ECON 672: Economics of Development

Fall 2026

Course logistics

Professor: Remy Beauregard
Professor email: rbeauregard@usfca.edu
Credit: 2 units
Lectures: Tuesday · 2:40-4:25 PM · Cowell Hall 413
Term: August 25 to December 17, 2026
Office hours: Tuesday · 12:15-2:15 PM · McLaren 108

Virtual meetings outside of scheduled office hours can be arranged through my office hours sign-up calendar.

Course description

Development economics: theoretical and empirical investigations of economic development issues, policies, and strategies. Offered every Fall.

This course is an introduction to development economics at the graduate level. We will read and discuss research from across the field to understand both the questions development economists ask and the methods they use to answer them.

The course considers development at both the macro and micro level. We begin with aggregate macroeconomic patterns: why income differences across countries are so large and so persistent, and what happens to output and the distribution of income as economies structurally transform. We then turn to the microfoundations of markets, institutions, and household decisions that produce these aggregate patterns, and to the programs and policies designed to address them. We will explore:

- Why are some countries richer than others, and why has convergence been so uneven?
- What happens to the distribution of income as economies transform, and why do workers move, or fail to move, between sectors and places?
- What forces keep households in poverty, and what makes escape possible?
- What shapes household decisions about family size, and how does population change interact with development?
- How do governments, markets, and non-governmental organizations each try to raise living standards, and how do we know whether they succeed?
- How have the philosophies and methods of development economics changed over recent decades, and what has the field gained and lost in those shifts?

A given week may combine a textbook chapter, a chapter from *Poor Economics*, and a research paper presented and discussed by a member of the class. Students should read these materials thoroughly and come to class prepared to discuss the week's topic. Additional recommended materials are provided some weeks for further reading, but are not expected to be discussed in class. Expect to encounter real disagreement among economists, about findings and about methods!

Course learning outcomes

By the end of this course, students will be able to:

- Explain core theoretical and empirical frameworks in development economics at an introductory graduate level, spanning aggregate growth and structural transformation as well as household and firm behavior under market failure.
- Read, interpret, and evaluate peer-reviewed academic journal articles in development economics, identifying their research question, identification strategy, foundational assumptions, and threats to external validity and scalability.
- Describe the economic, political, and institutional forces that keep people in poverty and enable escape from it, at both the household and aggregate level, including how incentives and institutional structure shape whether policies achieve their intended effects.
- Compare the principal methodological approaches in the field, including randomized experiments, quasi-experimental designs, and structural and macro-level analysis, and articulate the strengths and limitations of each.
- Critically evaluate competing positions in development policy debates, including the relative roles of geography and institutions, the case for and against industrial policy and trade protection, and the efficacy of foreign aid.
- Locate and work with standard development data sources, calculate and interpret summary statistics, and present findings graphically in a final paper and presentation.
- Present and critically discuss a published research paper orally, conveying its question, design, findings, and limitations clearly to an audience of peers.

Assignments

The assignments in this course are designed to support you in working toward the learning outcomes above and to provide an opportunity for you to explore a topic of your choosing for the course project.

- **Class participation.** Attend weekly class sessions and participate in class discussions and activities.
- **Departmental seminar.** Attend the (almost) weekly Departmental Research Seminar and submit the attendance QR code.
- **Weekly reading responses.** Submit a response to the week's assigned paper on Canvas by the beginning of class each Tuesday at 2:40pm. For more details, see the Weekly Reading Response Guidelines page on Canvas. Each week's readings are listed in the response assignment on Canvas.
- **Reading presentation.** Each week beginning September 1, one student will be selected at random during class to present their submitted response before we discuss the paper as a group. Selection is without replacement, so every student will present once over the semester. Because the order is random and drawn in class, come prepared to present each week. Presentations are brief, 5-8 minutes, and are assessed on the same criteria as the written response. If a selected student is absent with an excused absence approved in advance by the professor, they will be skipped and returned to the pool. An unexcused absence results in a grade of zero and removal from the pool. I will model the presentation format on the first day of class using the week 1 paper.
- **Independent project.** Working independently or in groups of 2, you will develop an independent empirical project incrementally across the semester, with outputs due roughly every other Friday by 6:00pm. For more details and due dates, see the Final Project Guidelines page on Canvas. Final group presentations will be held on the last day of class and during the final exam period.

