

Economics of international development

Fall 2019

PADM-GP 2203
NYU Wagner Graduate School of Public Service
New York University

Instructors

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Class time and location:

Section 1: Wednesday 4:55 pm - 6:35 pm, 60 5th Ave. Room 161

Recitation time and location:

Monday, 8:45-9:45pm, 25 W. 4th St. Room C13.

Office time

Morduch: Wednesdays 3-4 pm

Apltauer: By appointment

Course overview

How can the economies of the world become richer? Fairer? More open to opportunity?

We will investigate economic growth, poverty, inequality, and the sources of economic change. The course begins by reviewing the relationships between poverty, inequality, and economic growth. Attention then turns to the role of markets, with a focus on finance. Then we turn to interventions designed to improve education, address demographic change, reduce the burden of disease, and confront corruption.

Books

Abhijit Banerjee and Esther Duflo. 2011. *Poor Economics*. PublicAffairs.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. 2009. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Princeton University Press.

Beatriz Armendáriz and Jonathan Morduch. 2010. *The Economics of Microfinance*, 2nd edition. MIT Press.

Charles Wheelan. 2014. *Naked Statistics*. Norton.

Course Requirements

The course requirements are a mid-term examination, a final examination, and three problem sets. Grades will be calculated according to:

Class Participation	10% (Attending lecture and recitation/contributing thoughtfully)
Homework	20%
Mid-Term Exam	30%
Final Examination	40%

NYU Wagner Policies on Academic Honesty and Grading

We follow the NYU Wagner School general policy guidelines on academic honesty and grading (including incomplete grades).

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to us. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with us. ***Each student should become familiar with these policies.***

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify us in advance of religious holidays that might coincide with class assignments to schedule mutually acceptable alternatives.

Important NYU Wagner policies

Please see the NYU Wagner website for information on academic policies and procedures, including the academic code and grading:

1. [Academic Policies and Procedures](#)
2. [Academic Code](#)
3. [Grading](#)
4. [Incomplete Grades](#)

Late Policy

Extensions on assignments will be granted only in case of emergency or special circumstances. This policy is adopted out of respect to those who abide by deadlines despite equally demanding schedules. Assignments handed in late without authorized extensions will be penalized one-third of a grade per day.

Learning objectives

Students will be able to...

Synthesize complex concepts and evidence to understand the context and mechanisms of international development and poverty.

Understand how economic principles and tools can be used to craft better solutions for individuals and communities.

Assess the quality and reliability of evidence presented by proponents of interventions and policy, including statistical evidence.

Recitations will build skills, including comprehension of data analysis and statistics, and offer deeper exploration into issues and concepts raised during lectures.

Overview of the semester

1. 9/4: **Introduction to development economics. Development and inequality.**

Recitation 1. (deeper dive) Evaluating evidence and the RCT debate. 9/9

2. 9/11: **Poverty and economic growth**

Recitation 2. (deeper dive) How we measure poverty affects where we focus development efforts. What is poverty? How is it measured? 9/16

3. 9/18: **Foreign Aid**

Recitation 3. (deeper dive) Theories on economic growth underlie most development efforts since World War II. How did these theories shape past interventions and foreign aid strategies? Where do we stand today? 9/23

4. 9/25: **Responses to market failure: Informal markets and access to finance.**

Recitation 4. (skill building) Help with questions on problem set 1 (attendance optional) 9/30

5. 10/2: **Behavioral economics: Saving and asset-building *Problem set 1 due***

Recitation 5. (skill building) How to read an economics paper: Just what do all those numbers in the tables mean? 10/7

6. 10/9: **Responses to market failure: Microfinance** (Guest lecture: Tim Ogden)

