Innis Lecture
Rethinking Economic Development[*]

Nathan Nunn[†]

28 August 2019

Abstract: I provide a summary, reflection, and assessment of the current state of economic development in both the policy and academic worlds. In terms of development policy, currently, the primary focus is on policy interventions, namely, foreign aid, aimed at fixing the 'deficiencies' of developing countries. Academic research also has a similar focus, except with an emphasis in rigorous evaluation of interventions to estimate causal effects. A standard set of versatile quantitative tools is used, e.g., experimental and quasi-experimental methods, which can be easily applied in a range of settings to estimate the causal effects of policies, which are typically presumed to be similar across contexts. In this article, I take a step back and ask whether the current practices are the best that we can do. Are foreign aid and policy interventions the best options we have for poverty alleviation? What else can be done? Is our current research strategy, characterized by rigorous but a lack of context-specific analysis, the best method of analysis? Is there a role for other research methods, for a deeper understanding of the local context and for more collaboration with local scholars?

Keywords: economic development, poverty, RCT, foreign aid, industrial policy.

---

[*]The article is based on the Innis Lecture delivered at the 53rd Annual Conference of the Canadian Economics Association, which was in Banff Alberta, May 31–June 2, 2019. For helpful comments and discussions, I thank an anonymous referee, as well as Grieve Chelwa, Sahana Ghosh, Joseph Henrich, Jacob Moscona, Suresh Naidu, James Robinson, and Jessica Trisko Darden. I also thank Lydia Cox and Aditi Chitkara for excellent research assistance.

[†]Department of Economics, Harvard University. (email: nnunn@fas.harvard.edu)

I. Introduction

Understanding how to eradicate global poverty and improve the economic wellbeing of the poorest communities in the world is one of the most important issues facing academics and policymakers today. In the policy world, the fight against global poverty has focused on foreign aid and policy interventions aimed at helping developing countries obtain sustained economic growth. In academia, development research also emphasizes policy interventions, but with the focus on the rigorous evaluation of their effects. This is most commonly achieved using randomized control trials (RCTs), where the policy intervention is provided to a randomly chosen treatment group leaving a comparable and randomly chosen control group. The randomization provides an easy way to obtain credible estimates of the causal effects of the intervention. In the past decades, there has been an important revolution. It is now recognized that credible evaluations of policy interventions are crucial and that the gold-standard method to achieve this is RCTs.

Given how difficult it is to see the bigger picture when one is in the thick of things, it is never a bad idea to step back and evaluate the current state of the thinking and practice of economic development in both the policy world and the academic world. Part of this process involves asking ourselves whether we could be doing anything better. Are there ways in which our current thinking and practice could be improved? It would be odd if there were no areas in which we could be doing better. The goal of this article is to highlight and discuss these and to offer thoughts about alternatives.

II. Rethinking policy

A. Foreign aid

One of the key tools used to alleviate poverty is foreign aid, which is the transfer of money, commodities, or services from a foreign country or international organization for the benefit of the recipient country's population. It takes the form of grants or concessional loans and is typically classified into economic aid, military aid, and humanitarian (emergency) aid. The most common form of aid is official development assistance (ODA), which is primarily comprised of bilateral grants. When using the term here, I am also including transfers across borders by foundations, religious organizations, and NGOs, but not remittances between friends and family.

On the ground, foreign aid is used to fund a range of projects that take a wide variety of forms. There is evidence that many of these projects have sizeable benefits. Numerous studies convincingly identify the benefits of a range of interventions that were made possible through foreign aid. For example, we know that the deworming program, which was organized and implemented by the Dutch NGO Internationaal Christelijk Steunfonds Africa (ICS) in Busia Kenya, led to school attendance and higher adult wages Miguel and Kremer (2004), Baird, Hicks, Kremer and Miguel (2016). We also know that in Kenya, large-scale unconditional cash transfers given by the U.S.-based NGO GiveDirectly (GD) led to an increase in household assets, monthly revenues, and psychological wellbeing (Haushofer and Shapiro, 2016, 2018).

At the same time, there are many who voice concerns that foreign aid may have unintended consequences. Because these effects are unintended, they are generally not unexpected or foreseen and, thus, not evaluated. Thus, we may be systematically underestimating the adverse effects of foreign aid. Given this, whether aid can have adverse consequences is an important question. A priori, there are many reasons to think that this is a possibility. First, there is evidence that aid is often determined by the strategic or economic needs of the donor countries (e.g., Alesina and Dollar, 2000, Kuziemko and Werker, 2006). One indicator of this is the fact that historically the majority of foreign aid has been "tied," which means that the concessional loans or grants that are given come with the requirement that the money has to be used to purchase specific products; namely, those produced by the donor country. The United States has and continues to be one of the countries with the highest proportion of tied-aid. While the tying of aid is beneficial for the donor country – it is effectively a form of export promotion – it poses significant costs for the recipient country. It is estimated that the tying of aid raises the costs of goods and services (i.e., decreases value for money) by 15–30% on average and by 40% for food aid (Clay, Geddes and Natali, 2009).

We also know that a large proportion of aid can go missing. One of the earliest studies to track and document missing foreign aid funds was Reinikka and Svensson (2004), who studied World-Bank-funded capitation grants in Uganda that were supposed to pay for all education-related expenses other than teacher's wages and buildings. The authors developed a way of measuring the amount of the funds that actually reached the school. They found that the median school in their sample received 0% of its funds (i.e., 100% was stolen). Across all schools, on average, 87% of the funds went missing. Using the same protocol, they also find similarly high rates of fund capture: 49% in Ghana, 57% in Tanzania, and 76% in Zambia. Olken (2007) applied the theft-measurement strategy used by Reinikka and Svensson (2004) to road maintenance aid projects and found that approximately 30% of funds went missing.

Having such resources 'up for grabs' potentially affects the incentives of the most entrepreneurial and most talented in a country, increasing the likelihood that they engage in zero-sum rent-seeking activities rather than productive activities that are beneficial for the country as a whole (Bhagwati, 1982). Although empirically estimating convincing causal effects of foreign aid on corruption remains elusive due to measurement and identification challenges, given the findings of Reinikka and Svensson (2004) and Olken (2007), it is almost tautological that aid increases corruption. Given that aid increases the amount of funds available, a fraction of which are stolen through corrupt activities, then this must increase corruption if it is defined to be those activities that were used to capture the funds. The only way in which aid would not increase corruption in this scenario is if 100% of the effort to capture aid funds would have gone to other corrupt activities, which seems unlikely. Of course, it is possible that although aid may increase corruption today, because it increases economic growth it will reduce corruption in the future. However, the evidence for growth effects of foreign aid remains elusive (Werker, Ahmed and Cohen, 2009).

There are many examples of studies finding adverse consequences of foreign aid. For example, Haushofer, Reisinger and Shapiro (2015) estimate the effects of unconditional cash transfers (UCT) on the neighbors of recipients. They show that one's happiness is reduced when one's neighbor receives an UCT. Interestingly, this is true whether or not the individual also receives a cash transfer. Werker et al. (2009) exploit variation in oil prices which drives aid contributions of oil-rich OPEC countries in the Middle East to less-developed Muslim countries around the world. They find that foreign aid does not affect investment or GDP growth. However, it does lead to a significant increase in household and government consumption, which primarily takes the form of increased imports of non-capital products. Thus, foreign aid does not fuel growth-promoting investments (or growth itself) but instead crowds out domestic savings and increases consumption of foreign products.

One of the most important potential adverse consequences of foreign aid is its potential influence on conflict. There are many accounts of foreign aid fueling conflict. One such case is believed to have occurred during the Nigeria-Biafra civil conflict of the late 1960s (Barnett, 2011, pp. 133–147). After a year of conflict, Biafra – the region of Nigeria seeking independence – was surrounded and being closed in on by the Nigerian army. The siege led to starvation. After the media reported on this, there was a global outcry for humanitarian relief. Figure I provides an example of this, showing the cover of Life magazine from July 12, 1968. Although opposed by the Nigerian government, humanitarian aid was brought into Biafra. According to some accounts, the Biafran leader, Odumegwu Ojukwu, initially only allowed aid to enter the rebel-controlled region of Biafra if it was shipped on his planes. He charged for this service and also filled them with arms and other military equipment. Even when organizations were allowed to use their own planes, they were still charged landing fees and import taxes. The shipments of humanitarian aid allowed Ojukwu to circumvent the siege and to feed and arm his troops. Many argue that the shipment of humanitarian aid resulted in the Biafran civil conflict lasting years longer than it would have otherwise (Polman, 2010, pp. 115–119).

