Syllabus AY 2015-2016 (preliminary and subject to change)
John F. Kennedy School of Government
Harvard University

ECONOMIC DEVELOPMENT: USING ANALYTICAL FRAMEWORKS FOR POLICY DESIGN
PED 102

Class: Monday & Wednesday 10:15-11:30am, L140

Review sessions: Friday 8:45-10:00 (Land) and 10:15-11.30 (Land)

First day of class is Monday, January 25th

<table>
<thead>
<tr>
<th>Professor Asim Khwaja</th>
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<tbody>
<tr>
<td>Rubenstein 317</td>
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<tr>
<td>Office hours:</td>
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<tr>
<td>Thurs. 4:00-6:00pm</td>
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<td>(sign up via website)</td>
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<table>
<thead>
<tr>
<th>Professor Rohini Pande</th>
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<tr>
<td>Rubenstein 318</td>
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<tr>
<td>Office hours:</td>
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<td>Tues. 11:30-1:00pm</td>
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<thead>
<tr>
<th>Professor Lant Pritchett</th>
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<tr>
<td>Littauer 315</td>
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<td>Office hours:</td>
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<td>Mon. 3:00-5:00pm</td>
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<td>(sign up on sheet outside L-315)</td>
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Assistant: Amanda Holub
Office: Rubenstein 310G
Email: Amanda_Holub@hks.harvard.edu

Assistant: Mary Popeo
Office: R301B
Email: Mary_Popeo@hks.harvard.edu

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 the areas of education, finance, industrial policy, environment and climate change and governance.

Teaching fellows:
Martin Abel: abel@fas.harvard.edu

Course assistants:
Anne Lopez: Anne_Ong_Lopez@hks16.harvard.edu
Anne Shrestha: Anne_shrestha@hks16.harvard.edu
Amri Ilmma: Amri_Ilmma@hks16.harvard.edu

Office Hours
Monday, 11.30-13.30, Taubm 363

Wednesday, 14.30-16.30, Taubm Carrel4
Monday, 14.30-16.30, Taubm, 2nd floor
Tuesday, 08.00-10.00, Taubm Carrel2
COURSE REQUIREMENTS AND GRADING

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

- Seven short reading responses (14%)
- Four assignments (40%)
- Spring final paper (46%)

At seven 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 and will be graded on a 0, check, check+ scale.

The assignments 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 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/, 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. 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. Only students who have completed PED-101 will be considered.