Recitation 6. (deeper dive) Proof of concept? Among whom? **Tuesday** 10/15

7. 10/16: **Coping with risk: Micro-insurance**

Recitation 7. (skill building) Help with midterm preparation (optional) 10/21

10/23: **Mid-term exam (in class)**

No recitation this week

8. 10/30: **Government failure and corruption.**
Recitation 8. (skill building) Populations, context and generalizability. 11/4
9. 11/6: **Social business: band-aid or solution?**
Recitation 9. (deeper dive) Are social enterprises the tool to fill in gaps in service delivery left by markets and government. Are social enterprises a reliable choice in all settings, especially for essential services? We use delivery of education in Liberia as a case study of these questions. 11/11
10. 11/13: **Delivering education *Memo due ("problem set" 2)***
Recitation 10. (deeper dive) Tackling the Bridge question from a stakeholder perspective. 11/18
11. 11/20: **Gender and discrimination**
Recitation 11. (skill building) Help with questions on problem set 3 (attendance optional) 11/25
- 11/27: **No class** (Thanksgiving). [No recitation 12/2]
12. 12/4: **Population, the demographic transition, and norms. *Problem set 3 due.***
Recitation 12. (deeper dive) Can we identify impact without an experiment? The role of data triangulation and natural experiments in building evidence. 12/9
13. 12/11: **Delivering Healthcare. Retrospective and review**
Recitation 13. (skill building) Help with final preparation (attendance optional) 12/16
- 12/18: **Final exam (in class)**

Detailed syllabus for the semester

> *Recommended reading*

► **WATCH:** Recommended videos

PART I. Introduction to development and the big issues

How did we come to define the “development problem” the way we do? What drives economic growth? Does foreign aid work? Can global poverty be eradicated?

1. Introduction to development economics. Development and inequality.

The past few years have raised concerns with widening inequality – both within countries and globally. Inequalities matter in themselves, and they also tell us about how economies are evolving. We start with global inequalities and situate the course in that context. Development Economics is a relatively young field, arising just after World War II as many colonies gained independence from Europe. Since the early 1970s, a focus has been on extreme poverty, but progress in reducing extreme poverty and widening inequalities are re-shaping conversations.

Banerjee and Duflo, *Poor Economics*. Chapter 1, all.

Recommended:

► **Listen** to [Banerjee on poverty and poor people](#) (3:06 minutes):

>For more on the book, [extra materials and data](#)

► **Watch** [Thomas Piketty's TED Talk on increasing inequality](#)

► **Listen** to Branko Milanovic (Graduate Center, CUNY) on global inequality. [NPR Interview](#) (11:17 minutes)

► **Watch** [PBS Animated Overview on the History of Poverty](#) (52 minutes):
Useful perspectives, but the narration can be a bit much...

Recitation 1: (skill building) Intro. Evaluating evidence and the RCT debate

Carroll, Aaron E. 2018, August 6. "[Workplace Wellness Programs Don't Work Well. Why Some Studies Show Otherwise. Randomized controlled trials, despite their flaws, remain a powerful tool.](#)" *New York Times*, 6 August 2018.

Dreze, Jean. 2018. "[Evidence, policy, and politics.](#)" *Ideas for India*, 3 August 2018.

>Deaton, Angus and Nancy Cartwright. 2018. "Understanding and misunderstanding randomized controlled trials." *Social Science and Medicine* 210: 2-21.

2. Poverty and economic growth

To fully understand the relationship between economic growth and poverty, we need to be clearer about measurement. There is no "perfect" way to measure poverty and inequality, but there is consensus about key principles. The most appropriate method will often depend on the questions that we are asking, and different measures lead to very different policy implications.

The Economist: "The world has made great progress in eradicating extreme poverty. But the going will be much harder from now on." March 30, 2017.

Poverty and Economic Growth

Does economic growth come at the expense of the poor? How does economic growth affect poverty and inequality? How can patterns of inequality affect levels of growth?

David Dollar, Tatjana Kleineberg, and Aart Kraay. 2016. "Growth still is good for the poor." *European Economic Review* 81 (January): 68-85.