Another commonly cited example is the experience of the Eastern DRC following the Rwandan Genocide in 1994. Hutu extremist leaders, who had fled Rwanda, took refuge in humanitarian camps in the DRC, where they taxed Hutu civilians in the camps and transferred the appropriated aid to their militia. The aid and physical protection provided by refugee camps allowed the Hutu extremists to regroup and rebuild their army. The Hutu militia was then able to carry out raids into Rwanda. The Rwandan government responded by arming the Banyamulenge (ethnic Tutsis living in the Eastern DRC), which led to the Banyamulenge Rebellion in 1996, which was then followed by the First and Second Congo Wars (Terry, 2002, ch. 5; Lischer, 2005, ch. 4). The region of the DRC has been in a state of persistent conflict and insecurity ever since.

Numerous studies have formally tested for relationships between foreign aid and conflict, using a range of identification strategies to obtain credible causal estimates. Many studies find that foreign aid can increase conflict. Nunn and Qian (2014) find this to be the case for U.S. food aid. Their analysis uses an IV strategy where U.S. wheat production shocks, combined with a country's tendency to receive wheat aid from the U.S. to obtain exogenous variation in U.S. food aid supply. Crost, Felter and Johnson (2014) use an RD strategy that exploits an eligibility cut-off for a World-Bank-funded development program in the Philippines to estimate the effects of the program on conflict. They find that eligibility to participate in the program is associated with

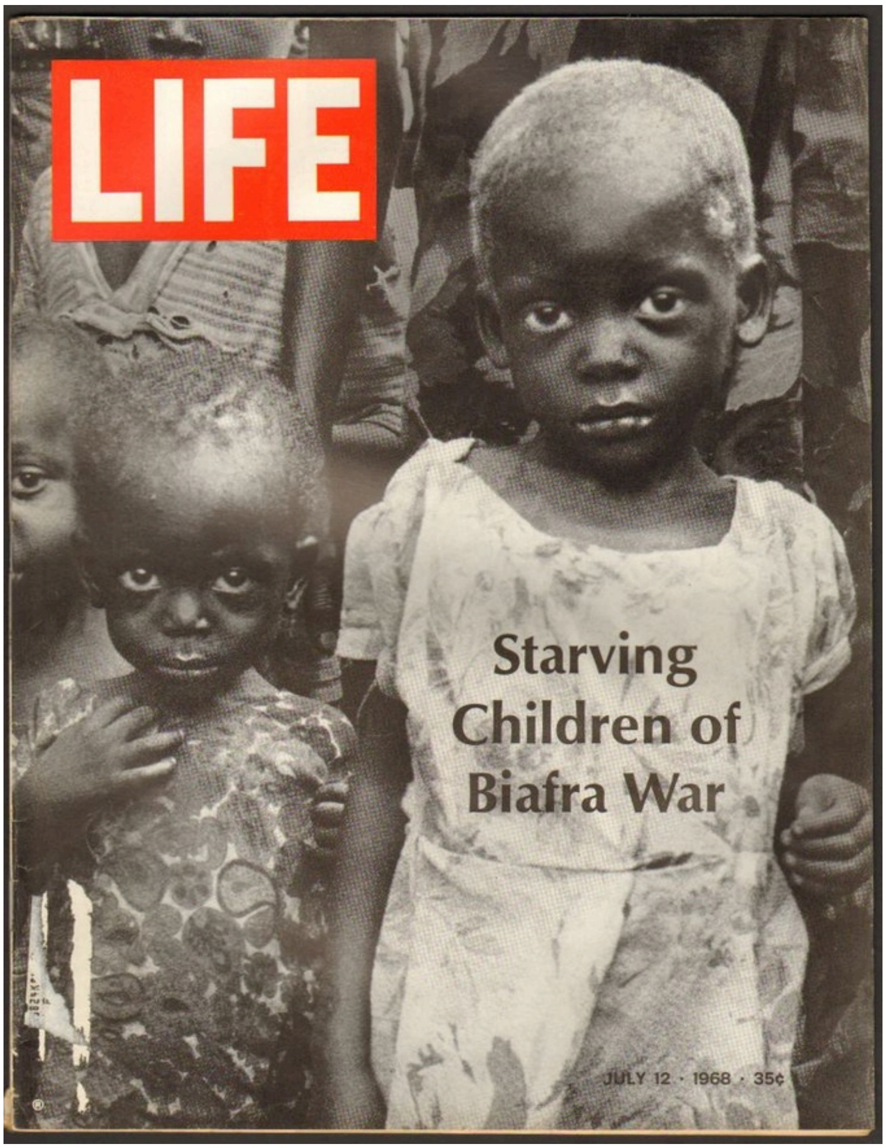

Figure I: Cover of Life Magazine, July 12, 1968.

more conflict, which appears to be due to an increase in insurgent attacks against government forces in an attempt to disrupt the program. Dube and Naidu (2015) estimate the effects of military aid in Colombia using a differences-in-differences identification strategy. They find that U.S. military aid leads to an increase in conflict and violence arising due to an increase in attacks by paramilitaries.

Others have argued that foreign aid is often channeled towards strengthening the government's military, particularly in autocratic regimes where stability requires oppression and the use of force (Kono and Montinola, 2009). While it is unsurprising that military aid might have such an effect, this has actually been found for economic aid. Because of the fungibility of economic aid, it is indirectly channeled towards military and violent ends. This occurs through the sale of humanitarian aid (e.g., food aid) for cash, or by freeing up more of the government budget for military purposes. The recent analysis by Trisko Darden (2020) shows both through case studies and empirical analysis that this effect is commonly observed. The author shows that the year following an increase in U.S. foreign aid into a country, there is an increase in killings, repression, and torture by the state. This echoes an earlier finding by Ahmed (2016): increased U.S. foreign aid is associated with greater repression and human rights abuses in the recipient country.

While there is evidence that foreign aid *can* increase conflict, it is not the case that it *always* leads to conflict. For example, Nunn and Qian (2014) show that among the countries in their sample without a recent history of past conflict, food aid does not increase conflict. In a follow-up study that studies a conditional cash transfer program also in the Philippines, Crost, Felter and Johnson (2016) find that this aid package actually decreased conflict. Trisko Darden (2020) finds that the effect of U.S. aid on state killings and repression of its citizens is weaker following the end of the Cold War.

Given the evidence that foreign aid can sometimes cause conflicts, but at other times have no effects or even reduce conflict, the natural next question is how we implement foreign aid projects in a manner that minimizes its harm, thus maximizing overall benefit. A recent study by Moscona (2019) takes an important step in this direction by estimating the heterogeneous effects of the universe of World Bank lending projects from 1995–2014. He finds that the effect of aid on conflict is greater the less successfully the project was implemented, as measured by project quality scores given by the World Bank Independent Evaluation Group. Put differently, he finds that better run projects generate less conflict. According to the estimates, having the most poorly implemented aid projects results in more conflict than having no aid projects and having the best-implemented aid projects results in less conflict than having no aid project. These findings nicely sum up the message that has emerged from anecdotal examples and from the case-study literature (e.g., Anderson, 1999). Foreign aid if implemented successfully, can foster development and reduce conflict. However, if poorly implemented, it can exacerbate the situation and lead to more conflict.

B. Other policies?

The fact that foreign aid is no panacea for underdevelopment raises the natural question of whether there are other feasible policy options. A commonly used tool by countries has been trade and industrial policies. The underlying logic of the policy is motivated by the fact that there is a remarkably strong relationship between a country's level of economic development and what it produces (Hausman, Hwang and Rodrik, 2007). Without exception, countries producing sophisticated high-end manufactures, like automobiles and electronics, are relatively wealthy. Given this relationship, many countries have taken steps to promote their specialization in these 'winner industries'. These include subsidies, low-interest loans, and tariff protection for producers in these sectors. Evidence is now accumulating that successful implementation of these policies can promote size and even the productivity of these industries, helping to jump-start industrialization and economic development. We now have evidence of the long-run success of such policies from 19th century France (Juhasz, 2018), late 19th and early 20th century Canada (Harris, Keay and Lewis, 2015), late 20th century South Korea (Lane, 2017), post-WWII Italy (Giorcelli, 2019), and post WWII Finland (Mitrunen, 2019).

There is an important shortcoming of industrial policy, which becomes clear once one considers the fallacy of composition. Although each country can gain through this strategy, this is not true for developing countries as a whole. That is, every country can't be a South Korean success story. This is because much of the gains from industrial policy come at the expense of other countries. Much of the benefits of this strategy are zero-sum. This raises the question of whether this is a successful strategy for economic development. The answer appears to be a clear no, at least not for most countries. However, the fact that these benefits are zero-sum provides insight into what can be done to help developing countries.

