

## **Public Policy 35550: Economic Development and Policy**

Instructor: Professor Eduardo Montero ([emontero@uchicago.edu](mailto:emontero@uchicago.edu))  
Class meeting time: Tu/Th, 2:00 – 3:20 p.m.  
Class meeting room: Keller 0021  
Office hours: Fri, 2:30 – 4:30 p.m., sign-up via [calendry](#) (email for other times)  
Teaching Assistants: Shiyao Cao ([shiyao@uchicago.edu](mailto:shiyao@uchicago.edu))

---

### **Course Description**

What accounts for the vast disparities in income levels and economic growth across the world? What are the most important drivers of economic growth, and what policies have the greatest potential for reducing poverty and raising human well-being in the developing world? This course covers the following topics: the broad patterns of development across the world; economic growth; long-run determinants of development (geography, institutions, and culture); corruption; market failures; development research and policy-making; structural transformation; market reforms and industrial policy; poverty traps; infrastructure; migration and remittances; education; health; coping with risk; global science and technology; and foreign aid.

### **Course Objectives**

This course has three main objectives. First, we will learn to think critically about the meaning of economic development and the leading ideas for why some countries have developed more than others. We will distinguish between long-run development forces and short-run market failures. My goal is that students leave the course with a rich understanding of these two forces and how they determine modern policy-making approaches to development. Second, we will discuss how we can identify and produce high-quality quantitative research on development topics. We will discuss the assumptions behind different empirical approaches common in development economics and learn about their key strengths and weaknesses to better understand empirical evidence in development economics. Third, we will debate these ideas and think about how to continue to expand on these ideas. We will cover research on the frontier of development economics and think critically about its implications and shortcomings. We will take advantage of the wealth of different perspectives and backgrounds in our course and learn from each other. Ultimately, my goal is that you all become fluent in critically assessing development policies, identifying specific market failures in various settings, and develop your own ideas and critiques for how we can continue to improve development economics.

### **Prerequisites**

Previous or concurrent coursework in 1) microeconomics and 2) statistics or econometrics. In particular, students should be able to understand and interpret basic regression analyses.

### **Relationship to Other Programs**

This course counts for the International Policy and Development (IDP) specialization.

### **How This Class Will Work**

This is a reading intensive, discussion-based course. You should keep up to date with the readings posted on Canvas and participate in class. You may find it helpful to form study groups to cover the class

readings in advance of classes. On the reading list, required readings are indicated with stars (\*\* is highest priority, \* next priority). Optional readings have no stars and are included for those of you with further interest in the topic.

Each of the following components of the class accounts for a share of your class grade:

Comments on readings and class participation	30%
Midterm exam	20%
Final assignment and presentation	25%
Final exam	25%

Comments on readings and class participation. For each class meeting, you are expected to read the double-starred (\*\*) papers in detail (in particular: the paper introduction, conclusion, and tables and figures). Please also skim the one-starred (\*) papers if you are interested in the topic. Other papers may be discussed briefly in class but are included on the reading list mainly for those of you interested in pursuing the given topic further. We expect to see the following:

- 1) Short reading response/discussion memo (comments and questions) on only the two-starred papers.
- 2) Contribute to class discussion in the full class session and/or in small groups discussions.

Please make your reading responses prior to 1:00 p.m. on the day of the class, which is when we will begin reviewing them.

Midterm examination covering class readings and discussion. The exam will take place in class on Thursday April 11<sup>th</sup> and take approximately 1 hour and 20 minutes. There will be no exceptions to the exam date and time.

Final presentation on a development innovation (for details, see the assignment description on Canvas). Your exact presentation date will depend on your topic (see class schedule on Canvas). Please also submit your presentation file by 1:00 p.m. (before class) on the date of your presentation.

Final examination covering class readings and discussion. The exam will take approximately 1 hour and 30 minutes. The final exam will take place on the assigned final exam date set by the Harris registrar. There will be no exceptions to the final exam date and time.

### **Requests for Grade Changes**

Any requests for grade changes must be submitted in writing (via email to the instructor). Your request must provide a detailed rationale behind your request for a re-evaluation of the grade.

### **Course Materials**

*Recommended texts (not required for purchase)*

Easterly, William, *The Elusive Quest for Growth*. MIT Press, 2001.

Acemoglu, Daron, and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. Crown Currency, 2012.

Banerjee, Abhijit and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. Public Affairs, 2011.

*Access to readings*

All two-starred (required readings for a short reading response) are on Canvas. For one-starred or optional readings, we have sometimes included web addresses on the reading list below and/or included them on Canvas. For some articles, a policy-oriented summary in the form of a “JPAL brief” is available, and we have provided a link to that resource (and sometimes uploaded the PDF to Canvas).

Some one-starred readings are in the two recommended texts, *Poor Economics* and *Portfolios of the Poor*. Other one-starred readings are chapters from Easterly (2001) and Sachs (2005), and PDFs of these are on Canvas.