Poverty and well-being

Portfolios of the Poor yields quite different answers about what it means to be poor. Haushofer summarizes new work on poverty and psychology.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Chapter 1

>Johannes Haushofer. 2014. "The Price of Poverty: Psychology and the Cycle of Need," *Foreign Affairs*, July 15, 2014

>Martin Kirk, Jason Hickel, and Joe Brewer. 2015. "Using Design Thinking to Eradicate Poverty Creation." *Stanford Social Innovation Review* September.

Measuring poverty

The Economist. 2015. "The tricky work of measuring falling global Poverty." October 12, 2015.

Jonathan Morduch, "Concepts of Poverty," chapter 2 of *United Nations Handbook of Poverty Statistics* project. New York: United Nations.

Jonathan Morduch, "Poverty Measures," chapter 3 of *United Nations Handbook of Poverty Statistics* project. New York: United Nations.

>Oxford Poverty and Human Development Institute. *Global Multidimensional Poverty Index 2019: Illuminating inequalities*.

Recitation 2. (deeper dive) How we measure poverty affects where we focus development efforts. What is poverty? How is it measured?

Readings posted to Classes:

Amartya Sen. *Poverty & Famines*, pp 1-8

Amartya Sen. *Development as Freedom*, pp 85-93

Selections from *Voices of the poor*:

- *Can anyone hear us?* pp 184-188, starting with "Police Activities"; p 98 "Corruption"; pp 51-56 "Humiliation & Shame"
- *Crying out for change* p 27 "Self-Respect and Dignity"; p 189 "Respect"

Portfolios of the poor, pp: 205 to 210, with special attention to Figure A1.1.

Charles Kenny. "[Getting better in pictures.](#)" Center for Global Development Essays, February 2011.

>Amartya Sen. *Development as Freedom*, various readings (posted to Classes)

> Hickel, Jason & Charles Kenny. "[12 Things We Can Agree On about Poverty.](#)" Center for Global Development, 27 August 2018.

3. Foreign Aid

Why do some countries grow richer while others don't? Historically, patterns of economic growth have been driven by much more than just levels of investments and human resources. Recent evidence shows the roles of legal systems, political institutions, trade and tax policy, and geography, among other forces.

William Easterly, 2003. "Can Foreign Aid Buy Growth?" *Journal of Economic Perspectives* 17 (3), Summer: 23–4.

Michael Clemens, Steven Radelet, Rikhil Bhavani, and Samuel Bazzi. 2012. "Counting Chickens when they Hatch: Timing and the Effects of Aid on Growth." *Economic Journal* 122, June: 590–617.

Toro, Francisco. "[What if there was a miracle treatment for world poverty? It might already exist.](#)" *Washington Post*, August 19, 2019.

Tina Rosenberg. "Ideas Help No One on a Shelf. Take Them to the World." *New York Times*. February 29, 2016

The class website has additional readings on aid.

► **Watch** [Esther Duflo's TED Talk on foreign aid and evaluation](#):

Recitation 3. (deeper dive) Theories on economic growth underlie most development efforts since World War II. How did these theories shape past interventions and focus? How do those theories stand up to data and evidence? Where do theories stand today?

Sachs, Jeffrey *et al* (2004) "[Ending Africa's Poverty Trap](#)." Brookings Papers on Economic Activity, pp. 117-240, in particular pp. 123-128 and 144-147.

Banerjee & Duflo, *Poor Economics*, Chapter 1.

Economic growth models:

> Lewis, Arthur. "Economic Development with Unlimited Supplies of Labor." *The Manchester School* vol 22, no. 2 (1954), pp 139-181, especially pp 139-141; 146 paragraph 1; 157; 189-191.

> Solow, Robert M. "[A Contribution to the Theory of Economic Growth](#)." *Quarterly Journal of Economics* vol. 70, no. 1. (Feb 1956), pp. 65-94, especially pp 65-66, 70-72.