To see this, consider antidumping duties. Due to multilateral tariff reductions by countries who have joined the GATT/WTO, tariffs have declined significantly around the world. However, there are cases when countries can obtain exceptions and apply sizeable barriers against foreign producers. Antidumping duties are one example of these. In theory, they are supposed to only be applied in cases where a foreign producer is engaging in 'dumping'; namely, pricing goods below cost in an effort to drive all competitors from the market, after which they will then engage in monopoly pricing. In reality, anti-dumping duties have very little to do with anti-competitiveness and everything to do with traditional trade protection to protect domestic producers. They have proven to be an effective tool. Antidumping duties are large, on average 10–20 times higher (and as much as 100 times higher) than MFN tariffs. On average, the duties cause the value of imports to fall by 30–50%. Strikingly, this decline in imports is found even if a case is filed (i.e., initiated) but the duties themselves are never levied (Prusa, 2001). Thus, the threat of the duties itself can have sizeable effects.

Given these great features of anti-dumping duties, it is not surprising that at the same time that tariffs have declined globally there has been a rise in anti-dumping duties. This increase, which is shown in Figure II, has been quite rapid, especially during the 1980s and 1990s.

Since the initiation of antidumping duties requires significant legal capacity, these are typically initiated by wealthier countries and are often against less-developed countries. This is shown by Figure III which plot net initiations (i.e., initiations by a country minus initiations of other countries against the country from 1978–2013) and the country's average income (measured in 1993). One observes a clear positive relationship. Those initiating duties against other countries tend to be wealthier while those that have duties placed against their products tend to be poorer countries.

While the aggregate effects of these duties for developing countries are not fully understood, we do have some evidence from one of the hundreds of duties that have been filed. This is for an anti-dumping duty that was placed against Vietnamese catfish farmers by Mississippi catfish farmers in 2003. The effects on Vietnamese households has been studied by Brambilla, Porto and Tarozzi (2012). They find that for Vietnamese households that had specialized in catfish farming, average annual real per capita income decreased by 40%. This is striking given that, as shown by Figure II, there are hundreds of new antidumping duties imposed each year.

This is an enormous effect and much larger than the size of any effect on incomes found for

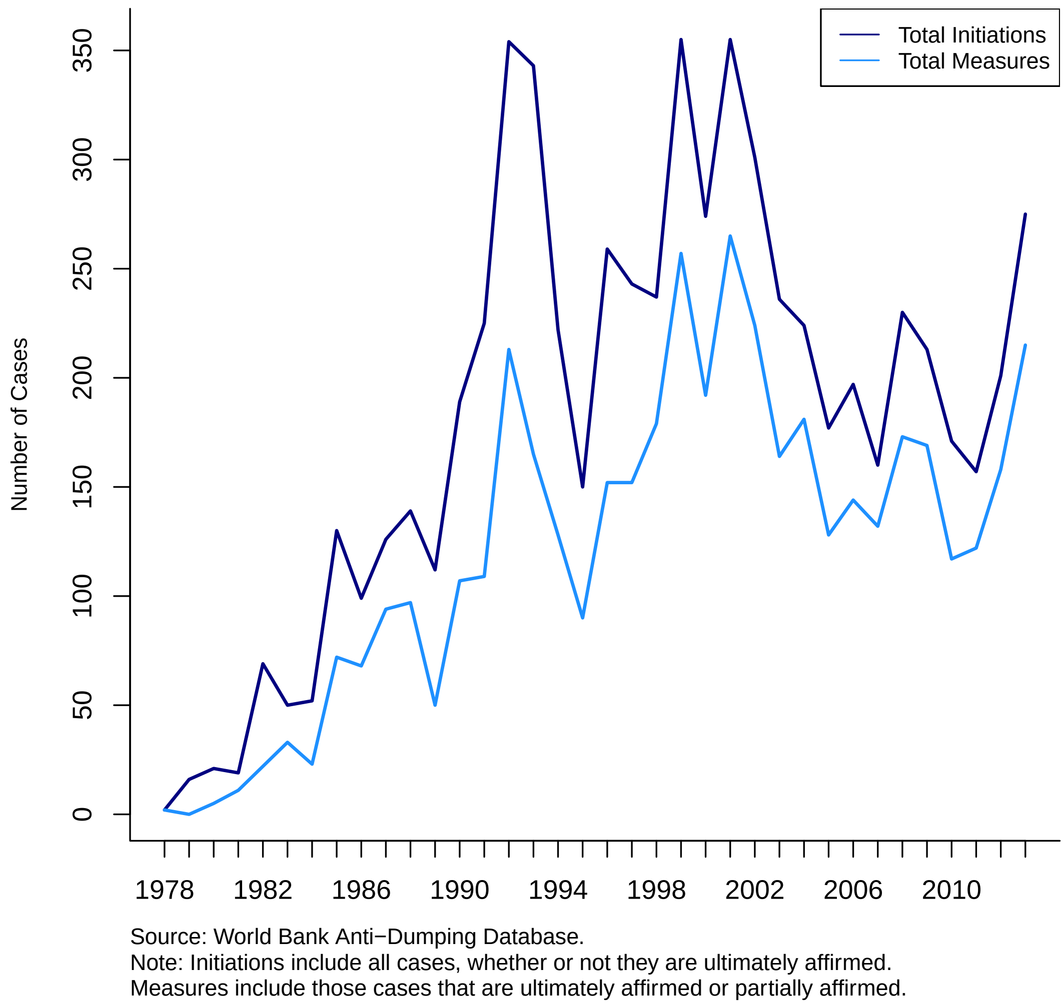

Figure II: Total number of new anti-dumping initiations and measures each year from 1978–2013. Source: Global Antidumping Database.

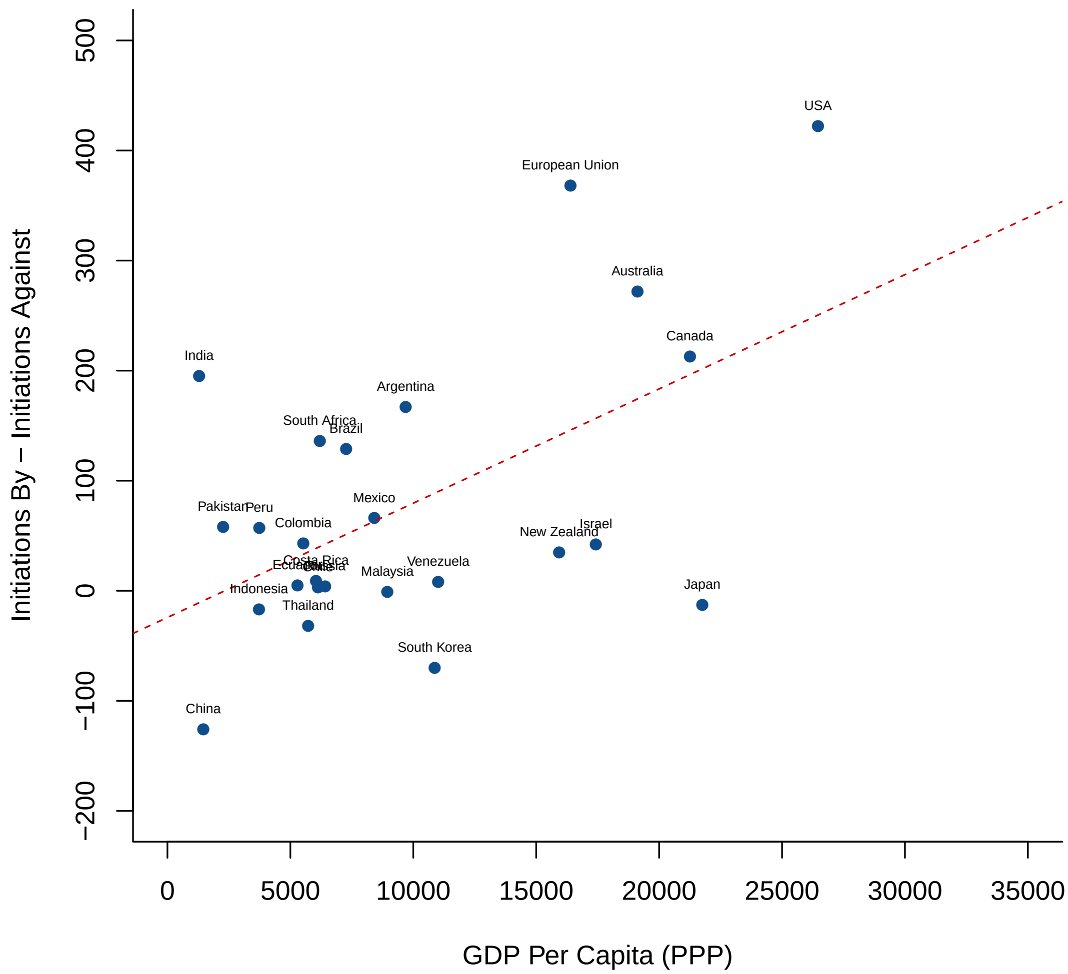

Figure III: Relationship between net anti-dumping initiations and average per capita GDP. The correlation coefficient between the two variables is 0.55, which has a p-value of 0.004. Source: Global Antidumping Database.

any form of foreign aid or any policy intervention. If we did find an intervention that increased real per capita incomes by 40% it would be the closest thing we have to a panacea for economic development. However, we effectively have a policy intervention that does this, which is to not impose these policies which significantly harm developing countries. Thus, by removing the current practice, which is aimed at shifting rents from the less developed world, we could tangibly reduce poverty. By comparison, consider The Millennium Villages Project, which was a high profile 10-year, multi-sector, rural development project, which began in 2005 in 14 village sites in ten countries (Mitchell, Gelman, Ross, Chen, Bari, Huynh, Harris, Sachs, Stuart, Feller, Makela, Zaslavsky, McClellan, Ohemeng-Dapaah, Namakula, Palm and Sachs, 2004). This project, with its multimillion-dollar price tag, induced an improvement in income that pales in comparison to the benefit that one would obtain by not initiating an antidumping petition against Catfish farmers in Vietnam.

