

Syllabus AY 2019-2020 (preliminary and subject to change)  
John F. Kennedy School of Government  
Harvard University

**ECONOMIC DEVELOPMENT: USING ANALYTICAL FRAMEWORKS FOR SMART POLICY DESIGN**  
**DEV 102**

Class: Tuesday & Thursday 1:15-2:30pm, L140

Review sessions: Friday 1:15-2:30pm & 2:45-4pm in R306  
**First day of class is Tuesday, January 28th**

Professor Asim I Khwaja  
Rubenstein 434

Office hours:  
Thursday 4:00-6:00pm  
(sign up via website)

Assistant: Olivia DaDalt  
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**COURSE INFORMATION**

This is a semester-long course that provides analytical frameworks to aid the design and implementation of development policy. The course will start by examining different diagnostic approaches for policy design and then provide a deep-dive analysis into diagnostics and policy design in a few specific areas such as education, finance, health, and governance.

**Teaching fellow:**

Niharika Singh

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**Office Hours**

TBD

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*Please take the time to register (using your OFFICIAL Harvard email address) for our participation tracking program, Teachly, here: [bit.ly/2tfEtfC](https://bit.ly/2tfEtfC)*

## COURSE REQUIREMENTS AND GRADING

The course grade will be based on the following components, with weights in parentheses:

- Ten short responses (30%)
- Group work – slides & presentation (25%)
- Spring final paper (45%)

At ten regularly spaced intervals during the semester students will be required to provide short responses to questions based on identified readings and lecture content. Responses will require students to think critically about the reading. The responses, group work, and final paper will provide students with complementary skills for evaluating development issues and designing policy responses. The final paper will be approximately four to five pages in length. Details on the format and content will be provided during the semester.

Students are required to attend two lectures and one class section each week. These sections will review and provide materials that complement lectures and provide theory and econometric guidance for a better understanding of course material.

Students will be expected to have read the required readings *before* class. Lecture and class discussion will draw heavily on the key concepts and findings reported in these required readings. Students should come to class prepared.

## READING LIST INFORMATION

The reading list below indicates the URLs for those papers that can be downloaded from the internet. The majority of the papers and articles for this course are available online and are easily accessible through these links. 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/](http://sfx.hul.harvard.edu/sfx_local/az/), which can also be reached by the following steps: <http://www.harvard.edu/> → "Resources & Offices" → "Library and Academic Resources" → "Find E-Journals". 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 further reading that is not available online will be placed on reserve in the HKS library and can be found in the "Course Reserves" file on Canvas. ***Please check the class page frequently for announcements and other information.***

## ELIGIBILITY

The class is a core requirement for students in the MPA/ID program. Students not in the MPA/ID program will be admitted only with the permission of the instructor.

