Topics in Development Economics:
Firms, Growth and the Political Economy

Times: TBA, Spring 2020
Location: TBA

Instructors:
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Description
This course introduces Ph.D. students to three important topics within development economics: firms, long-run development, and political economy. This course familiarizes students with the frontier of the literature, the questions being asked, the methods most prevalently used, and the evidence thus far. Some examples of topics that we will cover include: contract enforcement, relational contracting, misallocation, firm organization, corruption, foreign aid, conflict, and institutions. The class will focus on empirical methods and how they connect with theory. The ultimate goal of this course is to help students transition into the research phase of their career -- to help students formulate interesting, relevant and feasible research agendas.

Prerequisites: Graduate microeconomics, macroeconomics, and econometrics.

Grading: 100% In-class presentations and discussions.

Required readings are listed with * in the syllabus.

Additional readings:


**Syllabus (Subject to Change)**

**April 1, 2019 Week 1**

**Lecture 1A: Introductory Lecture [Nancy, Edoardo and Ameet]**

What is development? Why is it important to study firms, political economy and long-run development?

The four pillars of development: demographics, human capital, institutions and culture.

**Lecture 1A: “Institutions” matter and persist**


**Lecture 1B: Where do institutions come from?**


**Lecture 2A: Culture Matters and Persists**


**Lecture 2B: The Origins of Cultural Norms**


**Lecture 3A: The Relationship Between Cultural Norms and Formal Institutions**


Lecture 3B: Administrative Capacity


Lecture 4A: Identity


Lecture 4B: Immigration and Long-run Cultural Change


Lecture 5A: Human capital from a macro and long-run perspective


Lecture 5B: Conflict


Lecture 6A: Political Accountability and Political Selection [Edoardo]:


Lecture 6B: Selection and incentives of bureaucrats and frontline public service providers [Edoardo]


Akhtari, Mitra, Diana Moreira, and Laura Trucco. “Political Turnover, Bureaucratic Turnover, and the Quality of Public Services” Working paper (2017)

Lecture 7A and 7B: Corruption [Edoardo]


A primary goal of this course is a critical reading of the current literature on the empirical microeconomics of firms and contracting issues in development economics. I expect you to do all of the required reading and to participate in class discussion.
I would like to cover 8-9 papers in our three 3-hour meetings. The format will be as follows.

We will have in-class presentation for all the sessions we meet. Students will each present one paper and lead a class discussion. All other students are required to prepare 5 minutes of comments on the paper in the form of 3 slides, one each on:

- strengths of the paper
- weaknesses of the paper
- ideas for follow-on work.

In class, one student will be randomly selected to present his or her comments. The presentation will be 25 to 30 minutes, and then there will be 5 minutes of discussant comments and 10 minutes of general discussion. You should present one of the papers on the syllabus marked with an asterisk [TBD]. The papers discussed in student presentations are required reading for all students.

**Week 8 – Management & Firm Performance [Ameet]**
- Papers: Bloom and Van Reenan papers and various papers that build from this literature

**Week 9 – Empirical Contracting paper in Development Economics [Ameet]**
- Macchiavello & Morjaria (2 papers) + other prior papers that initially started this agenda

**Week 10 – Job Market Papers of 2019 in Firms/Contracting in Developing Countries [Ameet]**