Income & nutrition thresholds:

> Banerjee & Duflo *Poor Economics*, pp 22-40

PART II. Households and markets

We focus on financial markets first. It gives a chance to explore the sources of market failure. Rather than stopping with diagnosis, we look at proposed solutions and how to evaluate them. The focus gives us an introduction to

- Market failure (moral hazard, adverse selection)
- Behavioral economics (present bias, commitment, salience)
- Risk and risk aversion
- Household decision-making
- Informal and formal institutions
- Impact evaluation and the use of randomized controlled trials
- Incentives, especially as they are shaped by contracts and prices

4. Responses to market failure: Informal finance and access to financial services

Lack of insurance is part of a broader lack of access to financial services. This section shows how informational problems limit the scope of credit markets and restrict the role that the price mechanism plays to ration demand. This provides a framework with which to reevaluate standard policy prescriptions.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*, Chapter 2.

Banerjee and Duflo, *Poor Economics*. Chapter 7.

Beatriz Armendáriz and Jonathan Morduch (2010), *The Economics of Microfinance*:
Chapter 1: "Rethinking banking"

Chapter 2: "Why intervene in credit markets?"

> Rutherford, Stuart (1998), *The Poor and their Money*. Delhi: Oxford University Press,

Chapters 1 and 2.

Recitation 4. (skill building) Help with questions on Problem set 1 (attendance optional)

5. Behavioral Constraints: Saving and Asset Accumulation

Households use a great variety of strategies to cope with misfortune and build assets for the future. Some are very effective, while others are less so – and none are costless.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Chapter 4.

► **Watch** Saving in groups and out – the animated videos! (3.5 minutes each)
[Intro to savings groups](#). [Why Savings Groups work](#). [Other ways to save](#)

Beatriz Armendáriz and Jonathan Morduch (2010), *The Economics of Microfinance*: Chapter 6: "Saving and insurance."

► **Watch** Dean Karlan describe [why commitments matter to saving](#) (9 minutes)

► **Watch** Nava Ashraf describe the [challenge of holding on to your money](#) (14 minutes)

► **Watch** LSE's Nava Ashraf describe [behavior change in saving](#) (9 minutes)

Pascaline Dupas and Jonathan Robinson. 2013. "Why Don't the Poor Save More? Evidence from Health Savings Experiments." *American Economic Review*. 103(4): 1138–1171.

► **Watch** Pascaline Dupas describe her [research on saving](#) (5.5 minutes)

Banerjee and Duflo, *Poor Economics*. Chapter 8.

For next steps: ► **Watch** this 2-minute video on [M-Pesa's mobile banking success in Kenya](#)

Recitation 5. (skill building) How to read an economic paper: Just what do all those numbers in the tables mean?

Charles Wheelan, *Naked Statistics*, Chapters 8, 9 & 11.

Pascaline Dupas and Jonathan Robinson. 2013. "Why Don't the Poor Save More? Evidence from Health Savings Experiments." *American Economic Review* 103.4:pp. 1138-1171.

6. Responses to market failure: Microfinance

The root of credit market failures is lack of collateral. But new institutions like Bangladesh's Grameen Bank and Bolivia's BancoSol have shown that it is possible to secure high rates of repayment while lending to poor households. The key is a series of new mechanisms, most famously "group-lending" with joint liability. Yunus describes the early experience with Grameen, and Morduch's papers describe a range of other programs, as well as emerging opportunities and tensions in the movement.

► **Watch** [Muhammad Yunus documentary](#) (10 minutes)

[Or ► **Watch** [Muhammad Yunus on the Daily Show](#) (with Jon Stewart)...content starts at 2 minutes]

► **Watch** [Stuart Rutherford on microfinance and talking to clients](#) (9 minutes):

Muhammad Yunus (1995), *The Grameen Bank: Experiences and Reflections*. Dhaka: Grameen Bank.