**Schedule:**

<u>Class</u>	<u>Day</u>	<u>Date</u>	<u>Class Topic (Preliminary)</u>
1	T	25-Mar	Introduction & History and Distribution of Development
2	Th	27-Mar	Economic Growth & Long-Run Determinants of Development
3	T	1-Apr	Corruption and Reforming Institutions
4	Th	3-Apr	Market Failures
5	T	8-Apr	Development Research and Policy-Making
6	Th	10-Apr	Education
7	T	15-Apr	Health
8	Th	17-Apr	Infrastructure
9	T	22-Apr	Migration
10	Th	24-Apr	<i>Midterm Exam</i>
11	T	29-Apr	Structural Transformation Out of Agriculture
12	Th	1-May	Market Reforms and Industrial Policy
13	T	6-May	Credit, Savings, and Risk
14	Th	8-May	Foreign Aid & Advance Market Commitments
15	T	13-May	<i>Presentations</i>
16	Th	15-May	<i>Presentations</i>
17	T	20-May	<i>Presentations</i>
18	Th	22-May	<i>Presentations</i>
	TBD	TBD	<i>Final Exam</i>

**Reading List**

**Introduction & History and Distribution of Development**

Milanovic, Branko, “Global Income Inequality in Numbers: In History and Now,” *Global Policy*, Vol. 4, No. 2, May 2013.

Lakner, Christoph and Branko Milanovic, “Global Income Distribution: From the Fall of the Berlin Wall to the Great Recession,” *World Bank Economic Review*, January 2016, pp. 203-232.

Angus Maddison, *The World Economy: A Millennial Perspective*, OECD Development Centre Studies, 2001, ch. 1-2 and appendix A.

Amartya Sen, "The Concept of Development," in Chenery and Srinivasan, eds., *Handbook of Development Economics*, Vol. 1, Elsevier Science Publishers, 1988.

Kaushik Basu, "On the Goals of Development," in G.M. Meier and J.E. Stiglitz (2001), *Frontiers of development economics : the future in perspective*, p. 61-102 (including comments by Paul Streeten and Michael Lipton).

## **Economic Growth & Long-Run Determinants of Development**

\*\*Easterly, *The Elusive Quest for Growth*, Ch. 2-3

\*\*Acemoglu, Johnson, and James A. Robinson, "Institutions as a Fundamental Cause of Long-Run Growth," Chapter 6 of *Handbook of Economic Growth*, eds. Philippe Aghion and Steven Durlauf, Elsevier, 2005, pp. 385-472. (Focus on sections 1-4, up to p. 421.)

\*Bloom, David and Jeffrey Sachs, "Geography, Demography, and Economic Growth in Africa," *Brookings Papers on Economic Activity*, 2, 1998. (Focus on the following sections: 1. Introduction and "Geography and Economic Development in Africa" section, pp. 207-240. 2. "Overcoming Africa's Structural Barriers to Growth" and "Conclusion", pp. 263-273.)

\*Acemoglu, Daron, Simon Johnson, and James A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *The American Economic Review*, Vol. 91, No. 5, Dec. 2001, pp. 1369-1401.

\*Acemoglu, Daron, Simon Johnson, and James A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution," *Quarterly Journal of Economics*, Vol. 117, No. 4, November 2002, pp. 1231-1294.

\*Pritchett, Lant, "Divergence, Big Time," *Journal of Economic Perspectives*, Summer 1997.

\*Johnson, Paul and Chris Papageorgiou, "What Remains of Cross-Country Convergence?" *Journal of Economic Literature*, 58(1), 2020, pages 1-18.

Smith, Noah, "[What the Solow Model Can Teach Us About China](#)," 2023

Ray, Debraj, *Development Economics*, Princeton University Press, 1998. Ch. 3, "Economic Growth".

Sachs, *The End of Poverty*, Ch. 3

Diamond, Jared, *Guns, Germs, and Steel*, Prologue, Ch. 1, Ch. 4-10.

Kennedy, Paul, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000*. Fontana Press: London, 1987. "The European Miracle", Ch. 1, pp. 20-38 (page numbers may vary).

Landes, David S., "Why Europe and the West? Why not China?" *Journal of Economic Perspectives*, Vol. 20, No. 2, Spring 2006, pp. 3-22.

Nunn, Nathan (2008), "The Long Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics*, Vol. 123, No. 1, February, pp. 139-176.

### **Corruption & Reforming Institutions**

\*\*Olken, Benjamin, "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy* 115 (2), pp. 200-249, April 2007.

[JPAL summary](#)

\*Rodrik, Dani, "Institutions for High-Quality Growth," Ch. 5 in *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*, Princeton University Press, 2007, pp. 153-168.

\*Yang, Dean, "Integrity for Hire: An Analysis of a Widespread Program for Combating Customs Corruption," *Journal of Law and Economics*, Vol. 51, No. 1, February 2008, pp. 25-57.

Banerjee and Duflo, *Poor Economics*, Ch. 10.

Ferraz, Claudio and Frederico Finan, "Exposing Corrupt Politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes." *Quarterly Journal of Economics*, 2008, 123(2): 703-745.

[JPAL brief version](#)

Klitgaard, Robert, *Controlling Corruption*, Berkeley: University of California Press, 1988.

Muralidharan, Karthik, Paul Niehaus, and Sandip Sukhtankar, "Building State Capacity: Evidence from Biometric Smartcards in India", *American Economic Review*, 106(10), October 2015.

Yang, Dean, "Can Enforcement Backfire? Crime Displacement in the Context of Customs Reform in the Philippines," *Review of Economics and Statistics*, Vol. 90, No. 1, February 2008, pp. 1-14.

### **Market Failures**

\*\*Banerjee, A., Duflo, E. (2007). "The Economic Lives of the Poor." *The Journal of Economic Perspectives*, 21(1), pp. 141-167.

\*Collins, Morduch, Rutherford, and Ruthven, *Portfolios of the Poor*, Chapters 1.

\*Kraay, Aart and David McKenzie, "Do Poverty Traps Exist? Assessing the Evidence," *Journal of Economic Perspectives*, Vol. 28, No. 3, Summer 2014, pp. 127-148.