Antidumping duties are but one example of actions that developed countries take to the detriment of less-developed countries. However, there are many more examples. One that is closely related is tariffs in general. There is ample evidence that, like anti-dumping duties, tariffs placed against developing-country products increase poverty, reduce growth, and retard industrialization (e.g., McCaig, 2011, McCaig and Pavcnik, 2018). Despite this, tariffs have been, and continue to be, systematically higher against goods that developing countries produce. They are higher in less-skilled industries for which developing countries have a comparative advantage (Nunn and Trefler, 2013). Even within industries – i.e., at the product level – there is a bias against poor countries. Goods and varieties that are of lower quality and tend to be produced by less-developed countries, tend to have higher tariffs placed against them (Acosta and Cox, 2019).

Another example is the use of power and coercion in the international arena. Several papers have found that coercion has been used to the economic benefit of those with power (e.g., developed nations) at the expense of those who do not have it (e.g., less-developed nations). Berger, Easterly, Nunn and Satyanath (2013) show that CIA interventions that led to the installment of 'puppet' leaders who were aligned with the United States, whether through propaganda, election support, organized coups, or assassinations, resulted in an increase in power that was used to create an export market for U.S. products. After 'puppet leaders' were installed, the sales of products from the U.S. to the intervened country increased dramatically, while the sales of the intervened country to the United States did not change. The increased sales seem to have been due to direct government purchases and that the goods purchased were ones that the United States was having a hard time finding a market for.

It seems to me that we have ended up in a strange equilibrium. With one hand, the Western developed nations are taking actions that have obvious deleterious effects on developing countries. These decisions increase poverty and cause the persistence of underdevelopment. This occurs through trade policies, like tariffs or anti-dumping duties, and through practices in international relations and political economy. With the other hand, we are trying (or at least purport to be trying) to help developing countries through foreign aid, which we know often has unintended negative consequences and is typically given in a self-serving manner e.g., through tied-aid or aid given in-kind. Probably the strategy that we as the West could be doing, is to not take these actions that are causing harm. That is, we don't need to "fix" anything, but we could stop harming developing countries.

This raises the question of whether there are other policy options or things that can be done to reduce global poverty. I'll raise a few possible policies here. The first is greater labor mobility. There is now accumulating evidence showing that there are significant benefits to labor mobility. Not surprisingly, numerous studies have found that those who migrate benefit. A recent study by Clemens, Montenegro and Pritchett (2019) carefully accounts for selection into migration to obtain credible estimates of the causal effects of migration. They find that for unskilled male migrants with 9–12 years of education who move to the United States, migrating increases their annual real wage by 395% or $13,600 dollars. This illustrates an unsurprising but important fact: there is a remarkable increase in wellbeing for those who migrate. Also, if we presume that individuals are paid their marginal product, then this reflects a nearly 400% increase in the migrant's productivity from moving to the United States.

For many, it is unsurprising that migrants themselves are better off after relocating. However, how could greater labor mobility be the basis of a serious development strategy? Won't all developing countries empty and currently-wealthy countries will become overcrowded? This line of thinking, which is common, ignores an important fact. This is that developing countries, including those left behind, are also made better off when someone migrants to another country. Evidence shows that members of the extended family who are left behind are also made better off due to remittances (Yang, 2008, 2011), which themselves cause increased human capital accumulation, less child labor, and more entrepreneurship and self-employment (Yang, 2008).

As Sanchez (2019) has documented, particularly successful migrants often finance public goods and other large-scale projects in the origin villages. Remittances are also sizeable quantitatively. Despite the limited migration that occurs currently, they already total more than aggregate aid flows (Yang, 2011). Thus, the potential benefits from migration due to remittances alone is large and with loosened migration restrictions remittances would easily swamp foreign aid flows.

It is not only the families that benefit when an individual migrates. Evidence is accumulating suggesting sending countries can also benefit from out-migration. Swedish emigration to the United States in the late-19th and early-20th centuries led to higher unionization rates, more civic participation, and more inclusive domestic institutions (Karadja and Prawitz, 2019) as well as greater innovation arising due to the resulting relative scarcity of labor (Andersson, Karadja and Prawitz, 2017). Emigration to the United States also led to more long-term inward and outward FDI for the sending countries. Thus, international migration facilitated the creation of international business links which continue to exist today. Studies of more recent labor movements also find similar effects. Kerr (2008) finds that immigration to the United States results in greater knowledge flows to the origin country, which results in greater productivity and output.

On a more micro (and personal) level, I see many examples of this in our profession. One example is my coauthor Leonard Wantchekon, who left Benin – or more accurately, escaped from jail where he was imprisoned for pro-democracy activism – and fled to Canada as a political refugee. In Canada, he obtained his M.A. in 1992, and then went to the United States, where he obtained his Ph.D. in 1995. He has since gone on to be an extremely successful scholar, working in the fields of political economy and development economics.[1] As is common amongst successful diaspora from developing countries, he wanted to give back to his country. In 2014, he founded the *African School of Economics*, which is a PhD-granting University located in Cotonou, Benin. The University has already been extremely successful at educating and training many talented African-born students who have gone on to have fruitful careers in government or academia. Not only has the country of Benin benefiting from Leonard's migration, but actually much of Africa.

The last benefits of migration that I will discuss are those for the receiving country. Sequeira, Nunn and Qian (2019) study immigration into the United States during its 'Age of Mass Migration'. They found that immigrants generated sizeable economic benefits in the locations in

[1] For the full story, see Wantchekon (2012).

which they settled. These benefits were felt almost immediately, persisted, and continue to be felt today. Such effects appear to be general and found in many different settings. Examples range from the 17th Century Huguenot immigration into Prussia (Hornung, 2014) to the large influx of Vietnamese refugees into the United States beginning in the 1970s (Parsons and Vezina, 2018) to immigration into France from 1995–2005 (Mitaritonna, Orefice and Peri, 2017).

While most studies estimate the effects of immigration by looking at episodes of increased migration, Clemens, Lewis and Postel (2018) do this by studying the effects of the elimination of the Mexican *bracero* worker agreement in 1964, a policy that resulted in the removal of nearly half a million seasonal Mexican farmworkers from the U.S. labor force. They find no evidence that domestic workers benefited from the exclusion, either in terms of higher wages or greater employment. Farm owners were forced to adjust to the scarcity of labor by shifting to labor-saving machines if such technology existed. If they could not do this, then they were forced to scale back production.

While a dramatic loosening of immigration restrictions may not be feasible for political reasons, there are small changes that could be made in terms of labor restrictions that would have huge effects. Take the example of restrictions and requirements on travel visas. Figure IV, which is taken from Umana-Dajud (2019), shows the visa restrictions facing Ethiopians who want to enter a foreign country. Each country is shaded according to restrictions faced. As can be seen, nearly every country in the world requires a visa to be obtained ahead of time. The handful of countries that allow a visa upon arrival do not have direct flights from Ethiopia. The transit countries all require a visa beforehand. Effectively travel is very difficult for any person from Ethiopia. This must affect international business relations between Ethiopia and the rest of the world, especially given that it is now well-documented that very small travel costs – i.e., the cost difference between a direct flight and a two-leg flight – have important effects on business travel, capital flows, and economic growth (Campante and Yanagizawa-Drott, 2018). Consistent with this, a recent study by Umana-Dajud (2019) finds that visa restrictions have a significant negative effect on trade flows and they are estimated to reduce the aggregate welfare of the most-affected countries by as much as 5%.