## 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

	Day	Date	Topic	Professor
1	Tues	28-Jan	Course Overview	Khwaja
2	Thurs	30-Jan	Becoming a Learning Organization	Khwaja
	Fri	31-Jan	<i>No Review Session Response 1 due 8pm</i>	
3	Tues	4-Feb	Evidence-Based Policy: The challenge	Khwaja
4	Thurs	6-Feb	Policy Design: The framework	Khwaja
R1	Fri	7-Feb	<i>REVIEW Response 2 due 8pm</i>	Singh
5	Tues	11-Feb	Education I: Setting up the problem	Khwaja
6	Thurs	13-Feb	Education II: Applications	Khwaja
R2	Fri	14-Feb	<i>No Review Session Response 3 due 8pm</i>	
7	Tues	18-Feb	Education III: Applications	Khwaja
8	Thurs	20-Feb	Education IV: Applications	Khwaja
R3	Fri	21-Feb	<i>REVIEW Response 4 due 8pm</i>	Singh
9	Tues	25-Feb	SPDI Group Work I	Khwaja
10	Thurs	27-Feb	SPDI Group Work II	Khwaja
R4	Fri	28-Feb	<i>REVIEW Response 5 due 8pm</i>	Singh
11	Tues	3-Mar	SPDI Group Work III	Khwaja
12	Thurs	5-Mar	SPDI Group Work IV	Khwaja
R5	Fri	6-Mar	<i>No Review Session</i>	
	Tues	10-Mar	No class (presentation prep)	
	Thurs	12-Mar	No class (midterm week)	
	Fri	13-Mar	<i>No Review (midterm week)</i>	
			HOLIDAY: Spring Break	
13	Tues	24-Mar	Finance I: Screening Entrepreneurs	Khwaja
14	Thurs	26-Mar	Finance II: Screening Entrepreneurs	Khwaja
R6	Fri	27-Mar	<i>No Review Session Response 6 due 8pm</i>	
15	Tues	31-Mar	SPDI Presentations I	Khwaja
16	Thurs	2-Apr	SPDI Presentations II	Khwaja
R7	Fri	3-Apr	<i>REVIEW Response 7 due 8pm</i>	Singh
17	Mon*	6-Apr	Guest: Michael Kremer (2019 Nobel Laureate) <b>4:15-5:30 pm</b> <b>Nye ABC (Taubman 5<sup>th</sup> Floor)</b>	Kremer
18	Tues	7-Apr	Finance III: Investment Choice	Khwaja
	Thurs	9-Apr	No class	
R8	Fri	10-Apr	<i>No Review Session Response 8 due 8pm</i>	
19	Tues	14-Apr	Political Economy: Accountability	Khwaja
20	Thurs	16-Apr	Health I	Das
21	Fri*	17-Apr	Health II 10:15 am-11:30 am (L140)	Das
R9	Fri*	17-Apr	Health III 11:45 am-1:00 pm (L140) <i>Response 9 due 8pm</i>	Das
	Tues	21-Apr	No class	
22	Thurs	23-Apr	Governance: Bureaucratic Performance	Khwaja
R10	Fri	24-Apr	<i>REVIEW Response 10 due 8pm</i>	Singh
	Tues	28-Apr	No class	
23-24	Wed*	29-Apr	Wrap-Up (Combined w/ API-110 12:30-2:30 pm, location TBD)	Bai/Khwaja
R11	Fri	1-May	<i>No Review Session</i>	
	Mon	4-May	<b>Final paper due 10:10am</b>	

## COURSE OUTLINE AND TENTATIVE READINGS

**Required readings are marked with a star (\*), recommended readings are not starred.** Most readings are available online (by clicking on the title). Readings not available online can be found on reserve at the HKS library. See above description for more detailed instructions.

### A. Course Overview (AK: January 28)

### B. Evidence-Based Decision-making Framework (AK: Jan 30, Feb 4,6)

- **Becoming a Learning Organization (Jan 30)**
- **Evidence-Based Policy: The challenge (Feb 4)**
  - \* HKS Case “Seeking Skills, Finding Barriers: Vocational Training in Punjab”
- **Framework (Feb 6)**
  - \*HKS Case: “Seeking Skills, Finding Barriers: Vocational Training in Punjab (Sequel)”
  - \* Cheema et. al. [“Glass Walls: Experimental Evidence on Access Constraints faced by Rural Women”](#) Harvard EPoD Working Paper.