\*Banerjee, A., N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry, "A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries," *Science*, May 2015, 348 (6236).

[JPAL summary](#)

\*De Mel, Suresh, David McKenzie, and Christopher Woodruff (2012), "One-Time Transfers of Cash or Capital Have Long-Lasting Effects on Microenterprises in Sri Lanka," *Science* 335, 962.

[World Bank Impact Note](#)

\*Haushofer, J., & Shapiro, J. (2016). The Short-Term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya. *Quarterly Journal of Economics*, 131(4), 1973–2042.

\*Banerjee, Abhijit, E. Breza, E. Duflo, C. Kinnan, “Can Microfinance Unlock a Poverty Trap for Some Entrepreneurs?” NBER Working Paper 26346, October 2019.

[NBER Digest Summary](#)

\*Banerjee, Abhijit, Dean Karlan, Robert Darko Osei, Hannah Trachtman, and Christopher Udry, “Unpacking a Multi-Faceted Program to Build Sustainable Income for the Very Poor,” NBER Working Paper No. 24271, April 2020.

[IPA Summary](#)

## **Development Research and Policy-making**

\*\*Banerjee, Abhijit and Esther Duflo, “The Experimental Approach to Development Economics,” *Annual Review of Economics*, Vol. 1, 2009, pp. 151-178.

\*\*Nunn, Nathan, “Rethinking Economic Development,” *Canadian Journal of Economics*, 19, 2019, pp. 1-25.

\*Deaton, Angus, “Randomization in the Tropics Revised: A Theme and Eleven Variations,” NBER Working Paper 27600, July 2020.

\*Yang, Dean, “Making Research Relevant: Integrating Development Economics with Policy-Making,” Keynote Address at University of Sydney Development Economics Conference, 2016.

## **Education**

\*\*Banerjee, Abhijit, Rukmini Banerji, James Berry, Esther Duflo, Harini Kannan, Shobhini Mukerji, Marc Shotland, and Michael Walton, “From Proof of Concept to Scalable Policies: Challenges and Solutions, with an Application,” *Journal of Economic Perspectives*, 31 (4), 2017, pp. 73–102.

\*\*Kremer, Michael, Edward Miguel, and Rebecca Thornton. “Incentives to Learn,” *Review of Economics and Statistics*, 91 (3):437-456. 2009.

[JPAL Evaluation Summary](#)

\*Abdul Latif Jameel Poverty Action Lab (J-PAL). 2018. "Increasing enrollment and attendance by making education benefits salient and changing perceptions." *J-PAL Policy Insights*. Last modified April 2018. <https://doi.org/10.31485/pi.2263.2018>

\*Abdul Latif Jameel Poverty Action Lab (J-PAL). 2019. "Tailoring instruction to students' learning levels to increase learning." *J-PAL Policy Insights*. Last modified January 2019. <https://doi.org/10.31485/pi.2522.2019>.

\*Banerjee and Duflo, *Poor Economics*, Ch. 4.

\*Duflo, Esther, Rema Hanna, and Stephen Ryan, “Incentives Work: Getting Teachers to Come to School,” *American Economic Review*, 102(4), 2012, 1241-78.

[JPAL brief version](#)

\*Fiszbein, Ariel and Norbert Schady, *Conditional Cash Transfers: Reducing Present and Future Poverty*, World Bank, Washington DC, 2009.

\*Jensen, Robert, "The (Perceived) Returns to Education and the Demand for Schooling," *Quarterly Journal of Economics*, 2010, 125(2), p. 515-548.

[JPAL Evaluation Summary](#)

\*J-PAL Brief, "Showing Up is the First Step," *Abdul Lateef Jameel Poverty Action Lab*, MIT, Summer 2009. [Available online](#).

Angrist, Joshua, Eric Bettinger, Erik Bloom, Elizabeth King, and Michael Kremer, "Vouchers for Private Schooling in Colombia: Evidence from a Randomized Natural Experiment," *American Economic Review*, Vol. 92, no. 5, December 2002, pp. 1535-1558.

Banerjee, Abhijit, Shawn Cole, Esther Duflo, and Leigh Linden, "Remedying Education: Evidence from Two Randomized Experiments in India," *Quarterly Journal of Economics*, 122(3), 2007, pp. 1235-1264.

JPAL brief version:

[http://www.povertyactionlab.org/sites/default/files/publications/26\\_Policy\\_Briefcase\\_2.pdf](http://www.povertyactionlab.org/sites/default/files/publications/26_Policy_Briefcase_2.pdf)

Glewwe, Paul, Michael Kremer, Sylvie Moulin and Eric Zitzewitz, "Retrospective vs. Prospective Analyses of School Inputs: The Case of Flip Charts in Kenya," *Journal of Development Economics* 74(1), June 2004, pp. 251-268.

Kremer, Michael, "Improving School Quality in Developing Countries," in Anne O. Krueger, ed., *Economic Policy Reform: The Second Stage*, University of Chicago Press: Chicago, 2000.

## Health

\*\* Kremer, Michael and Edward Miguel, "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, Vol. 72, No. 1, 2004, pp. 159-217.

[JPAL brief version](#)

\*\*Bjorkman-Nykqvist, M., A. Guariso, J. Svensson, and D. Yanagizawa-Drott, "Reducing Child Mortality in the Last Mile: Experimental Evidence on Community Health Promoters in Uganda," *American Economic Journal: Applied*, 2019 (forthcoming).

[JPAL Brief version](#)

\*Banerjee and Duflo, *Poor Economics*, Ch. 2, 3 and 5.