Beatriz Armendáriz and Jonathan Morduch (2010), *The Economics of Microfinance*:
Chapter 4: "Group lending"
Chapter 5: "Beyond group lending"
>Chapter 10: "Subsidy and sustainability"

Jonathan Morduch (2013). "How Microfinance Really Works." *Milken Institute Review*.

► **Watch** Rohini Pande describe [new ways of thinking about microcredit](#) (10 minutes):

CGAP, "Microcredit Interest Rates," *Occasional Paper* Number 1, August 1996 [Extract].

Robert Cull, Asli Demirgüç-Kunt, and Jonathan Morduch. 2009. "Microfinance Meets the Market." *Journal of Economic Perspectives* 23(1), Winter: 167-192.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Chapter 6.

Matt Mossman. 2015. "Moving Beyond Microcredit." *The New Yorker*, November 2, 2015.

> Banerjee and Duflo, *Poor Economics*. Chapter 9.

> Jonathan Morduch (2000), "The Microfinance Schism," *World Development*, April.

Recitation 6. (deeper dive). Proof of concept? Among whom?

Banerjee, Abhijit, Dean Karlan, and Jonathan Zinman. "Six Randomized Evaluations of Microcredit: Introduction and Further Steps." *American Economic Journal: Applied Economics*, vol. 7, no. 1, 2015, pp. 1-21.

Additional readings and instructions will be posted to Classes

7. Coping with risk: Micro-insurance

Can informal insurance effectively patch the safety net? Can private insurance be viable in poorer communities? Some argue that the lack of good ways to save and insure are as critical as difficulties in borrowing.

Daryl Collins, Jonathan Morduch, Stuart Rutherford, Orlanda Ruthven. *Portfolios of the Poor: How the World's Poor Live on \$2 a Day*. Chapter 3.

Recommended

► **Listen** Adam Davidson interviews Daryl Collins and Jonathan Morduch about *Portfolios of the Poor*. [NPR Planet Money Podcast](#). (26 minutes)

Banerjee and Duflo, *Poor Economics*. Chapter 6.

Jonathan Morduch (1998), "Between the State and the Market: Can Informal Insurance Patch the Safety Net?" *World Bank Research Observer* 14(2), August, 187- 202.

> Jonathan Morduch, "Microinsurance: The Next Revolution?" in *Understanding Poverty*, edited by Abhijit Banerjee, Roland Benabou, and Dilip Mookherjee. Oxford University Press, 2006.

► **Watch** [Moral Hazard](#) and [Adverse Selection](#) – the animated videos! (3.5 minutes each)

Shawn Cole, Xavier Giné, Jeremy Tobacman, Petia Topalova, Robert Townsend, and James Vickery. 2013. "Barriers to Household Risk Management: Evidence from India." *American Economic Journal: Applied Economics* 5 (1): 104-135.

> Shawn Cole and Wentao Xiong. 2017. "Agricultural Insurance and Economic Development." *Annual Review of Economics* 9: 235-262.

Recommended

► **Watch** Shawn Cole describe the [research on rainfall insurance](#)

Recitation 7. (skill building) Help with midterm preparation (Attendance optional)

Mid-term exam (In class)

PART III. Getting things done

With an understanding of financial markets, we push forward to explore the organizations that get things done, and the challenges (corruption) that can constrain action.

8. Government Failure and Corruption

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

Ben Olken and Rohini Pande. 2012. "Corruption in Developing Countries." *Annual Review of Economics* 4:479–509.

Bertrand, Marianne, Simeon Djankov, Rema Hanna and Sendhil Mullainathan. 2007. "Obtaining a Driving License in India: An Experimental Approach to Studying Corruption." *Quarterly Journal of Economics*, November.

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

► Watch [Ngozi Okonjo-Iweala's TED Talk](#)

>Sandra Sequieria and Simeon Djankov. 2014. "Corruption and Firm Behavior: Evidence from African Ports" *Journal of International Economics* 94 (2): 277-329.

