ECONOMIC DEVELOPMENT: THEORY, EVIDENCE AND POLICY DESIGN
PED 101Y

Updated for Spring 2014
Class: Monday & Wednesday 10:10-11:30am, L140
Review sessions: Friday 8:40 (Land) and 10:10 (Land)

First day of class is Monday, March 24th

Professor Asim Khwaja
Rubenstein 317
Office hours: Thurs. 4:30-6:30pm
(sign up via website)

Professor Rohini Pande
Rubenstein 318
Office hours: Tues. 9:00-10:00am & 1:00-2:30pm
(sign up via website)

Professor Lant Pritchett
Littauer 315
Office hours: TBC
(sign up on sheet outside L-315)

Assistant: Harrison Muskat
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Lauren Abel: Lauren_Abel@hks14.harvard.edu
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Teaching fellows:
Yusuf Neggars: Yusuf_Neggers@hksphd.harvard.edu

Office Hours
Tue 5:00-7:00pm (Rubenstein 5th floor)
Thu 5:30-7:30pm (Forum 3rd floor)
Wed 4:00-6:00pm (LG12 - Library)
Tue 8:00-10:00am (Forum 3rd floor)

COURSE INFORMATION
This is a year-long course that examines the theory of, and evidence on, economic development and the design of development policy. The course will identify key features of the development process across countries, and then combine an analytical framework with rigorous empirical evidence to identify when and how public policies can enable economic growth and development. Topics covered include: contemporary and historic features of development; household models of development and investment in human capital; economy-wide models of growth and structural transformation.

Syllabus, AY 2013-2014 (Preliminary and subject to change)
John F. Kennedy School of Government
Harvard University
**Course Requirements And Grading**

The course grade will be based on year-long assessment using the following components, with weights in parentheses:

- Fall Midterm Exam (15%)
- Fall Final Exam (25%)
- Five Assignments: Three in fall, two in spring (30%)
- Spring Final Assessment (Slide Deck) (15%)
- Class Participation/Readings (15%)

The assignments and examinations have been designed to provide students with complementary (but not identical) skills for evaluating development issues and designing policy responses. The second spring assignment will be coordinated with API-110 in order to provide students with an opportunity to apply theoretical concepts learned in that course to policy design challenges.

The final assessment will consist of approximately six slides that: (1) identify a policy problem and context; (2) justify the choice of problem area; (3) briefly describe the design of a potential policy solution; and (4) provide a conceptual and implementation basis for the proposed design.

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.

Class discussion is encouraged and students will be “warm-called” to encourage full participation. The procedure for this will be posted on the class website.

**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](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. **Please check the class page frequently for announcements and other information.** (Students who register for this course through FAS should see Julie DeBenedictis to get access to the class page.)

**Cross Registration:**

The class is a core requirement for students in the MPA/ID program. No cross-registration will be permitted except by special permission from the instructors. Only students who have completed PED-101 in the fall may enroll in the spring portion.
**Important Dates and Course Structure: Spring Module**

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<td>Mon</td>
<td>March 24</td>
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<td>2</td>
<td>Wed</td>
<td>March 26 (1 of 3 sessions, TBA)</td>
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**Readings (TBC)**

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.

**Course Outline and Tentative Readings**

A. **Growth diagnostics (LP: March 24, 26)**

i. **Framework (March 24)**


*Read one of the two following:


ii. Application (March 26)


*Read one of the three following (corresponding to country session which attending):


ii. Application (April 2)


B. Policy Design: The Framework (AK: March 28)

C. Industrial policy (LP: March 31, April 2)

i. Policy Goal (March 31)


ii. Application (April 2)


D. Education Policy (AK: April 7, 14)

i. Framework (April 7)

*HKS Case. Primary Education in Pakistan: Show Me the Evidence (On Course Website)

ii. Application (April 14)


E. Finance (AK: April 16, RP: April 21)

i. Framework & Application: Screening Entrepreneurs (AK: April 16)


F. Governance (RP: April 23, AK: April 28)

i. Framework & Application: Political Accountability (RP: April 23)


ii. Framework & Application: Bureaucrat Performance (AK: April 28)


G. Final Wrap-Up (All: April 30)