\*J-PAL Policy Bulletin. 2018. "Reducing Pregnancy Among Adolescents" Cambridge, MA: Abdul Latif Jameel Poverty Action Lab.

\*Abdul Latif Jameel Poverty Action Lab (J-PAL). 2018. "The impact of price on take-up and use of preventive health products." *J-PAL Policy Insights*. Last modified May 2018.

<https://doi.org/10.31485/pi.2270.2018>

\*Bleakley, Hoyt, "Malaria Eradication in the Americas: A Retrospective Analysis of Childhood Exposure," *American Economic Journal: Applied Economics*, 2(2), April, 1-45.

\* Filmer, Deon, Jeffrey Hammer, and Lant Pritchett, "Weak Links in the Chain: A Diagnosis of Health Policy in Poor Countries," *World Bank Research Observer*, 15(2), August 2000, pp. 199-224.

\*Maccini, Sharon and Dean Yang, "Under the Weather: Health, Schooling, and Socioeconomic Consequences of Early-Life Rainfall," *American Economic Review*, Vol. 99, No. 3, June 2009, pp. 1006-1026.

Banerjee, Abhijit V., Esther Duflo, Rachel Glennerster, and Dhruva Kothari, "Improving Immunisation Coverage in Rural India: A Clustered Randomised Controlled Evaluation of Immunisation Campaigns with and without Incentives." *British Medical Journal*, 2010, Vol. 340: c2220.

[JPAL brief version](#)

## **Infrastructure**

\*\*Duflo, Esther and Rohini Pande, "Dams," *Quarterly Journal of Economics*, Vol. 122, No. 2, 2007, pp. 601-646.

\*\*Hjort, Jonas and Jonas Poulsen, "The Arrival of Fast Internet and Employment in Africa," *American Economic Review*, vol. 109, no. 3, 1032-1079, March 2019.

[NBER Digest summary \(p. 3\)](#)

\*Asher, Sam and Paul Novosad, "Rural Roads and Local Economic Development," *American Economic Review*, 110(3), 2020, pp. 797-823.

\*Donaldson, David, "Railroads of the Raj: Estimating the Impact of Transportation Infrastructure," *American Economic Review*, 108, 2018, pp. 899-934.

\*Jensen, Robert, "The Digital Divide: Information (Technology), Market Performance, and Welfare in the South Indian Fisheries Sector," *Quarterly Journal of Economics*, Vol. 122, No. 3, 2007, pp. 879-924.

Banerjee, Abhijit, Esther Duflo and Nancy Qian, "On the Road: Access to Transportation Infrastructure and Economic Growth in China," NBER Working Paper 17897, March 2012.

Faber, Benjamin, "Trade Integration, Market Size, and Industrialization: Evidence from China's National Trunk Highway System," *Review of Economic Studies*, 81(3), 2014, 1046-70.

Ghani, Ejaz, Arti Goswami and William Kerr, "Highway to Success in India: The Impact of the Golden Quadrilateral Project for the Location and Performance of Manufacturing," *Economic Journal*, 126(591), 2014, 317-357.

Khanna, Gaurav, "The Road Not Taken: The Route to Spatial Development," working paper, UC San Diego, 2019.

## **Migration**

\*\*Clemens, Michael and Timothy Ogden, "Migration and Household Finances: How a Different Framing Can Improve Thinking about Migration," *Development Policy Review*, 38(1), Jan 2020, pp. 3-27.

\*\*Yang, Dean, "Migrant Remittances," *Journal of Economic Perspectives*, Vol. 25, No. 3, Summer 2011, pp. 129-152.

\*Clemens, Michael, "Economics and Emigration: Trillion Dollar Bills on the Sidewalk?" *Journal of Economic Perspectives*, Vol. 25, No. 3, Summer 2011, pp. 83-106.



\*Ashraf, Nava, Diego Aycinena, Claudia Martinez A., and Dean Yang, “Savings in Transnational Households: A Field Experiment among Migrants from El Salvador,” *Review of Economics and Statistics*, Vol. 97, No. 2, May 2015, pp. 332-351.

\*Barsbai, Toman, Victoria Licuanan, Andreas Steinmayr, Erwin Tiongson, and Dean Yang, “Information and the Acquisition of Social Network Connections,” working paper, 2020.

\*De Arcangelis, Giuseppe, Majlinda Joxhe, David McKenzie, Erwin Tiongson, and Dean Yang, “Directing Remittances to Education with Soft and Hard Commitments: Evidence from a Lab-in-the-field Experiment and New Product Take-up among Filipino Migrants in Rome,” *Journal of Economic Behavior and Organization*, Vol. 111, March 2015, pp. 197-208.

[World Bank Impact Note](#)

\*Gibson, John and David McKenzie, “The Development Impact of a Best Practice Seasonal Worker Policy,” *Review of Economics and Statistics*, 96 (2), 2014, pp. 229-243.

[World Bank Impact Note](#)

\*Khanna, Gaurav, Caroline Theoharides, and Dean Yang, “Abundance from Abroad: Migrant Income and Long-Run Economic Development,” working paper, 2022.

\*Mahajan, Parag and Dean Yang, “Taken by Storm: Hurricanes, Migrant Networks, and U.S. Immigration,” *American Economic Journal: Applied Economics*, 12(2), 2020, pp. 250-277.

\*Milanovic, Branko, “Global Inequality of Opportunity: How Much of Our Income is Determined by Where we Live?” *Review of Economics and Statistics*, Vol. 97, No. 2, May 2015, pp. 452-460.