Another strategy to combat global poverty is the use of consumer purchasing power. There are a number of cases where consumers, by voting with their wallets, have been able to affect change for the global poor. For example, the public outcry in the 1990s against Nike, Adidas, and

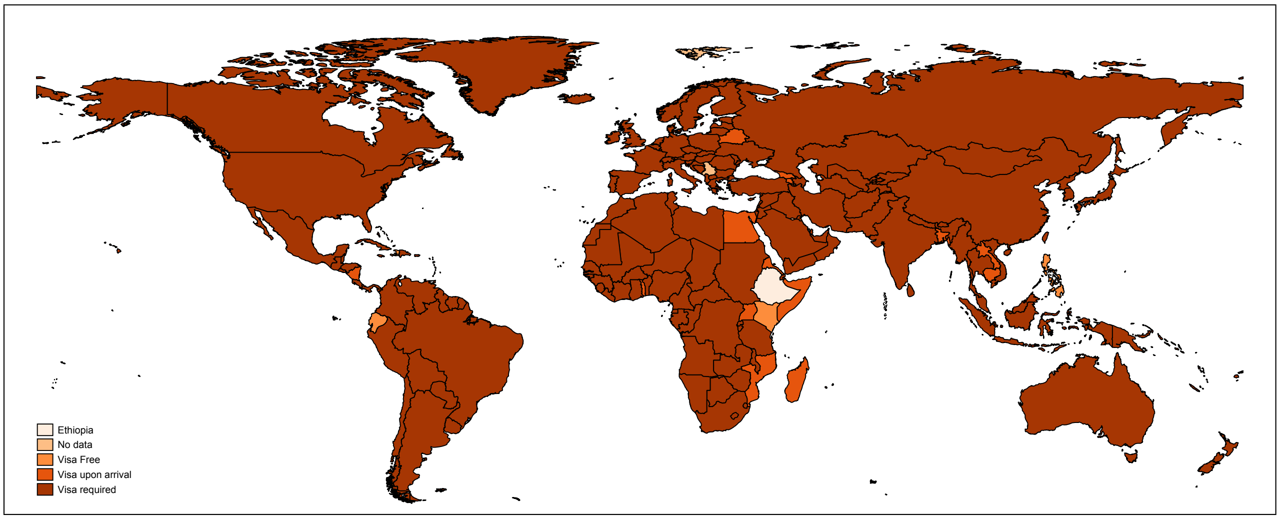

Figure IV: Visa restrictions faced by Ethiopians when traveling to each country. Source: Umana-Dajud (2019).

Reebok's sourcing their products from sweatshop factories resulted in pressure that led to changes in production and labor standards in their factories. Harrison and Scorse (2010) document the effects that this had for Indonesian workers. It resulted in higher wages, as the Indonesian government increased the minimum wage by 400%. At the same time, this does not appear to have come at the expense of less production or fewer jobs.

Similarly, recent evidence by Dragusanu and Nunn (2018) finds that consumer purchases Fair Trade certified coffee result in increased incomes of FT-certified coffee farmers in Costa Rica. These benefits ultimately originate due to consumers' willingness to pay more for products that are produced and sourced in a manner that improves the lives of producers. Traditionally, we think of consumers as only valuing the attributes of the good they purchase. However, there is now overwhelming evidence that, above and beyond the product itself, consumers also value the production process and how it affects the wellbeing of those who are involved in it.

There have been numerous rigorous lab-in-the-field experiments showing this. Typically, these involve randomly displaying information about a product's certification or not and also randomly changing its sales price. Such studies have examined Fair Trade certified products (Arnot, Boxall and Cash, 2006, Hiscox, Broukhim and Litwin, 2011a, Hainmueller, Hiscox and Sequeira, 2015), products with fair labor standards (Hiscox and Smyth, 2011, Hiscox, Broukhim, Litwin and Woloski, 2011b), and products with environmental standards (Hainmueller and Hiscox, 2015).

The general findings of the studies are that consumers are willing to pay significantly more for a product that they believe to have been produced in a manner that improves the wellbeing of the producers who are in less-developed countries. In addition, with certification, increasing the price does not decrease demand and in many cases further increases it. Thus, consumers often have the highest demand for a product when the price is high and it is known to be certified.

Since the inception of certification programs, the most well-known being Fairtrade in 1997, sales of certified products has grown exponentially. This is an indication of consumers untapped demand for the production of products that occurs in a way that benefits workers in developing countries. As of 2016, the last year for which data are available, there are now over 1,400 organizations and 1.6 million farmers and workers, spanning 73 countries and 19 product categories that are Fairtrade certified (Fairtrade International, 2018). This, combined with the growing popularity of such labeling initiatives, suggests the possibility of this being a tool that helps alleviate poverty in developing countries.

My aim here has not been to provide a definitive answer to which policies work and which do not. Instead, it has been to point out that the discussion and narrative in the policy world, and the academic world too, tend to focus on one policy (i.e., foreign aid) among many (e.g., industrial policies, reduced labor mobility, reduced trade barriers, product labeling initiatives, etc). Given the evidence that foreign aid is often self-serving for the donors, its benefits to developing countries can often be disappointing, and it can have unintended negative consequences, I think it is fruitful to think more broadly about development policy than we currently do.

III. Rethinking academic research

I now turn to the area of academic research. Although there is diversity in the type and style of research that is done in economic development, the typical strategy follows these three steps: (1) an intervention is identified that is believed to have effects that are beneficial for economic development or wellbeing, (2) the intervention is randomly implemented (if possible) and rigorously evaluated, and (3) if successful, then the policy is scaled up and/or replicate elsewhere. In practice, step 1 is most easily accomplished if one can find an organization that is implementing an intervention and then convince them to randomize treatment or the timing of rollout. Step 2 is the core of the research process and step 3 is often left for policymakers or for follow-up research.

A well-known paper and research agenda that follows this recipe is Miguel and Kremer (2004).

While all children eventually received deworming pills during the campaign, its roll-out was done in a staggered manner that was randomized over three years. Large benefits were found. The program was then scaled up nationally and then replicated in other countries around the world (see e.g., Croke and Atun, 2019). The knowledge learned from the research undertaken by Miguel and Kremer (2004) had an important effect on subsequent policy decisions and affected the wellbeing of millions of children around the world.

This line of research has several characteristics, some of which are fairly unique within the field of economics. First, there are significant fixed costs associated solely with the logistics of the intervention and data collection. The interventions themselves are typically large in scale, costly, and logistically difficult. In many cases, the implementation is done by a partner organization, such as an NGO. However, even in these cases simply evaluating an existing project is still very costly and very difficult.

Second, there is generally an implicit presumption of fairly universal relationships across time and space.[2] If one truly believes that every case was completely different, then the strategy of scaling up and trying successful interventions in other locations would be flawed. The presumption is strongly imposed in the profession through the refereeing and publication process. During my time as an editor at the *Journal of Development Economics*, there have been many occasions where a referee has rejected a paper with credible identification and on an important topic because the same (or similar) relationship had been examined in a completely different part of the world. For example, "we already know the relationship between transportation infrastructure (e.g., roads or railways) and poverty because paper X has estimated the relationship in county Z. Thus, there is no added contribution of paper Y." Perhaps ironically, referees also tend to view it as a deficiency if a paper obtains a relationship that is different from a previous paper examining a different part of the world.

Third, the methods that one uses in different countries and when studying different questions are the same and are fully transportable across different contexts. This consistency is an attractive feature that, in theory, allows for the implementation of best practices and for the comparability of estimates from different environments.

Fourth, as a consequence of the previous two characteristics, in-depth knowledge of the local

[2]Of course, this is not specific to RCTs or development economics, but is a general tendency within quantitative research.

context is not completely necessary, which allows researchers to have projects in a large number of different locations. If causal relationships are similar across locations and we are using the best-practice statistical tools in all locations, this means that a researcher's experience studying education in India, for example, would be sufficient for studying similar topics in Tanzania. These assumptions mean that development economists can produce research published in the field's very best journals from more locations compared to other fields that also ask similar questions about economic development and involve fieldwork, such as anthropology.

These characteristics of this line research have consequences for the way the literature evolves. For example, I would argue that they contribute to three features of the field of development economics currently.[3] The first is that research tends to be focused on a very limited number of countries for which the necessary research infrastructure has been established. With existing infrastructure, a new researcher does not have to bear the necessary fixed costs that are typically required when working in a new country. At the extreme, one can simply hire a survey company that already exists in the location. It is hard to overestimate the costs and logistics needed to begin large-scale interventions and surveys in a new location without existing infrastructure. This is something that my coauthors (Sara Lowes, James Robinson, and Jonathan Weigel) and I (perhaps foolishly) undertook when we began working in the DRC in 2013 to study the effects of traditional state formation among the Kuba and Lele (Lowes, Nunn, Robinson and Weigel, 2017). There was no real foreign presence in the largest city of the region, Kananga, nor was there any running water, sewerage or electricity. Setting up to undertake research in this environment required huge upfront investments. These ranged from the more obvious like obtaining permissions from local officials at multiple levels to training enumerators. However, it also involved a large amount of tedious and mundane tasks like finding houses and offices; hiring a cook; buying pots, pans, wash basins, 55-gallon drums to store water, beds, mattresses, etc; figuring out how to purify water; and figuring out how to generate a reliable source of electricity. There was a lot of learning-by-doing, so the first attempts at the tasks were not always successful.

