring by trained graduate and undergraduate students who can assist you at any point in the writing process. They help at any stage of your writing process, from brainstorming to revision. Tutors can offer advice on thesis development, use of evidence, organization, flow, sentence structure, grammar, and more. The Writing Center will not proofread or edit papers; rather, they will help to improve your proofreading and editing skills to become a better writer. Appointments can be booked online through their website.
- [Refworks](#) is an online research management tool that aids in organizing, storing, and presenting citation sources for papers and projects.

TECHNICAL SUPPORT

All students have 24/7 access to Canvas technical support 24 hours a day, 7 days a week, including live chat and a support hotline at 855-338-2770. Use the 'Help' icon in the lower left of your Canvas window to view all available support and feedback options. If you're looking for help on a specific feature, check out the [Canvas Student Guide](#).