### C. Education Policy (AK: Feb 11, 13, 18, 20)

- **Setting up the problem (Feb 11, 13)**
  - \*HKS Case. Primary Education in Pakistan: Show Me the Evidence
  - \*Andrabi, Tahir, Jishnu Das, Asim Khwaja, Tara Vishwanath, Tristan Zajonc & the LEAPS Team. 2007. [Learning and Educational Achievements in Punjab Schools \(LEAPS\): Insights to Inform the Policy Debate, Executive Summary](#)
- **Applications (Feb 18, 20)**
  - \*Andrabi, Tahir, Jishnu Das & Asim Khwaja. 2014. [Report Cards: The Impact of Providing School and Child Test-scores on Educational Markets](#). *American Economic Review* Vol. 107, No. 6, June 2017.
  - \*J-PAL. 2008. [Solving Absenteeism, Raising Test Scores](#). Policy Briefcase No. 6, September 2008.
  - \*Andrabi, Tahir, Jishnu Das & Asim Khwaja. 2010. [Education Policy in Pakistan: A Framework for Reform](#). IGC Pakistan Policy Brief.
  - \*Andrabi, Tahir, Jishnu Das & Asim Khwaja, Selcuk Ozyurt, Niharika Singh. 2017. [Upping the Ante: The Equilibrium Effects of Unconditional Grants to Private Schools](#). Working Paper.
  - Muralidharan, Karthik & Venkatesh Sundararaman. 2011. [Teacher Performance Pay: Experimental Evidence from India](#). *Journal of Political Economy*, 119(1): 39-77.

### D. SPDI Group Work (AK: Feb 25, 27, Mar 3, 5)

- **I: Problem Identification & Diagnosis (Feb 25)**
- **II: Designing Solutions (Feb 27)**

- **III: Implementation Details (March 3)**
- **IV: Testing & Refining (March 5)**

**\*\*\* No Class session March 10 (presentation prep)**

**\*\*\* No Class March 12**

**\*\*\*SPRING BREAK**

#### **E. Finance (AK: March 24, 26)**

- **Framework & Application: Screening Entrepreneurs**

**March 24:**

\*Iyer, Rajkamal, Asim Khwaja, Erzo Luttmer, & Kelly Shue. 2014. [Screening Peers Softly: Inferring the Quality of Small Borrowers](#). *Management Science* Vol. 62(6), June 2016.

Karlan, Dean and Jonathan Zinman. 2009. [Observing Unobservables: Identifying Information Asymmetries with a Consumer Credit Field Experiment](#). *Econometrica*, 77(6): 1993-2008.

**March 26:**

\* Klinger, Bailey, Asim Khwaja, & Joseph LaMonte. 2013. [Improving Credit Risk Analysis with Psychometrics in Peru](#). IDB Technical Note.

\*Larson, Greg. [How a New Tool is Unlocking Entrepreneurship in Africa](#), 2012. *Harvard Kennedy School Review*.

Klinger, Bailey, Asim Khwaja, & Carlos del Carpio. 2013. [Enterprising Psychometrics and Poverty Reduction](#). *Springer New York*.

#### **F. Group Presentations (AK: Mar 31, April 2)**

**APRIL 6:**

**Guest Lecture : Michael Kremer – 2019 Nobel Laureate**

*Note class time & location: Monday 4:15 - 5:30 pm (Malkin Penthouse)*

#### **E. Finance (cont.) (AK: April 7)**

**Framework & Application: Investment Choice (April 7)**

\*Banerjee, Abhijit, Pranam Bardhan, Esther Duflo, Erica Field, Dean Karlan, Asim Khwaja, Dilip Mookherjee, Rohini Pande, & Raghuram Rajan. 2010. [Microcredit is not the Enemy](#). *Financial Times*, 13 December 2010.

\*Field, Erica, Rohini Pande, John Papp and Natalia Rigol. 2013. [Does the Classic Microfinance Model Discourage Entrepreneurship Among the Poor? Experimental Evidence from India](#). *The American Economic Review* 103.6 (2013): 2196-2226.

Field, Erica, Rohini Pande, John Papp, & Y. Jeanette Park. 2012. [Repayment Flexibility Can Reduce Financial Stress: A Randomized Control Trial with Microfinance Clients in India](#). *PLoS ONE* 7(9):

**\*\*\* No Class April 9**

**G. Political Economy (AK: April 14)**

• **Framework & Application: Political Accountability**

\*Ferraz, Claudio & Frederico Finan. 2008. [Exposing Corrupt Politicians: The Effect of Brazil's Publicly Released Audits on Electoral Outcomes.](#) *Quarterly Journal of Economics*, 123(2): 703-745.