[3]An additional consequence of these characteristics of research is that focus has shifted towards the study of individuals and households and towards questions relevant to them. At the same time, there has been a shift away from the study of firms and issues important for them. The reason is simple. It is logistically easier and less costly to study households than it is to study firms. As an example, consider the study by Bloom, Eifert, Mahajan, McKenzie and Roberts (2013), which examined the effects of management consulting on Indian textile plants. The full cost/value of the intervention that was implemented was $250,000 per observation (plant). This is much more than the cost per observation in a typical study that occurs at the household level. The researchers were able to overcome this by having a modest number of treated observations (only 14 in total) and by obtaining a significant discount from the firm implementing the management consulting.

The second characteristic is that, relative to other fields and what (in my mind) is optimal, the local context and setting are seldom taken into account in sufficiently meaningful ways, either in terms of the research design or in the interpretations of the findings. Closely related to this is the third characteristic, which is that during the process of research, local scholars are seldom involved in any meaningful way, such as being coauthors on the project. As a concrete example of this, consider the Abdul Latif Jameel Poverty Action Lab (J-PAL). The organization has been at the forefront of academic global outreach. In terms of involving those from developing countries in academic research, the organization is as inclusive as it gets. Despite this, as of the time this article is being written, according to their website, of J-PAL's network of 170 affiliated professors from 58 Universities, there is only one University that is not from a country that is either European or a European offshoot. This is the Indian Institute of Management. They have one affiliate from an African University, but this is the University of Cape Town, located in South Africa.

The fact that research seldom uses the details of the local context in any meaningful way goes a long way in explaining why local scholars are seldom involved in projects. If it is perceived that a deep understanding of the local context is not needed, then this significantly reduces the incentives to reach out to local scholars and involve them in the research process. However, I would contend that this view is incorrect. Undertaking research that makes progress on development issues isn't possible without a deep understanding of the local context. Without this, at best, our understanding is incomplete, and at worst, it is completely off the mark. To illustrate this point, in the following subsection, I provide three examples of research to illustrate the point that understanding the local context is crucial for development research. The examples I have chosen are just a few of many. I have made an effort to choose examples that are of the standard development policies; namely, health and medicine, agriculture, and education. I turn to these now.

A. Health and medical policies

One of the areas in which foreign aid has the largest scope to improve the wellbeing of the global poor is in the area of health. Over the past century, there have been enormous medical advances. We now have vaccines and treatments that prevent and cure diseases that would otherwise be deadly, such as polio, malaria, yellow fever, trypanosomiasis, etc. Despite this, there are numerous examples of populations in developing countries refusing life-saving treatment.

One of the more dramatic examples is of individuals refusing treatment in the 2014–2016 Ebola outbreak in West Africa and during the current outbreak in the Eastern DRC.

This is a remarkable situation. We have made medical advances. We know how to save lives. Funds have been raised and resources mobilized. But, at the very last step of the process, when the medical treatment is offered to recipients, they refuse.

A natural knee-jerk reaction is to view this behavior as irrational and inexplicable. However, the behavior becomes understandable when one learns about the history of medical interventions on the African continent. The recent study by Lowes and Montero (2017) examines medical interventions that occurred during the colonial period in French Equatorial Africa and were aimed at eradicating sleeping sickness (trypanosomiasis). The medical campaigns required villagers, often at gunpoint, to submit to physical exams and tests for sleeping sickness. The only effective test at the time was a spinal tap, an extremely painful procedure. Given this, it was often easier to simply treat whole villages, rather than only those with the disease. The early treatment used was an arsenic-based drug called atoxyl, which, it was later discovered, had the side effect of causing at least partial blindness in approximately 20% of those treated.

This dramatic experience with Western medicine continues to live in the collective memory of those alive today. The parents, grandparents, and great grandparents of those alive today directly experienced the medical interventions, which continued regularly until the end of colonial rule. Stories are told and songs sung of these traumatic historical experiences.

Could these past medical interventions explain why individual's today are hesitant to put their faith in Western medicine brought in by the developed West? The study by Lowes and Montero (2017) seeks to answer this question. To do this, the authors went to archives in France to collect and digitize information on the frequency with which different locations within French Equatorial Africa were visited by the colonial medical campaigns. With this information, they are able to compare how the historical experience with colonial medical campaigns is associated with the success of contemporary foreign medical interventions. They find that places with more visits in the past are also the places where medical interventions are less successful today. Interestingly, this negative effect is only found for medical projects and not for other projects, such as infrastructure. This suggests that the adverse effects have not spilled into other forms of foreign aid. Digging deeper into mechanisms, they also show that refusal rates for blood tests (for anemia and HIV/AIDS) and vaccines are significantly higher in locations that experienced more colonial medical campaigns historically.

This example illustrates the importance of understanding the historical and current cultural context of a location. Once these are known, behavior that the West often views as irrational and frustrating become understandable. In addition, the potential solutions become more clear. The history of these locations suggests that much more needs to be done besides simply showing up and asking individuals to line up for vaccinations or blood tests. Instead, it is likely that significant outreach, communication, and a sensitivity to past experiences with Western medicine is essential.

B. Agricultural policies

An example of the importance of local culture and context within agriculture is documented in the book by J. Stephen Lansing (1991), *Priests and Programmers*. He describes the Hindu-based belief system in Bali called *Agama Thirtha*. It is a system where water is central and is viewed as holy. It features an elaborate hierarchical system of temples that are placed at the critical junctures of a complex irrigation system, which brings water to fields that are used for wet rice cultivation. The water originates from a volcanic crater lake that is located in the mountain of the island and where the water goddess *Dewi Danu*, lives.

Farmers in each rice terrace are organized into local democratic collectives called *subak*. Using religious calendars and rituals, all *subak*s in an area coordinate planting with each other, performing elaborate multi-day rituals before planting. These involve a pilgrimage to the crater lake, then rituals at the regional water temples, followed by rituals at village temples, and then rituals in the fields themselves.

In the mid-1970s, the Green Revolution was brought to the island. As part of this, farmers were encouraged to abandon old traditions and adopt new methods to increase their yields. Part of these efforts was getting farmers to decouple their planting decisions with their spiritual rituals. They could continue these, but they should no longer wait and coordinate planting with other farmers in the region. This way farmers could plant as many times during the year as possible and not have to wait for their neighbors to do so.

Within years of implementation, crops were consistently overwhelmed with insects. It turns out that the spiritual beliefs and religious rituals that coincided with the planting decisions were beneficial and had served to control pest populations. Because of the coordinated planting, all land within an area was fallow at the same time. In addition, for spiritual reasons, fallow land was flooded. An unknown consequence of this is that it helped control pests. For a specific period of each year, the insects had nothing to eat and died off. By forcing farmers to abandon their traditional religion-based farming practices, they unintentionally force farmers into inferior farming practices. In the late 1980s, after much damage had been done, farmers returned to their traditional farming practices.

In this example, insufficient understanding of the local customs and cultural context led to policy interventions that did more harm than good. Despite being armed with superior agricultural technologies, due to the use of a one-size-fits-all policy, these interventions did more harm than good in Bali.

C. Education policies

In 1973, the Indonesian government launched a program that built a remarkable 61,807 primary schools over seven years. It was the largest such school-construction program ever undertaken. As is documented by Esther Duflo (2001), the program had large positive effects on the education of boys, which in turn resulted in higher incomes in their adulthood. In other words, the program was a success.

Duflo's well-known study only looked at boys because her primary interest was in estimating the causal effect of education on adult wages. Since formal employment is low among women, they were not included in her study. However, if one uses the same methodology, but examines girls rather than boys, one finds no effect of the program on girls education (Ashraf, Bau, Nunn and Voena, 2019). As Ashraf et al. (2019) show, this zero effect masks important heterogeneity. For some ethnic groups, the effect of the program was positive and very large. For others, the effect was zero. After showing this, Ashraf et al. (2019) show that a similar pattern is found for another large-scale school construction program in Zambia in the late 1990s and early 2000s.

