COURSE INFORMATION
DEV-101 is a semester-long course that evaluates theories of economic (under)development and scrutinizes empirical evidence to understand key features of the economic development processes across countries. The course will utilize analytical frameworks, grounded in economic theory, that examine the determinants of (a) factor accumulation by individuals, firms and societies, and (b) productivity and efficiency of resource allocation across activities and time. Drawing on empirical evidence on individual and societal behavior, we will evaluate the relevance of these frameworks for diagnosing root causes of economic development. We will use country illustrations and mini case studies to develop an understanding of how the judicious use of theory and empirics can provide guidance for economic policy reforms. The course is organized along the following broad sections: (i) a methodological overview, with an emphasis on analytical frameworks for understanding economic growth, factor accumulation and institutional outcomes; (ii) an historical overview of comparative economic development, with focus on the Industrial Revolution, the Great Divergence, and colonialism; (iii) individual determinants and returns to investment in human capital (health and education), and financial capital (credit markets, savings behavior), and constraints to factor accumulation; (iv) determinants of productivity, with emphasis on resource misallocation within and across households/firms, poverty traps, learning and coordination and their impacts on productivity; (v) principles of economic reform and introduction to policy design.

Teaching fellow:  
Shweta Bhogale  
sbhogale@g.harvard.edu

Office Hours:  
Wed-Thurs, Time: TBD

Course assistants:  
Roukaya El Houda  
Alex Domash  
Eki Ramadhan

Office Hours:  
TBD
COURSE REQUIREMENTS AND GRADING

General requirements
Students are expected to prepare for each class by doing the required readings (see below) and watching the pre-class video (if any) for that class, available on Canvas.

Grading rubric

<table>
<thead>
<tr>
<th>Component</th>
<th>Grade X Unit</th>
<th>Total Grade</th>
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</thead>
<tbody>
<tr>
<td>Quizzes</td>
<td>5 x 7</td>
<td>35</td>
</tr>
<tr>
<td>Assignments</td>
<td>10 x 2</td>
<td>20</td>
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<tr>
<td>Midterm</td>
<td></td>
<td>20</td>
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<tr>
<td>Final</td>
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<td>25</td>
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<td>Total</td>
<td></td>
<td>100</td>
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</table>

Assignments and exams
The assignments and exams will test understanding of concepts taught in pre-class videos, class lectures and discussions, and required readings (covered in class), and the ability to apply these insights to policy situations. We will have two long assignments and seven shorter quizzes. Assignments and quizzes must be submitted online on Canvas before the scheduled time. Points will be deducted for late assignments. (However, if you face technical difficulties in submitting then get in touch with the teaching team immediately.)

Regrading policy
On receiving your exam or assignment score, look carefully through the suggested answers and comments provided by the teaching team. Students who still wish to give their answer sheets for regrading, should write a detailed email to the teaching team explaining their reason to contest a score within one week from the date that the graded assignment is returned to the class. The teaching team will assign a different grader from the original one and re-evaluate the entire assignment/exam and determine whether a change in points is mandated across any question, including the ones not highlighted/contested by the student. This process may take up to a week and the outcome will be final. Keep in mind, that the teaching team puts in a great deal of thought and effort in their assessments and you are encouraged to be cautious/prudent in raising a re-grading issue.

TF review sections
The live review section will be every Wednesday 12.30-1.15 pm EST. They will go over concepts covered in class that may need more elaboration/discussion. As and when required, they will cover short summaries of additional empirical work that is closely related to what we have studied and can help in expanding your knowledge base. The additional material covered can enrich your responses to questions in the exams or problem sets but it will not be directly tested upon and you are not required to read the papers on which it will be based. The live section will be recorded, indexed for topic, and uploaded to Canvas by 5 pm, every Wednesday. The TF will hold office hours on Wednesdays nights EST (time TBD), in case any students would like to go over section content.

READING LIST INFORMATION
The reading list below includes the URLs for those papers that can be downloaded from the internet. The majority of the papers and articles for this course are available on the Canvas site. If the links become broken then you can find the articles by searching Harvard library’s E-Journals using the following link: http://sfx.hul.harvard.edu/sfx_local/az/. Type in the journal name and select a database
that has issues for the year of the article. Each database is set up differently, but the citation will have all the information necessary to obtain the article.

All required reading for this course is available on the class page on Canvas. Please check Canvas frequently for announcements and other information.

Readings marked with ** are required readings for this class. These are usually papers that set the tone for a module or provide an overarching understanding of the material that will be covered in class. Readings with * are readings that are strongly recommended; these will deepen your understanding of the material and will provide you with additional material you can use in writing better answers in exams. Some readings without any stars may also be referred to in the lectures or review sessions. These papers may be important examples of the material being discussed and contribute towards enriching your knowledge on the topic. While you don’t need to read these papers, you will be expected to know their content to the extent that is covered in the lectures and review sessions. Keep in mind that the goal of the syllabus is to create a resource for you that you can use to extend the breadth and depth of your knowledge on development economics throughout your MPAID studies and beyond.