\*Rinehart-Smit, Kate, Camila Haux, Antonia Esser, Laura Munoz Perez, and Mia Thom, “Is There a Case for For-Purpose Remittances?” *CENFRI*, January 2020.

\*Shrestha, Slesh, “No Man Left Behind: Effects of Skilled Migration Prospects on Educational and Labor Outcomes of Non-Migrants,” *Economic Journal*, Vol 127, Issue 600, March 2017, pp. 495-521.

\*Yang, Dean, “International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants’ Exchange Rate Shocks,” *Economic Journal*, Vol. 118, April 2008, pp. 591-630.

[Blog post at Migration Information Source](#)

Ambler, Kate, Diego Aycinena, and Dean Yang, “Channeling Remittances to Education: A Field Experiment among Migrants from El Salvador,” *American Economic Journal: Applied Economics*, Vol. 7, No. 2, April 2015, pp. 207-232.

[Blog post at Impacto Development Impact Blog](#)

Beam, Emily, David McKenzie, and Dean Yang, “Unilateral Facilitation Does Not Raise International Labor Migration from the Philippines,” *Economic Development and Cultural Change*, Vol. 64, No. 2, January 2016.

Birdsall, Nancy, Dani Rodrik, and Arvind Subramanian, “How to Help Poor Countries,” *Foreign Affairs*, Vol. 84, Iss. 4, Jul/Aug 2005, p. 136.

Bryan, Gharad, S. Chowdhury and A. M. Mobarak, “Under-Investment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh,” *Econometrica*, 82(5), 2014, pp. 1671-1748.

Clemens, Michael A., Claudio E. Montenegro, and Lant Pritchett, "The Place Premium: Bounding the Price Equivalent of Migration Barriers," *Review of Economics and Statistics*, 101(2), 2019, 201-213.

Clemens, Michael and Erwin Tiongson, "Split Decisions: Family Finance when a Policy Discontinuity Allocates Overseas Work," *Review of Economics and Statistics*, 99(3), 2017.

Gibson, John and David McKenzie, "Eight Questions About Brain Drain," *Journal of Economic Perspectives*, Vol. 25, No. 3, Summer 2011, pp. 107-28.

Hanson, Gordon, "The Economic Consequences of the International Migration of Labor," *Annual Review of Economics*, Vol. 1, 2009, pp. 179-208.

Kinnan, Cynthia, Shing-Yi Wang and Yongxiang Wang, "Relaxing Migration Constraints for Rural Households," working paper, Northwestern U., 2015.

McKenzie, David, Caroline Theoharides, and Dean Yang, "Distortions in the International Migrant Labor Market: Evidence from Filipino Migration and Wage Responses to Destination Country Economic Shocks," *American Economic Journal: Applied Economics*, Vol. 6, No. 2, April 2014, pp. 49-75.

McKenzie, David and Dean Yang, "Evidence on Policies to Increase the Development Impacts of International Migration," *World Bank Research Observer*, Vol. 30, No. 2, August 2015, pp. 155-192.

Seshan, Ganesh, and Dean Yang, "Motivating Migrants: A Field Experiment on Financial Decision-Making in Transnational Households," *Journal of Development Economics*, Vol. 108, May 2014, pp. 119-127.

World Bank, *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*. Chapters 4 and 5.

World Bank, *Migration and Remittances Fact Book*. Online resource. (Skim the data on this website and look up information for regions and countries of interest to you.)

<http://go.worldbank.org/QGUCPJTOR0>

## **Structural Transformation Out of Agriculture**

\*\*Carter, Michael, Rachid Laajaj, and Dean Yang, "Subsidies and the African Green Revolution: Direct Effects and Social Network Spillovers of Randomized Input Subsidies in Mozambique," *American Economic Journal: Applied Economics*, 2021.

[VoxDev article](#)

\*\*Gollin, Douglas, Casper Hansen, and Asger Wingender, "Two Blades of Grass: Agricultural Innovation, Productivity, and Economic Growth," *Journal of Political Economy*, 2021.

[VoxDev article](#)

\*Attanasio, Orazio, Adriana Kugler, and Costas Meghir, "Subsidizing Vocational Training for Disadvantaged Youth in Colombia: Evidence from a Randomized Trial." *American Economic Journal: Applied Economics*, 3(3), 2011, pp. 188-220.

[JPAL brief version](#)

\*Asher, S, A Campion, D Gollin and P Novosad, "The Long-run Development Impacts of Agricultural Productivity Gains: Evidence from Irrigation Canals in India", *Working paper*, 2022.

[VoxDev article](#)

\*Baldwin, Richard and Rikard Forslid, "GloboTics and Development: When Manufacturing is Jobless and Services are Tradable," NBER Working Paper 26731, February 2020.

\*Bustos, Paula, Gabriel Garber, and Jacopo Ponticelli, "Capital Accumulation and Structural Transformation," *Quarterly Journal of Economics*, 2020, 135 (2), 1037–1094.

\*Duflo, Esther, Michael Kremer, and Jonathan Robinson, "Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya," *American Economic Review*, Vol. 101, October 2011, pp. 2350-2390.

[JPAL brief version](#)

\*Emerick, Kyle, Alain de Janvry, Elisabeth Sadoulet, and Manzoor Dar, "Technological Innovations, Downside Risk, and the Modernization of Agriculture," *American Economic Review* 106 (6), 2016, pp. 1537-61.

[JPAL brief version](#)

\*Jensen, Robert, "Do Labor Market Opportunities Affect Young Women's Work and Family Decisions? Experimental Evidence from India," *Quarterly Journal of Economics*, 127(2), 2012, pp. 753-792.