It turns out that the key difference between the two groups, in each country, is that one comprises ethnic groups that have a custom of bride price while the other comprises ethnic groups that do not. Bride price, which is also known as bridewealth, is a transfer of money and/or goods from the groom to the bride's parents at the time of marriage. The practice is widespread in Asia and Africa and the payments are sizeable, often more than one or two years' wages. Among ethnic groups that practice bride price, schooling construction caused an increase in female educational attainment. For those that did not, school construction had no effect. The connection between the practice and female education is not immediately obvious.

Ashraf et al. (2019) provide the answer, which is due to an important fact that is well-known to the local populations. This is that the value of the bride price – i.e., the amount that parents receive when their daughters are married – is significantly higher the more education their daughter is. The authors document that completing primary school almost doubles the value of the bride price and completing secondary school almost doubles it again. Thus, the monetary returns to parents from their daughters are higher in societies with a bride price than those without. The authors develop and test a model that shows how the additional monetary benefit from daughters education causes the effectiveness of education policies, like school construction, to be much greater when the custom of bride price is present.

This finding is particularly interesting given the common view by the developed West of bride price as a primitive custom that involves the purchase of a wife by the husband. Partly motivated by this view, there have been numerous calls for its abolishment. The perception by those who practice the custom is not that the wife is being purchased by the husband, but that the bride price is a gift of appreciation to the parents for raising their daughter even knowing that she will be married at which time she will no longer be part of the parent's family and will instead be a part of the husband's family. Finding causal estimates of the effect of bride price on the quality of the marriage and female empowerment is difficult. However, existing correlations suggest that, conditioning on observables, the size of the bride price is positively associated with the quality of the marriage, female empowerment, and the wife's happiness (Lowes and Nunn, 2018).

The example shows how the success of a standard policy, like building schools to increase the educational attainment of women, depends critically on the customs of the population in question. Even within the same country, among some groups, the policy is a huge success, but among others, it is a complete failure. In addition, the contextual detail, in this case, a marriage custom, is not something that would immediately come to mind when thinking about what customs are important for child education. This highlights the importance of a holistic understanding of a society and its cultural traits when trying to assess the effectiveness of policies. Simply coming in and asking the questions that a researcher feels are relevant for education policy may not be enough. Intimate local knowledge is needed just to know what aspects of life are important for education.

IV. Conclusions

In this article, I have reflected on the current state of economic development, in both the policy world and in academia. As I have discussed, development policy tends to focus on interventions, typically funded with foreign aid, that are aimed at fixing deficiencies in developing countries. The general perception is that there are inherent problems with less-developed countries that can be fixed by with the help of the Western world. I have discussed evidence that shows that the effects of this 'help' can be mixed. While there are benefits, there can also be unintended adverse consequences.

At the same time that this 'help' is being offered, the developed West undertakes many actions that are harmful to developing countries in obvious ways. Examples include tariffs, antidumping duties, limits on international labor mobility, the use of international power and coercion, and tied-aid used for export promotion. These are but a few examples. Thus, it is unclear whether interactions with the West are, on the whole, helpful or detrimental to developing countries. We may have our largest and most positive effects on alleviating global poverty if we focused on restraining ourselves from actively harming less-developed countries rather than focusing our efforts on fixing them.

Academic research mirrors the policy world in its general assumption that there are deficiencies in developing countries that help and insights from Western academics can help to solve. An important difference between the academic world and policy world is that the former places much more emphasis on rigorous evaluation of interventions and the estimation of credible causal impacts. The set of methods that are used are solely quantitative and can be applied to essentially any setting. There is also usually a strong prior that the effects being estimated are similar and informative across settings.

Due to the fixed costs of setting up the infrastructure needed for large-scale quantitative research, most research takes place in a limited set of countries with the necessary infrastructure. Since relationships are viewed as being similar across setting this is not generally viewed as an issue. Relationships can be estimated in locations that are logistically easier to work in and we can extrapolate to locations that are more difficult to work in. However, an upshot of this strategy is that we have come to under-appreciate the differences across contexts and their importance for research. Local context is not believed to be that important. As a consequence of this, local knowledge and local scholars are seldom involved in the research process in any meaningful way, e.g. as collaborators and coauthors.

I ended by providing numerous examples of how this one-size-fits-all view of policy and research can result in either an incomplete or incorrect understanding of the consequences of development policy. In these settings, a detailed understanding of the local context is necessary for proper analysis and effective policy. However, this requires a number of things that are currently missing from development research, including research that incorporates qualitative research (e.g., interviews, focus groups, etc) in a real way, cross-disciplinary communication with anthropologists and historians, and, most importantly, collaboration with local researchers. Once the academic world realizes the importance of local context for development policy, then the importance of local researchers becomes clear, which will go a long way towards making research more inclusive.

References

Acosta, Miguel and Lydia Cox, "The Regressive Nature of the U.S. Tariff Code: Origins and Implications," 2019. Working paper, Columbia University.

Ahmed, Faisal Z., "Does Foreign Aid Harm Political Rights? Evidence from U.S. Aid," *Quarterly Journal of Political Science*, 2016, *11* (2), 118–217.

Alesina, Alberto and David Dollar, "Who Gives Aid to Whom and Why?," *Journal of Economic Growth*, 2000, *5* (1), 33–63.

Anderson, Mary B., *Do No Harm: How Aid Can Support Peace – Or War*, London: Lynne Rienner Publishers, 1999.

Andersson, D., M. Karadja, and E. Prawitz, "Mass Migration, Cheap Labor, and Innovation," 2017. Working Paper, Institute for International Economic Studies, Stockholm University.

Arnot, Chris, Peter C. Boxall, and Sean B. Cash, "Do Ethical Consumers Care About Price? A Revealed Preference Analysis of Fair Trade Coffee Purchases," *Canadian Journal of Agricultural Economics*, 2006, *54* (4), 555–565.

Ashraf, Nava, Natalie Bau, Nathan Nunn, and Alessandra Voena, "Bride Price and Female Education," *Journal of Political Economy*, 2019, p. forthcoming.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Edward Miguel, "Worms at Work: Long-Run Impacts of a Child Health Investment," *Quarterly Journal of Economics*, 2016, *131* (4), 1637–1680.

Barnett, Michael, *Empire of Humanity: A History of Humanitarianism*, Ithaca: Cornell University Press, 2011.

Berger, Daniel, William Easterly, Nathan Nunn, and Shanker Satyanath, "Commercial Imperialism? Political Influence and Trade During the Cold War," *American Economic Review*, 2013, *103* (2), 863–896.

Bhagwati, Jagdish N., "Directly Unproductive. Profit-Seeking (DUP) Activities," *Journal of Political Economy*, 1982, *90*, 988–1002.

Bloom, Nicholas, Benn Eifert, Aprajit Mahajan, David McKenzie, and John Roberts, "Does Management Matter? Evidence from India," *Quarterly Journal of Economics*, 2013, *128* (1), 1–51.

Brambilla, Irene, Guido Porto, and Alessandro Tarozzi, "Adjusting to Trade Policy: Evidence from U.S. Antidumping Duties on Vietnamese Catfish," *Review of Economics and Statistics*, 2012, *94* (1), 304–319.

Campante, Filipe and David Yanagizawa-Drott, "Long-Range Growth: Economic Development in the Global Network of Air Links," *Quarterly Journal of Economics*, 2018, *133* (3), 1395–1458.

Clay, Edward J., Matthew Geddes, and Luisa Natali, "Aid Untying: Is it Working?," An Evaluation of the Implementation of the Paris Declaration and of the 2001 DAC Recommendation of Untying ODA to the LDCs, Danish Institute for International Studies, DIIS 2009.

Clemens, Michel A., Claudio E. Montenegro, and Lant Pritchett, "The Place Premium: Bounding the Price Equivalent of Migration Barriers," *Review of Economics and Statistics*, 2019, *101* (2), 201–213.

_ , Ethan G. Lewis, and Hannah M. Postel, "Immigration Restrictions as Active Labor Market Policy: Evidence from the Mexican Bracero Exclusion," *American Economic Review*, 2018, *108* (6), 14689–1487.

Croke, Kevin and Rifat Atun, "The Long Run Impact of Early Childhood Deworming on Numeracy and Literacy: Evidence from Uganda," *PLOS Neglected Tropical Diseases*, January 2019, *13* (1), e0007085.

Crost, Benjamin, Joseph Felter, and Patrick B. Johnson, "Aid Under Fire: Development Projects and Civil Conflict," *American Economic Review*, 2014, *104* (6), 1833–1856.

_ , _ , and _ , "Conditional Cash Transfers, Civil Conflict and Insurgent Influence: Experimental Evidence From the Philippines," *Journal of Development Economics*, 2016, *118* (1), 171–182.