**ELIGIBILITY**

The class is a core requirement for students in the MPA/ID program. Non-MPA/ID students will not be admitted to the course. Auditors are not allowed.

**ZOOMROOM POLICY**

<table>
<thead>
<tr>
<th>START VIDEO, MUTE AUDIO</th>
<th>UPDATE YOUR SCREEN NAME</th>
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<tbody>
<tr>
<td>• Unless you have a good reason not to, please keep your video on.</td>
<td>• Display your full name and country of origin.</td>
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<tr>
<td>• Be prepared to unmute yourself when you are called upon.</td>
<td>• Example: Carol Finney (USA)</td>
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<tr>
<th>TO ASK TO SPEAK, USE THE ‘RAISE HAND’ FEATURE</th>
<th>USE OF CHAT</th>
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<tr>
<td>• Located in the Participants tab.</td>
<td>• Use publicly only for comments/questions directly related to the discussion.</td>
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<tr>
<td>• Make sure to 'lower hand' after your question is answered.</td>
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**ACADEMIC INTEGRITY**

Students are encouraged to work together and discuss class material and assignments. What is important is the eventual understanding of material achieved, and less about how that is achieved. Any exam, paper or assignment you submit is presumed to be your own original work, so if you do – as you will – use words or ideas written by other people, please make sure to cite these appropriately, and to indicate other students with whom you have collaborated. More information about Harvard’s policies on academic integrity may be found in the Student Handbook.
## IMPORTANT DATES AND COURSE STRUCTURE

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
<th>Professor</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Part 1: Introduction and framework</strong></td>
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<tr>
<td>1</td>
<td>Wed</td>
<td>Sept 2 Doing development policy: Our approach</td>
<td>DR</td>
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<td></td>
<td>Fri</td>
<td>Sept 4 Case Discussion in DEV-401: COVID-19 <em>Quiz #1 – Send in your response by 5pm</em></td>
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<td>2</td>
<td>Wed</td>
<td>Sept 9 Productivity: Proximate and deep determinants</td>
<td>DR</td>
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<td></td>
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<td><strong>Part 2: History and comparative development</strong></td>
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<tr>
<td>3</td>
<td>Fri</td>
<td>Sept 11 The Industrial Revolution and its sources</td>
<td>DR</td>
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<td></td>
<td>Fri</td>
<td>Sept 11 <em>Quiz #2 – Send in your response by 5pm</em></td>
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<td>4</td>
<td>Mon</td>
<td>Sept 14 Colonialism, the great divergence, and its present-day ramifications</td>
<td>DR</td>
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<tr>
<td>5</td>
<td>Wed</td>
<td>Sept 16 Recent patterns of economic growth in the developing world</td>
<td>DR</td>
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<td></td>
<td>Fri</td>
<td>Sept 18 <em>Assignment #1 – Growth accounting exercise due at 8.30am</em></td>
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<td><strong>Part 3: Factor Accumulation</strong></td>
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<tr>
<td>6</td>
<td>Mon</td>
<td>Sept 21 Physical capital: Investment, intermediation and saving (1)</td>
<td>EC</td>
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<tr>
<td>7</td>
<td>Wed</td>
<td>Sept 23 Physical capital: Investment, intermediation and saving (2)</td>
<td>EC</td>
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<tr>
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<td>Fri</td>
<td>Sept 25 <em>Quiz #3 – Send in your response by 5pm</em></td>
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<tr>
<td>8</td>
<td>Mon</td>
<td>Sept 28 Human capital: Education (1)</td>
<td>EC</td>
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<tr>
<td>9</td>
<td>Wed</td>
<td>Sept 30 Human capital: Education (2)</td>
<td>EC</td>
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<td></td>
<td>Fri</td>
<td>Oct 2 Case Discussion in DEV-401: Education and the challenge of service delivery in India <em>Quiz #4 – Send in your response by 5pm</em></td>
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<tr>
<td>10</td>
<td>Mon</td>
<td>Oct 5 Human capital: Health (1)</td>
<td>EC</td>
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<td>11</td>
<td>Wed</td>
<td>Oct 7 Human capital: Health (2)</td>
<td>EC</td>
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<td><strong>Part 4: Productivity growth</strong></td>
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<tr>
<td>12</td>
<td>Wed</td>
<td>Oct 14 Microeconomics and technology adoption</td>
<td>EC</td>
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<tr>
<td>13</td>
<td>Mon</td>
<td>Oct 19 Misallocation, learning and coordination (1)</td>
<td>DR</td>
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<tr>
<td>14</td>
<td>Wed</td>
<td>Oct 21 MIDTERM</td>
<td>DR</td>
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<td></td>
<td>Fri</td>
<td>Oct 23 Case Discussion in DEV-401: Risk management and social protection in Ethiopia <em>Quiz #5 – Send in your response by 5pm</em></td>
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<tr>
<td>15</td>
<td>Mon</td>
<td>Oct 26 Misallocation, learning and coordination (2)</td>
<td>DR</td>
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<tr>
<td>16</td>
<td>Wed</td>
<td>Oct 28 Land: Misallocation, productivity and policy</td>
<td>EC</td>
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<td></td>
<td>Fri</td>
<td>Oct 30 <em>Assignment #2 – Factor accumulation due at 8.30 am</em></td>
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<td>17</td>
<td>Mon</td>
<td>Nov 2 Labor: Misallocation, productivity and policy</td>
<td>EC</td>
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<td>18</td>
<td>Wed</td>
<td>Nov 4 Productive development policies</td>
<td>DR</td>
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<td>Fri</td>
<td>Nov 6 <em>Quiz #6 – Send in your response by 5pm</em></td>
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<td><strong>Part 5: Economic reform</strong></td>
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<tr>
<td>19</td>
<td>Mon</td>
<td>Nov 9 Analytics of economic reform: Theory of second best</td>
<td>DR</td>
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<tr>
<td>20</td>
<td>Mon</td>
<td>Nov 16 Analytics of economic reform: Diagnostics in practice</td>
<td>DR</td>
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<tr>
<td>21</td>
<td>Wed</td>
<td>Nov 18 Political economy of institutions</td>
<td>DR</td>
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<tr>
<td></td>
<td>Fri</td>
<td>Nov 20 Case Discussion in DEV-401: Political economy of development (India, Colombia, China, or tbd)</td>
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<tr>
<td>22</td>
<td>Mon</td>
<td>Nov 23 Political economy of ideas and interests</td>
<td>DR</td>
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<tr>
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<td></td>
<td><strong>Part 6: The global context</strong></td>
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<tr>
<td>23</td>
<td>Mon</td>
<td>Nov 30 International institutions, the world economy, and development</td>
<td>DR</td>
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<tr>
<td>24</td>
<td>Wed</td>
<td>Dec 2 Wrap-up</td>
<td>EC/DR</td>
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<tr>
<td></td>
<td>Wed</td>
<td>Dec 9 FINAL EXAM (8-11am)</td>
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</tbody>
</table>
COURSE OUTLINE AND READINGS