[JPAL brief version](#)

Heath, Rachel and A. Mushfiq Mobarak, "Manufacturing Growth and the Lives of Bangladeshi Women," *Journal of Development Economics*, 115, 2015, pp. 1-15.

Oster, Emily and Bryce Millett Steinberg, "Do IT Service Centers Promote School Enrollment? Evidence from India," *Journal of Development Economics*, Vol. 104, 2013, pp. 123-135.

## **Market Reforms and Industrial Policy**

\*\*Agosin, Manuel R. et al., "Rethinking Productive Development: Sound Policies and Institutions for Economic Transformation (Synopsis)," *Development in the Americas (DIA) Series*, Inter-American Development Bank, 2014.

\*\*Easterly, William, "In Search of Reforms for Growth: New Stylized Facts on Policy and Growth Outcomes," NBER Working Paper 26318, September 2019.

\*Atkin, David, Amit Khandelwal, and Adam Osman, "Exporting and Firm Performance: Evidence from a Randomized Trial," *Quarterly Journal of Economics*, 132(2), 2017.

[JPAL brief version](#)

Lane, Nathan, "Manufacturing Revolutions: Industrial Policy and Industrialization in South Korea," working paper, 2019.

Mitrunen, Matti, "Structural Change and Intergenerational Mobility: Evidence from the Finnish War Reparations," working paper, 2020.

Park, Albert, Dean Yang, Xinzheng Shi, and Yuan Jiang, "Exporting and Firm Performance: Chinese Exporters and the Asian Financial Crisis," *Review of Economics and Statistics*, Vol. 92, No. 4, November 2010, pp. 822-842.

## VoxEU article

Liu, Ernest, “Industrial Policies in Production Networks,” *Quarterly Journal of Economics*, 2019.

Hausmann, Ricardo, Dani Rodrik, and Andres Velasco, “Growth Diagnostics”, in J. Stiglitz and N. Serra, eds., *The Washington Consensus Reconsidered: Towards a New Global Governance*, Oxford University Press, New York, 2008.

Rodrik, Dani, “Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank’s ‘Economic Growth in the 1990s: Learning from a Decade of Reform’,” *Journal of Economic Literature*, 44, December 2006, 973–87.

### **Credit, Savings and Risk**

(Note: The readings are groups by Credit, Savings and Risk separately below. There is one two-starred reading in each.)

#### ***Credit***

\*J-PAL Policy Bulletin, “Where Credit is Due,” Abdul Latif Jameel Poverty Action Lab, February 2015.

\*Banerjee and Duflo, *Poor Economics*, Ch. 7.

\*Collins, Morduch, Rutherford, and Ruthven, *Portfolios of the Poor*, Ch. 5.

\*Banerjee, Abhijit, Dean Karlan, and Jonathan Zinman, “Six Randomized Evaluations of Microcredit: Introduction and Further Steps,” *American Economic Journal: Applied Economics*, 7(1) 2015, pp. 1–21

\*Bauchet, Jonathan, Cristobal Marshall, Laura Starita, Jeanette Thomas, and Anna Yalouris, “Latest Findings from Randomized Evaluations of Microfinance,” *Access to Finance Forum*, No. 2, CGAP, December 2011. <http://www.povertyactionlab.org/publication/latest-findings-randomized-evaluations-microfinance>

\*Giné, Xavier, Jessica Goldberg, and Dean Yang, “Credit Market Consequences of Improved Personal Identification: Field Experimental Evidence from Malawi,” *American Economic Review*, Vol. 102, No. 6, October 2012, pp. 2923-2954.

[JPAL brief version](#)

\*Giné, Xavier and Dean Karlan, “Group versus Individual Liability: Short and Long Term Evidence from Philippine Microcredit Lending Groups,” *Journal of Development Economics*, Vol. 107, 2014, pp. 65-83.

Angelucci, Manuela, Dean Karlan, and Jonathan Zinman, “Microcredit Impacts: Evidence from a Randomized Microcredit Program Placement Experiment by Compartamos Banco,” *American Economic Journal: Applied Economics*, 7(1), 2015, pp. 151-82.

Armendariz, Beatriz and Jonathan Morduch, *The Economics of Microfinance*, Ch. 1, 2, and 4.

Banerjee, Abhijit, Esther Duflo, Cynthia Kinnan, and Rachel Glennerster, “The miracle of microfinance? Evidence from a randomized evaluation,” *American Economic Journal: Applied Economics*, 7(1), 2015, pp. 22-53.

de Mel, Suresh, David McKenzie, and Chris Woodruff, “Returns to Capital: Results from a Randomized Experiment,” *Quarterly Journal of Economics*, 123(4): 1329-72, 2008.

## **Savings**

\*\*J-PAL, "Facilitating savings among smallholder farmers to smooth or increase consumption." J-PAL Policy Insights. Last modified May 2019.

\*Banerjee and Duflo, *Poor Economics*, Ch. 8.

\*Collins, Morduch, Rutherford, and Ruthven, *Portfolios of the Poor*, Ch. 4.

\*Ashraf, Nava, Dean Karlan, and Wesley Yin, "Tying Odysseus to the Mast: Evidence from a Commitment Savings Product in the Philippines," *Quarterly Journal of Economics*, Vol. 121 No. 2, May 2006, pp. 635-672.

\*Brune, Lasse, Xavier Giné, Jessica Goldberg, and Dean Yang, "Facilitating Savings for Agriculture: Field Experimental Evidence from Malawi," *Economic Development and Cultural Change*, Vol. 64, No. 2, January 2016, pp. 187-220.