Dragusanu, Raluca and Nathan Nunn, "The Impacts of Fair Trade Certification: Evidence from Coffee Producers in Costa Rica," 2018. Working paper, Harvard University.

Dube, Oeindrila and Suresh Naidu, "Bases, Bullets, and Ballots: The Effect of U.S. Military Aid on Political Conflict in Colombia," *Journal of Politics*, 2015, *77* (1), 249–267.

Duflo, Esther, "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 2001, *91* (4), 795–813.

Fairtrade International, "Monitoring the Scope and Benefits of Fairtrade. Monitoring Report 9th Edition," 2018. Mimeo.

Giorcelli, Michela, "The Long-Term Effects of Management and Technology Transfers," *American Economic Review*, 2019, *109* (1), 1–33.

Hainmueller, Jens and Michael J. Hiscox, "The Socially Conscious Consumer? Field Experimental Tests of Consumer Support for Fair Labor Standards," 2015. Mimeo, MIT.

— , — , **and Sandra Sequeira**, "Consumer Demand for Fair Trade: Evidence from a Multistore Field Experiment," *Review of Economics and Statistics*, May 2015, *97* (2), 242–256.

Harris, Richard, Ian Keay, and Frank Lewis, "Protecting Infant Industries: Canadian Manufacturing and the National Policy, 1870–1913," *Explorations in Economic History*, 2015, *56* (1), 15–31.

Harrison, Anne and Jason Scorse, "Multinationals and Anti-Sweatshop Activism," *American Economic Review*, 2010, *100* (1), 247–273.

Haushofer, Johannes and Jeremy Shapiro, "The Short-Term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya," *Quarterly Journal of Economics*, 4 2016, *131* (1), 1973–2042.

— **and** — , "The Long-Term Impact of Unconditional Cash Transfers: Experimental Evidence from Kenya," 2018. Working paper, Princeton University.

— **, James Reisinger, and Jeremy Shapiro**, "Your Gain is My Pain: Negative Psychological Externalities of Cash Transfers," 2015. Working paper, Princeton University.

Hausman, Ricardo, Jason Hwang, and Dani Rodrik, "What you Export Matters," *Journal of Economic Growth*, 2007, *12* (1), 1–25.

Hiscox, Michael J. and Nicholas F.B. Smyth, "Is there Consumer Demand for Fair Labor Standards? Evidence from a Field Experiment," 2011. Mimeo, Harvard University.

— **, Michael Broukhim, and Claire S. Litwin**, "Consumer Demand for Fair Trade: New Evidence from a Field Experiment using eBay Auctions of Fresh Roasted Coffee," 2011. Mimeo, Harvard University.

— , — , — **, and Andrea Woloski**, "Consumer Demand for Fair Labor Standards: Evidence from a Field Experiment on e-Bay," 2011. Mimeo, Harvard University.

Hornung, Erik, "Immigration and the Diffusion of Technology: The Huguenot Diaspora in Prussia," *American Economic Review*, 2014, *104* (1), 84–122.

Juhasz, Reka, "Temporary Protection and Technology Adoption: Evidence from the Napoleon Blockade," *American Economic Review*, 2018, *108* (11), 3339–3376.

Karadja, Mounir and Erik Prawitz, "Exit, Voice and Political Change: Evidence from Swedish Mass Migration to the United States," *Journal of Political Economy*, 2019, p. forthcoming.

Kerr, William R., "Ethnic Scientific Communities and International Technology Diffusion," *Review of Economics and Statistics*, 2008, *90* (3), 518–537.

Kono, Daniel Yuchi and Gabriella R. Montinola, "Does Foreign Aid Support Auocrats, Democrats, or Both?," *Journal of Politics*, 2009, *71* (2), 704–718.

Kuziemko, Ilyana and Eric Werker, "How Much is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations," *Journal of Political Economy*, 2006, *114* (5), 905–930.

Lane, Nathan, "Manufacturing Revolutions: Industrial Policy and Networks in South Korea," 2017. Working paper, IIES Stockholm University.

Lansing, J. Stephen, *Priests and Programmers: Technologies of Power in the Engineering Landscape of Bali*, Princeton: Princeton University Press, 1991.

Lischer, Sarah Kenyon, *Dangerous Sanctuaries: Refugee Camps, Civil War, and the Dilemmas of Humanitarian Aid*, Ithaca: Cornell University Press, 2005.

Lowes, Sara and Eduardo Montero, "Mistrust in Medicine: The Legacy of Colonial Medicine Campaigns in Central Africa," 2017. Mimeo, Bocconi University.

_ and Nathan Nunn, "Bride Price and the Wellbeing of Women," in Siwan Anderson, Lori Beaman, and Jean-Philippe Platteau, eds., *Towards Gender Equity in Development*, Oxford: Oxford University Press, 2018, pp. 117–138.

_ , _ , James A. Robinson, and Jonathan L. Weigel, "The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom," *Econometrica*, 2017, *85* (4), 1065–1091.

McCaig, Brian, "Exporting Out of Poverty: Provincial Poverty in Vietnam and U.S. Market Access," *Journal of International Economics*, 2011, *85* (1), 102–113.

_ and Nina Pavcnik, "Export Markets and Labor Allocation in a Low-Income Country," *American Economic Review*, 2018, *108* (7), 1899–1941.

Miguel, Edward and Michael Kremer, "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, 2004, *72* (1), 159–217.

Mitaritonna, Cristina, Gianluca Orefice, and Giovanni Peri, "Immigrants and Firms' Outcomes Evidence from France," *European Economic Review*, 2017, *96*, 62–82.

Mitchell, Shira, Andrew Gelman, Rebecca Ross, Joyce Chen, Sehrish Bari, Uyen Kim Huynh, Matthew W. Harris, Sonia Ehrlichs Sachs, Elizabeth A Stuart, Avi Feller, Susanna Makela, Alan M. Zaslavsky, Lucy McClellan, Seth Ohemeng-Dapaah, Patricia Namakula, Cheryl A Palm, and Jeffrey D. Sachs, "The Millennium Villages Project: A Retrospective Observational, Endline Evaluation," *The Lancet*, 2004, *6* (e500–e513), 725–753.

Mitrunen, Matti, "War Reparations, Structural Change, and Intergenerational Mobility," 2019. Working paper, IIES Stockholm University.

Moscona, Jacob, "The Management of Aid and Conflict in Africa," 2019. Mimeo, M.I.T.

Nunn, Nathan and Daniel Trefler, "The Structure of Tariffs and Long-Term Growth," *American Economic Journal: Macroeconomics*, 2013, *2* (4), 158–194.

_ and Nancy Qian, "U.S. Food Aid and Civil Conflict," *American Economic Review*, 2014, *104* (6), 1630–1666.

Olken, Benjamin, "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy*, 2007, *115* (2), 200–249.

Parsons, Christopher and Pierre-Louis Vezina, "Migrant Networks and Trade: The Vietnamese Boat People as a Natural Experiment," *Economic Journal*, 2018, *128* (612), F210–F234.

Polman, Linda, *The Crisis Caravan: What's Wrong with Humanitarian Aid?*, New York: Henry Holt and Co., 2010.

Prusa, Thomas J., "On the Spread and Impact of Antidumping," *Canadian Journal of Economics*, 2001, *34* (3), 591–611.

Reinikka, Ritva and Jakob Svensson, "Local Capture: Evidence from a Central Government Transfer Program in Uganda," *Journal of Political Economy*, 2004, *119* (2), 679–705.

Sanchez, Martin Fernandez, "Mass Migration and Education over a Century: Evidence from the Galician Diaspora," 2019. Mimeo, Paris School of Economics.

Sequeira, Sandra, Nathan Nunn, and Nancy Qian, "Immigrants and the Making of America," *Review of Economic Studies*, 2019, p. forthcoming.

Terry, Fiona, *Condemned to Repeat: The Paradox of Humanitarian Action*, Ithaca: Cornell University Press, 2002.

Trisko Darden, Jessica, *Aiding and Abetting: U.S. Foreign Assistance and State Violence*, Stanford: Stanford University Press, 2020.

Umana-Dajud, Camilo, "Do Visas Hinder International Trade in Goods?," *Journal of Development Economics*, 2019, p. forthcoming.

Wantchekon, Leonard, *Rêver á Contre-Courant: Autobiographie*, Paris: L'Harmattan, 2012.

Werker, Eric, Faisal Z. Ahmed, and Charles Cohen, "How is Foreign Aid Spent? Evidence from a Natural Experiment," *American Economic Journal: Macroeconomics*, 2009, *1* (2), 225–244.

Yang, Dean, "International Migration, Remittances and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks," *Economic Journal*, 2008, *118*, 591–630.

—, "Migrant Remittances," *Journal of Economic Perspectives*, 2011, *25* (3), 129–152.