>Joana Naritomi. 2019. "Consumers as Tax Auditors." *American Economic Review* 109 (9): 3031-3072.

>Abhijit Banerjee, Rema Hanna, Jordan Kyle, Benjamin A. Olken, Sudarno Sumarto (2015). "The Power of Transparency: Information, Identification Cards and Food Subsidy Programs in Indonesia" NBER Working Paper 20923. <https://www.nber.org/papers/w20923.pdf>.

Recitation 8. (skill building) Population, context and generalizability: Heterogeneity of impacts... What's really being measured?

Please read the abstract of each of the following articles:

Deworming interventions

Kremer, Michael and Edward Miguel. (2007). "The Illusion of Sustainability." *Quarterly Journal of Economics*, 122(3) August: 1007-1065.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer and Edward Miguel. (2016). "Worms at Work: Long-Run Impacts of a Child Health Investment." *Quarterly Journal of Economics* 131(4): 1637–1680.

Remedial education interventions

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

Banerjee, Abhijit V., Shawn Cole, Esther Duflo and Leigh Linden. (2007). "Remedying education: Evidence from two randomized experiments in India." *Quarterly Journal of Economics*, 122(3) August: 1235-1264.

Duflo, Esther, Pascaline Dupas and Michael Kremer. (2015). "School governance, teacher incentives, and pupil–teacher ratios: Experimental evidence from Kenyan primary schools." *Journal of Public Economics* 123: 92–110.

Bold, Tessa, Mwangi Kimenyi, Germano Mwabu, Alice Ng'ang'a, and Justin Sandefur. "Experimental evidence on scaling up education reforms in Kenya." *Journal of Public Economics* 168: 1-20.

9. Responses to government and market failure: Social business and user fees

Many argue that the solution for service delivery is to tap the private sector, or at least to incorporate ideas from the market into nonprofit activities. Microfinance is a leading edge for that push, but the microfinance story is more complicated than it might seem at first. Two healthcare studies are discussed, in which the evidence for charging user fees is weak.

Jessica Cohen and Pascaline Dupas. 2010. "Free Distribution or Cost-Sharing? Evidence from a Randomized Malaria Prevention Experiment." *Quarterly Journal of Economics* CXXV (1), February.

Kremer, Michael and Edward Miguel. 2007. "The Illusion of Sustainability." *Quarterly Journal of Economics*, August: 1007-1065.

> Werker, Eric, and Faisal Z. Ahmed. 2008. "What Do Nongovernmental Organizations Do?" *Journal of Economic Perspectives*, 22(2): 73–92.

> Jonathan Conning and Jonathan Morduch. 2011. "Microfinance and Social Investment" *Annual Review of Financial Economics*, vol. 3, ed. Robert Merton and Andrew Lo: 407-434.

- ▶ **Watch** Dan Palotta argue that [the way we think about charity is all wrong](#). (TED Talk)
- ▶ **Watch** Acumen Fund's Jacqueline Novogratz talk about [impact investing](#) (TED Talk)
- ▶ **Watch** Berkeley's Ted Miguel on [Worms](#) (3:52 minutes)
- ▶ **Watch** [Deworm the World](#): A Call to Action (9:04 minutes)
- ▶ **Watch** Bridge International Academies. [A social enterprise approach](#) (27 minutes)

Recitation 9. (deeper dive) Are social enterprises the tool to fill in gaps in service delivery left by markets and government. Are social enterprises a reliable choice in all settings, especially for essential services? We use delivery of education in Liberia as a case study of these questions.

Werner, George K. "[Liberia has to work with international private school companies](#) if we want to protect our children's future." *Quartz Africa*, 03 January, 2017.