\*Dupas, Pascaline and Jonathan Robinson, "Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya," *American Economic Journal: Applied Economics*, 5 (1), 2013, pp. 163-192.

[JPAL Evaluation Summary](#)

Armendariz and Morduch, *The Economics of Microfinance*, Ch. 6 (sections 6.1-6.5, 6.8).

Rutherford, Stuart, *The Poor and Their Money*. Oxford University Press, New Delhi, 2000.

## **Coping with Risk**

\*\*J-PAL, CEGA, and ATAI Policy Bulletin, "Make it Rain." Cambridge, MA: Abdul Latif Jameel Poverty Action Lab, Center for Effective Global Action, and Agricultural Technology Adoption Initiative, 2016.

\*Jack, William and Tavneet Suri, "Risk Sharing and Transaction Costs: Evidence from Kenya's Mobile Money Revolution," *American Economic Review*, 104 (1), 2014, pp. 183-223.

\*Banerjee and Duflo, *Poor Economics*, Ch. 6.

\*Cole, Shawn, Xavier Giné, Jeremy Tobacman, Petia Topalova, Robert Townsend, and James Vickery, "Barriers to Household Risk Management: Evidence from India," *American Economic Journal: Applied Economics*, 5(1), 2013, pp. 104-35.

\*Collins, Morduch, Rutherford, and Ruthven, *Portfolios of the Poor*, Ch. 3.

\*IPA (2019), "Building Resilience through Financial Inclusion: A Review of Evidence and Knowledge Gaps," Financial Inclusion Program, Innovations for Poverty Action, January.

\*Karlan, Dean, Robert Osei, Isaac Osei-Akoto, and Christopher Udry, "Agricultural Decisions after Relaxing Credit and Risk Constraints," *Quarterly Journal of Economics*, 129(2), 2014, pp. 597–652.

\*Yang, Dean and HwaJung Choi, "Are Remittances Insurance? Evidence from Rainfall Shocks in the Philippines," *World Bank Economic Review*, Vol. 21 (2), May 2007, pp. 219-248.

Armendariz and Morduch, *The Economics of Microfinance*, Ch. 6 (sections 6.6-6.7).

Blumenstock, Joshua, “Airtime transfers and mobile communications: Evidence in the aftermath of natural disasters,” *Journal of Development Economics*, Vol. 120, 2016, pp. 157-181.

Giné, Xavier and Dean Yang, “Insurance, Credit, and Technology Adoption: Field Experimental Evidence from Malawi,” *Journal of Development Economics*, Vol. 89, 2009, pp 1-11.

Morduch, Jonathan, “Between the State and Market: Can Informal Insurance Patch the Safety Net?” *World Bank Research Observer*, 14(2), August 1999.

Yang, Dean “Coping with Disaster: The Impact of Hurricanes on International Financial Flows, 1970-2002,” *B.E. Journal of Economic Analysis and Policy*: Vol. 8, No. 1 (Advances), Article 13, 2008.

## **Foreign Aid & Advance Market Commitments**

### *Foreign Aid:*

\*\*Clemens, Michael and Michael Kremer, “The New Role for the World Bank,” *Journal of Economic Perspectives*, 30(1), 2016, pp. 53-76.

\*Deserranno, Erika, Aisha Nansamba, and Nancy Qian, “Aid Crowd-Out: The Effect of NGOs on Government-Provided Services,” working paper, February 2021.

\*Easterly, William, “The Big Push Déjà Vu: A Review of Jeffrey Sachs’s *The End of Poverty: Economic Possibilities for our Time*,” *Journal of Economic Literature*, Vol. XLIV, March 2006, pp. 96-105.

\*Banerjee and Duflo, *Poor Economics*, Ch. 1.

\*Olken, Benjamin, Junko Onishi, and Susan Wong, “Should Aid Reward Performance? Evidence from a Field Experiment on Health and Education in Indonesia.” *American Economic Journal: Applied Economics*, Vol. 6, No. 4, 2014, pp. 1-34.

[JPAL brief version](#)

Clemens, Michael, Steven Radelet, Rikhil Bhavnani, and Samuel Bazzi, “Counting Chickens When They Hatch: Timing and the Effects of Aid on Growth,” *Economic Journal*, 122, June 2011, pp. 590-617.

Easterly, *The White Man’s Burden*, Ch. 1-2.

Sachs, Jeffrey, *The End of Poverty*, Ch. 15.

### *Advance Market Commitments:*

\*\*Berndt, Ernst R., Rachel Glennerster, Michael Kremer, Jean Lee, Ruth Levin, Georg Weizsacker, and Heidi Williams, “Advance Market Commitments for Vaccines Against Neglected Diseases: Estimating Costs and Effectiveness,” *Health Economics*, 16, 2007, pp.491-511.

\*Ahuja, Amrita, Susan Athey, Arthur Baker, Eric Budish, Juan Camilo Castillo, Rachel Glennerster, Scott Duke Kominers, Michael Kremer, Jean Nahrae Lee, Canice Prendergast,

Christopher M. Snyder, Alex Tabarrok, Brandon Joel Tan, and Witold Wiecek, “Preparing for a Pandemic: Accelerating Vaccine Availability,” NBER Working Paper 28492, February 2021.

\*Kremer, Michael, Jonathan D. Levin, and Christopher M. Snyder, “Advance Market Commitments: Insights from Theory and Experience,” NBER Working Paper 26775, February 2020.