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>1</td>
<td>Mon Jan 25</td>
<td>Course Overview</td>
<td>Khwaja</td>
</tr>
<tr>
<td>2</td>
<td>Wed Jan 27</td>
<td>Growth Diagnostics: Framework</td>
<td>Pritchett</td>
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<td></td>
<td>Fri Jan 29</td>
<td><em>Response 1 due 5:00pm</em></td>
<td>Pritchett</td>
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<tr>
<td>3</td>
<td>Mon Feb 1</td>
<td>Growth Diagnostics: Application</td>
<td>Pritchett</td>
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<td>4</td>
<td>Wed Feb 3</td>
<td>State Capability: Big Stuck and Techniques of Successful Failure</td>
<td>Pritchett</td>
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<td></td>
<td>Fri Feb 5</td>
<td><em>REVIEW Response 2 due 5:00pm</em></td>
<td>Pritchett</td>
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<tr>
<td>5</td>
<td>Mon Feb 8</td>
<td>State Capability: Typology and PDIA</td>
<td>Pritchett</td>
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<td>6</td>
<td>Wed Feb 10</td>
<td>State Capability: Application</td>
<td>Pritchett</td>
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<td></td>
<td>Fri Feb 12</td>
<td><em>REVIEW</em></td>
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<td></td>
<td>Mon Feb 15</td>
<td>No class: President’s Day</td>
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<td></td>
<td>Tue Feb 16</td>
<td>1st <em>problem set due 10:10am</em></td>
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<td>7</td>
<td>Wed Feb 17</td>
<td>Industrial Policy: Goal</td>
<td>Pritchett</td>
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<td>8</td>
<td>Fri Feb 19</td>
<td>Industrial Policy: Application <em>(10.15-11.30)</em>, class is in Land</td>
<td>Pritchett</td>
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<td></td>
<td><em>Response 3 due 5:00pm</em></td>
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<td>9</td>
<td>Mon Feb 22</td>
<td>Policy Design: The Framework</td>
<td>Khwaja</td>
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<td>10</td>
<td>Wed Feb 24</td>
<td>Education: Framework</td>
<td>Khwaja</td>
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<td>Fri Feb 26</td>
<td><em>REVIEW Response 4 due 5:00pm</em></td>
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<td>11</td>
<td>Mon Feb 29</td>
<td>Education: Application</td>
<td>Khwaja</td>
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<td>12</td>
<td>Wed Mar 2</td>
<td>Education</td>
<td>Khwaja</td>
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<td></td>
<td>Fri Mar 4</td>
<td><em>REVIEW</em></td>
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<td>13</td>
<td>Mon Mar 7</td>
<td>Guest Lecture 1</td>
<td>Pritchett</td>
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<td>2nd <em>problem set due 10:10am</em></td>
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<td>Wed Mar 9</td>
<td>No class</td>
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<td>14</td>
<td>Mon Mar 14</td>
<td>HOLIDAY: Spring Break</td>
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<td>15</td>
<td>Wed Mar 16</td>
<td>HOLIDAY: Spring Break</td>
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<td></td>
<td>Mon Mar 21</td>
<td>Environment and Energy</td>
<td>Pande</td>
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<td>16</td>
<td>Wed Mar 23</td>
<td>Environment and Energy</td>
<td>Pande</td>
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<td></td>
<td>Fri Mar 25</td>
<td><em>REVIEW Response 5 due 5:00pm</em></td>
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<td>17</td>
<td>Mon Mar 28</td>
<td>Guest Lecture 2: Robert Stavins</td>
<td>Pande / Stavins</td>
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<td></td>
<td>Wed Mar 30</td>
<td>Finance: Screening Entrepreneurs</td>
<td>Khwaja</td>
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<td>2nd <em>problem set due 10:10pm</em></td>
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<td>18</td>
<td>Mon Apr 4</td>
<td>Finance: Screening Entrepreneurs</td>
<td>Khwaja</td>
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<tr>
<td></td>
<td>Wed Apr 6</td>
<td>Finance: Investment Choice</td>
<td>Pande</td>
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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. **Course Overview (AK: January 25)**

B. **Growth Diagnostics (LP: Jan 27, Feb 1)**

- **Framework (Jan 27)**


  *Read one of the two following:


  Or


- **Application (February 1)**


  *We will be holding class at the regular time and two other sessions so that people can choose which country they want to do. So read one of the three following (corresponding to country session which attending):

  Diagnostico de Crecimiento de Chiapas: La Trampa de la Baja Productividad (this obvious requires reading Spanish and the session will be in English/Spanish).
Towards a new economic model for Tunisia: Identifying binding constraints to broad based economic growth


C. State Organizational Capacity (LP: February 3, 8, 10)

- Techniques of Successful Failure (February 3)
  
  

- Typology and PDIA (February 8)
  


- State Capability: Application to Cambodia (February 10)


  * Adler, Sage and Woolcock, “Interim Institutions and the Development Process”

D. Industrial Policy (LP: Feb 17, 19)

- Policy Goal (Feb 17)


• Application (Feb 19)
  Chapters 2 and 10 of Rethinking Productive Development: Sound Policies and Institutions for Economic Transformation.

E. Policy Design: The Framework (AK: Feb 22)
  * tbd

F. Education Policy (AK: Feb 24, Feb 29, March 2)
  • Framework (Feb 24)
    * HKS Case. Primary Education in Pakistan: Show Me the Evidence (On Course Website)
  • Application (Feb 29, March 2)

G. Guest Lecture 1 (March 7): Lant Pritchett

H. Environment and Energy (RP: March 21, 23)

I. Guest Lecture 2 (March 28): Robert Stavins
  * tbd

J. Finance (AK: March 30, April 4; RP: April 6)
• **Framework & Application: Screening Entrepreneurs (AK: March 30, April 4)**

**March 30:**


**April 4:**


• **Framework & Application: Investment Choice (RP: April 6)**


K. **Guest Lecture 3 (April 11): Rema Hanna**

* tbd

L. **Governance (RP: April 13 AK: April 18, 20)**

• **Framework & Application: Political Accountability (RP: April 13)**


• **Framework & Application: Bureaucrat Performance (AK: April 18, 20)**


*Nilsson, Lina, Temina Madon and S. Shankar Sastry. 2014. “**Toward a New Field of Development Engineering: Linking Technology Design to the Demands of the Poor.**” *Procedia Engineering* 78: 3 - 9


**N. Final Wrap-Up (All: April 27)**