► **Watch** George Werner, Liberian Minister of Education, [explaining his support of Bridge International Academies](#) (14 mins)

Bold, Tessa, *et al.* Enrollment without Learning: Teacher Effort, Knowledge, and Skill in Primary Schools in Africa. *Journal of Economic Perspectives* vol. 31, no. 4 (Fall 2017): pp 185–204.

FrontPageAfrica. [Liberia: Legislators Want LEAP Program Extended to All Public Schools at Education Officers Summit](#). 18 September 2018.

Complete instructions for the recitation, background documents and optional reading list are on Classes.

PART IV. Central topics

We've been building an understanding of markets and organizations. Now we turn to some of the most important forces and debates within development: gender, population, healthcare delivery, and education delivery. To stay focused, we keep the attention on how to translate ideas into action, the use of evaluation methods, and new ideas that are both conceptually interesting and that work in practice.

10. Delivering Education

The readings focus on practical, concrete steps to improve the quantity and quality of schooling. Some of the papers are long and technical. Read them to understand the motivation and main results. We'll discuss the methodology & results in class.

Banerjee and Duflo, *Poor Economics*. Chapter 4.

Esther Duflo. 2011. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review* 91(4): 795-813.

>Richard Akresh, Daniel Halim, Marieke Kleemans. [Long-term and intergenerational effects of education](#). *VoxEU*. 18 May 2019.

>Monica Martinez-Bravo. "The Local Political Economy Effects of School Construction in Indonesia." *American Economic Journal: Applied Economics* 2017, 9(2): 256–289.

► **Watch** [Animation on education and local politics](#) in Indonesia

Esther Duflo, Rema Hanna, and Stephen Ryan. 2012. "Incentives Work: Getting Teachers to Come to School." *American Economic Review*, 102(4): 1241–1278

Karthik Muralidharan and Nishith Prakash. 2017. "Cycling to School: Increasing Secondary School Enrollment for Girls in India." *American Economic Journal: Applied Economics* 9(3), pp. 321–350.

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

>Dizon-Ross, Rebecca. 2019. "Parents' Belief about their Children's Academic Ability: Implications for Educational Investments." *American Economic Review* 109(8): 2728-2765.

Afridi, Farzana; Bidisha Barooah; Rohini Somanathan. 2018. "Improving learning outcomes through information provision: Experimental evidence from Indian villages." *Journal of Development Economics*.

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

Recitation 10. (deeper dive) Tackling the Bridge question from a stakeholder perspective.

11. Gender and discrimination

Seema Jayachandran. 2015. "The Roots of Gender Inequality in Developing Countries." *Annual Review of Economics* 7:63–88.

Esther Duflo, "Gender Equality in Development." MIT Abdul Latif Jameel Poverty Action Lab.

>More Duflo, from [The Atlantic](#).

Jensen, Robert and Emily Oster (2009). "The Power of TV: Cable Television and Women's Status in India," *Quarterly Journal of Economics*, 124(3), p. 1057-1094.

Beatriz Armendáriz and Jonathan Morduch (2010), *The Economics of Microfinance*: Chapter 7: "Gender". Pages 219-227 only.

Recitation 11. (skill building) Help with questions on problem set 3 (attendance optional)

12. Population growth, the demographic transition, and social norms

Banerjee and Duflo, *Poor Economics*. Chapter 5.

William Easterly, "Review: Going Beyond the Limits of the Earth With 'The Wizard and the Prophet'; The population catastrophe so often predicted never occurred, for a single reason: human ingenuity." Wall Street Journal. January 19, 2018.

Grant Miller. 2010. "Contraception as Development? New Evidence from Family Planning in Colombia." *Economic Journal*, Volume 120, Issue 545, pages 709–736, June.

La Ferrara, Eliana, Alberto Chong, and Suzanne Duryea. 2012. "Soap Operas and Fertility: Evidence from Brazil." *American Economic Journal: Applied Economics*, 4(4): 1-31.