\*Ruth Levine, Michael Kremer, and Alice Albright, “Making Markets for Vaccines: Ideas to Action,” Center for Global Development, Advance Market Commitment Working Group, 2005.

\*Scherer, Lauri, “Price Guarantee Spurred Vaccine Development for Poor Nations,” *NBER Digest*, April 2020, p. 2-3.

\*Alliance for Case Studies for Global Health, “A Marriage of Divergent Interests: Partnership in the Making of the World’s First Advance Market Commitment,” *Case Studies for Global Health*, October 2009.

\*Sachs, Jeffrey, “Helping the World’s Poorest,” *The Economist*, Aug. 12, 1999.

### Resources Available to Students

- If you feel unwell during the semester, for whatever reason, know that you can definitely let the instructor know. I will be understanding and listen, respect your privacy and confidentiality, and direct you to resources where necessary.
- The University offers a comprehensive set of student support services, including [student health services](#). There are also counseling services available; details are posted at <https://wellness.uchicago.edu/mental-health/>. ***Students needing urgent mental health care can speak with clinicians over the phone 24/7 by calling the Therapist-on-Call at 773.702.3625.***
- Similarly, the Harris School itself provides both academic support services for students, described on [this page of the Harris website](#).

### Academic Integrity

All University of Chicago students are expected to uphold the highest standards of academic Integrity and honesty. Among other things, this means that students shall not represent another’s work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage.

- The University’s policies regarding academic integrity and dishonesty are described [here](#). It is worth explicitly stating the University’s approach here: “It is contrary to justice, academic integrity, and to the spirit of intellectual inquiry to submit another’s statements or ideas as one’s own work. To do so is plagiarism or cheating, offenses punishable under the University’s disciplinary system. Because these offenses undercut the distinctive moral and intellectual character of the University, we take them very seriously.”
- The Harris School’s student policies are available on the [policies page of their website](#).
  - The *Academic Honesty and Plagiarism* section expresses the main principles.
  - Detailed guidelines for more specialized student work (e.g., problem sets including computer code) are offered in the sub-section titled *Harris Integrity Policy for Problem Sets Involving Code*.
- Harris’s specific procedures for handling suspected violations of these policies are available in the section *Harris Procedures for Allegations of Plagiarism, Cheating, and Academic Dishonesty*.

## **Remote participation and recording**

This is an in-person class only. Under exceptional circumstances, we may approve transmitting the lecture on zoom for specific students only. By attending course sessions, students acknowledge that they will not: (i) record, share, or disseminate course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course. They will not share links course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights. Any violation of this policy will be referred to the Area Dean of Students.

## **Policy on Artificial Intelligence**

You are allowed to use AI LLM tools as you wish, but to encourage actual learning in a reading-based class, we highly encourage not to use AI for the reading responses; to de-incentivize it, there is a probability we will ask students in class to explain their memos. Students takes full responsibility for the accuracy of AI-generated content. The student should review and edit any generated content to avoid inaccuracies, biased outputs, or misinterpretations. Overreliance on AI content, without proper attribution, may lead to unintentional plagiarism, as LLM models have been accused of plagiarism. Students must exercise caution to ensure their contributions are appropriately credited. Overreliance on LLM models may limit the students' accumulation of skills and understanding of the material.

## **Disability Accommodations**

The University's policies regarding students with disabilities are available [here](#). The University of Chicago is committed to ensuring equitable access to our academic programs and services. Students with disabilities who have been approved for the use of academic accommodations by Student Disability Services (SDS) and need a reasonable accommodation(s) to participate fully in this course must follow the [procedures established by the Harris School of Public Policy](#). Timely notifications are required to ensure that your accommodations can be implemented.

Students who are facing extenuating circumstances at any point during the quarter should reach out to their Academic Advisor in the Dean of Students Office for support. If you feel you need accommodations on an ongoing basis, contact Student Disability Services. To contact SDS: website: [disabilities.uchicago.edu](https://disabilities.uchicago.edu) phone: (773) 702-6000 email: [disabilities@uchicago.edu](mailto:disabilities@uchicago.edu).

## **Student Engagement and Belonging**

The Harris School welcomes, values, and respects students, faculty, and staff from a wide range of backgrounds and experiences, and we believe that rigorous inquiry and effective public policy problem-solving requires the expression and understanding of diverse viewpoints, experiences, and traditions. The University and the Harris School have developed distinct but overlapping principles and guidelines to ensure that we remain a place where difficult issues are discussed with kindness and respect for all.

The University's policies are available [here](#). Specifically, the University identifies the [freedom of expression](#) as being “vital to our shared goal of the pursuit of knowledge, as is the right of all members of the community to explore new ideas and learn from one another. To preserve an environment of spirited and open debate, we should all have the opportunity to contribute to intellectual exchanges and participate fully in the life of the University.”



The Harris School's commitments to lively, principled, and respectful engagement are available [here](#):  
“The Harris School of Public Policy welcomes and respects students, faculty, and staff from a wide range of backgrounds, experiences, and perspectives as part of our commitment to building an inclusive community. *Fostering an environment that encourages rigorous inquiry and effective public policy problem-solving requires the involvement and understanding of diverse viewpoints, experiences, and traditions.* As a leading public policy school, Harris holds diversity as a core value. That includes not only diversity of opinion, but diversity along a broad spectrum of factors, including race, ethnicity, national origin, gender identity, sexual orientation, ability status, religion, socio-economic background, and social or political belief. Recognizing the value of diversity and inclusion is essential to combating discrimination, addressing disparities, and cultivating ethical and clear-eyed policy leadership.”