** = required readings (before lecture);  * = strongly recommended readings;
no stars = additional reading for further background

Most required readings are available online (by clicking on the title). Required readings that are not
linked in this syllabus can be found on Canvas.

PART 1: INTRODUCTION AND FRAMEWORK

1. Doing development policy: Our approach (Sept 2, DR)


2. Productivity: Proximate and deep determinants (Sept 9, DR)


   Conference Board, Total Economy Database, Growth Accounting and Total Factor Productivity, 1990-2018. (This is a database. Look at and understand the growth decompositions for four countries that interest you.)

on Economic Activity, 2: 113-206.


PART 2: HISTORY AND COMPARATIVE DEVELOPMENT

3. The Industrial Revolution and its sources (Sept 11, DR)


4. Colonialism, the great divergence, and its present-day ramifications (Sept 14, DR)


5. Recent patterns of economic growth in the developing world (Sept 16, DR)


PART 3: FACTOR ACCUMULATION

6, 7. Physical capital: Investment, intermediation and saving (Sept 21-23, EC)

Returns to capital: macro and micro


Constraints to financial capital accumulation


8, 9. Human capital: Education (Sept 28-30, EC)

Returns to education: macro and micro


**Constraints to education accumulation**


10, 11. Human capital: Health (Oct 5-7, EC)

*Returns to health: macro and micro*


*Constraints to health accumulation*


PART 4: PRODUCTIVITY GROWTH

12. Microeconomics and technology adoption (Oct 14, EC)


Theory-based Targeting Increase Technology Adoption? ” NBER Working Paper No. 24912


13. Misallocation, learning and coordination (Part 1, Oct 19, DR)


14. MIDTERM (October 21)

15. Misallocation, learning and coordination (Part 2, Oct 26, DR)


16. Land: Misallocation, productivity and policy (Oct 28, EC)


17. Labor: Misallocation, productivity and policy (Nov 2, EC)


Fafchamps, Marcel, Girum Abebe, Stefano Caria, Paolo Falco, Simon Franklin, Simon Quinn and Forhad Shilpi. 2019. “Job Fairs: Matching Firms and Workers in a Field Experiment in Ethiopia.” Mimeo.


18. Productive development policies (Nov 4, DR)


PART 5: ECONOMIC REFORM

19. Analytics of economic reform: Theory of second best (Nov 9, DR)


20. Analytics of economic reform: Diagnostics in practice (Nov 16, DR)


21. Political economy of institutions (Nov 18, DR)


22. Political economy of ideas and interests (Nov 23, DR)


PART 6: THE GLOBAL CONTEXT

23. International institutions, the world economy, and development (Nov 30, DR)


24. Wrap-up


25. FINAL EXAM (December 9)