► **Watch** Eliana La Ferrara at TEDx discussing TV and social norms

► **Watch** [Hans Rosling's TED Talk](#) on Global Population (10 minutes):

Recitation 12. (deeper dive) Identifying impact without an experiment: The role of data triangulation and natural experiments in building evidence.

Jensen, Robert and Emily Oster (2009). "The Power of TV: Cable Television and Women's Status in India." *Quarterly Journal of Economics*, 124(3), p. 1057-1094. (This paper is assigned reading for Week 11, Gender & Discrimination.)

Esther Duflo. 2011. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review* 91(4), pp. 795-813. (This paper is assigned reading for Week 10, Delivering Education.)

La Ferrara, Eliana, Alberto Chong, and Suzanne Duryea. 2012. "Soap Operas and Fertility: Evidence from Brazil." *American Economic Journal: Applied Economics*, 4(4): 1-31. (This paper is assigned reading for Week 12, Population growth, the demographic transition, and social norms.)

Karthik Muralidharan and Nishith Prakash. 2017. "Cycling to School: Increasing Secondary School Enrollment for Girls in India." *American Economic Journal: Applied Economics* 9(3), pp. 321-350.

>Karthik Muralidharan and Nishith Prakash. 2017. "Cycling to School: Increasing Secondary School Enrollment for Girls in India." *American Economic Journal: Applied Economics* 9(3), Appendix

► **Watch (optional)** [Moving up a gear: Update](#). Muralidharan & Prakash discuss the mechanisms that lead to change and how apply their findings to other contexts

13. Delivering Healthcare

► **Watch** [Sendhil Mullainathan's TED Talk on health and nudges](#)

Banerjee and Duflo, *Poor Economics*. Chapter 2 and 3.

Jishnu Das, Jeffrey Hammer, and Kenneth Leonard. 2008. "The Quality of Medical Advice in Low-Income Countries." *Journal of Economic Perspectives* 22 (2). Spring: 93-114.

Castro-Leal, F., Dayton, J., Demery, L. and Mehra, K. (2000). "Public Spending on Healthcare in Africa: Do the Poor Benefit?" *Bulletin of the World Health Organization*, 78(1), 66-74

Pascaline Dupas. 2011. "Health Behavior in Developing Countries." *Annual Review of Economics* 3:425-49.

>Deon Filmer, Jeffrey Hammer, and Lant Pritchett, "Health Policy in Poor Countries: Weak Links in the Chain." World Bank Policy Research Working Paper 1874, January 98, pp. 1 – 63.

>Deon Filmer, Jeffrey S. Hammer, and Lant H. Pritchett (2002). "[Weak Links in the Chain II](#): A Prescription for Health Policy in Poor Countries," *World Bank Research Observer* 2002 17: 47-66.

>Edward Miguel and Michael Kremer. (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, pp 159-217.

>Abhijit Banerjee, Angus Deaton, and Esther Duflo (2004). "[Wealth, health, and health services in rural Rajasthan](#)," Poverty Action Lab Paper No. 8, May. Abhijit Banerjee, Angus Deaton, and Esther Duflo.

> Abhijit V. Banerjee, Rachel Glennerster, Esther Duflo (2008). "Putting A Band-Aid on a Corpse: Incentives for Nurses in the Indian Public Health Care System." *Journal of European Economic Association* 6(2-3): pp 487-500.

> Melody Schreiber. "What Kills 5 Million People A Year? It's Not Just Disease." *NPR Goats and Soda*. September 5, 2018 ·

>Margaret E Kruk, Anna D Gage, Naima T Joseph, Goodarz Danaei, Sebastián García-Saisó, Joshua A Salomon. 2018. "Mortality due to low-quality health systems in the universal health coverage era: a systematic analysis of amenable deaths in 137 countries." *Lancet* 2018; 392: 2203–12.

Recitation 13. (skill building) Help with final preparation. (attendance optional)

Final exam (In class)