\*Banerjee, Abhijit, Selvan Kumar, Rohini Pande, & Felix Su. 2011. [Do Informed Voters Make Better Choices? Experimental Evidence from Urban India.](#) Working paper.

Fujiwara, Thomas. 2015. [Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil.](#) *Econometrica*.

**H. Health (Jishnu Das: April 16, 17)**

• **Health I (April 16): Defining the Problem**

\*Das, Jishnu & Jeffrey Hammer. 2008. [Money for Nothing: The dire straits of medical practice in Delhi, India.](#) *Journal of Development Economics* 83.1: 1-36.

Chaudhury, Nazmul, Jeffrey Hammer, Michael Kremer, Karthik Muralidharan, and F. Halsey Rogers. 2006. ["Missing in Action: Teacher and Health Worker Absence in Developing Countries."](#) *Journal of Economic Perspectives*, 20(1): 91-116.

• **Health II (April 17): Diagnosing the problem**

*Note class time & location : Friday 10:15-11:30 (L140)*

\*Das, Jishnu, Alaka Holla, Aakash Mohpal, and Karthik Muralidharan. 2016. ["Quality and Accountability in Health Care Delivery: Audit-Study Evidence from Primary Care in India."](#) *American Economic Review*, 106(12): 3765-99.

Das, J., Holla, A., Das, V., Mohanan, M., Tabak, D., & Brian Chan. 2012. ["In Urban And Rural India, A Standardized Patient Study Showed Low Levels Of Provider Training And Huge Quality Gaps."](#) *Health Affairs (Project Hope)*, 31(12), 2774–2784.

Monahan, M., Vera-Hernandez, M., Das, V., Giardili, S., Goldhaber-Fiebert, J., Rabin, T., Raj, S., Schwartz, J. & Seth Aparna. 2015. ["The Know-Do Gap in Quality of Health Care for Childhood Diarrhea and Pneumonia in Rural India."](#) *JAMA Pediatrics*, 169(4), 349-357.

• **Health III (April 17): Delivering Solutions**

*Note class time & location: Friday 11:45-1:00 (L140)*

\*Das, J. & Jeffrey Hammer. 2014. ["Quality of Care in Low-Income Countries: Facts and Economics."](#) *Annual Review of Economics*, 6, 525-553.

Anderson, G., Reinhardt, U., Hussey, P., & Varduhi Petrosyan. 2003. ["It's the Prices, Stupid: Why the Unites States is so Different from Other Countries."](#) *Health Affairs* 22(3).

Currie, J., Lin, W., & Juanjuan Meng. 2014. "[Addressing antibiotic abuse in China: An experimental audit study.](#)" *Journal of Development Economics*, 110, 39-51.

**\*\*\* No Class April 21**

**I. Governance: Bureaucrat Performance (AK: April 23)**

\*Dal Bó, Ernesto, Frederico Finan & Martín A. Rossi. 2012. [Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service.](#) *The Quarterly Journal of Economics* 128.3 (2013): 1169-1218.

\*Khwaja, Asim, Benjamin Olken, & Adnan Qadir. 2014. [Tax Farming Redux: Experimental Evidence on Incentive Pay for Tax Collectors.](#) *The Quarterly Journal of Economics*, Vol. 131, No. 1, February 2016.

Muralidharan, Karthik & Venkatesh Sundararaman. 2011. [Teacher Performance Pay: Experimental Evidence from India.](#) *Journal of Political Economy*, 119(1): 39-77.

**\*\*\* No Class April 28th**

**J. Final Wrap-Up (AK, JB: April 29)**

*Combined Lecture with API 110 (Prof. Jie Bai) Note class time & location: Wed 12:30-2:30pm (Location TBD)*