Grading

Your overall grade in this course is calculated as a weighted sum of the assignments below. No other assignments are eligible for credit in this course.

Assignment category	Weight
Participation in class discussion	10%
Departmental seminar attendance	10%
Weekly written reading responses	30%
Randomly selected reading presentation	10%
Independent project and final presentation	40%
Total	**100%**

Class grades will be assigned according to the following scale:

Letter grade	Score range
A	Above 93%
A-	90 to 93%
B+	87 to 90%
B	83 to 87%
B-	80 to 83%
C+	77 to 80%
C	70 to 77%
D	60 to 70%
F	Below 60%

Please contact Professor Beauregard with any concerns about class grades.

Course schedule

Weekly topics, textbook chapters, and required journal articles are listed below. Full citations for every required, recommended, and supplemental reading appear in the extended reading list at the end of this syllabus.

Weekly topics and readings

Wk	Topic	de Janvry & Sadoulet	*Poor Econ.*	Required journal article
1	What is development? Indicators and issues	Introduction; Ch 1	None	Banerjee & Duflo (2007), "The Economic Lives of the Poor," *JEP*
2	The state of development: growth and cross-country income differences	Ch 2; Ch 8, pp. 219-230	None	Acemoglu, Johnson, & Robinson (2001), "The Colonial Origins of Comparative Development," *AER*
3	Structural transformation and inequality	Ch 8, pp. 230-242; Ch 6	None	Gollin, Lagakos, & Waugh (2014), "The Agricultural Productivity Gap," *QJE*

Wk	Topic	de Janvry & Sadoulet	*Poor Econ.*	Required journal article
4	History of thought in development economics	Ch 3	Foreword; Ch 1	Rodrik (2010), "Diagnostics before Prescription," *JEP*
5	Impact evaluation: methods and their critics	Ch 4	Preface; In Place of a Sweeping Conclusion	Deaton (2010), "Instruments, Randomization, and Learning about Development," *JEL*
6	Poverty, vulnerability, and poverty traps	Ch 5	Ch 2	Kraay & McKenzie (2014), "Do Poverty Traps Exist? Assessing the Evidence," *JEP*
7	Population, fertility, and the household	Ch 11; Ch 10, pp. 272-274	Ch 5	Ashraf, Field, & Lee (2014), "Household Bargaining and Excess Fertility," *AER*
8	Financial services for the poor: credit and microfinance	Ch 13, pp. 326-338	Ch 7	Banerjee, Duflo, Glennerster, & Kinnan (2015), "The Miracle of Microfinance?" *AEJ: Applied*
9	Fall break, no class	None	None	None
10	Risk, insurance, and savings	Ch 13, pp. 338-350; Ch 10, pp. 262-272	Ch 6 or 8	Karlan, Osei, Osei-Akoto, & Udry (2014), "Agricultural Decisions after Relaxing Credit and Risk Constraints," *QJE*
11	Human capital: health and education	Ch 17	Ch 3 or 4	Miguel & Kremer (2004), "Worms," *Econometrica*
12	Labor markets and migration	Ch 12	Ch 9	Lagakos, Mobarak, & Waugh (2023), "The Welfare Effects of Encouraging Rural-Urban Migration," *Econometrica*
13	Institutions, incentives, and implementation	Ch 20; Ch 21, pp. 518-541	Ch 10	Olken (2007), "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *JPE*
14	Social programs, targeting, and cash transfers	Ch 14	Ch 11, pp. 267-282	Egger, Haushofer, Miguel, Niehaus, & Walker (2022), "General Equilibrium Effects of Cash Transfers," *Econometrica*
15	Aid, industrial policy, and the role of the state	Ch 7, pp. 197-209; Ch 19, pp. 477-499	None	Juhász (2018), "Temporary Protection and Technology Adoption," *AER*
16	Overview and student final presentations	Introduction; Ch 1, pp. 47-49 (reread)	None	None

Project deliverables

Project outputs are due on Canvas by 6:00pm on Friday of the week listed. The project is worth 130 points.

Due	Deliverable	Points
Friday 8/28 (week 1)	Interest Survey	5
Friday 9/4 (week 2)	Initial Topic Proposals	5
Friday 9/18 (week 4)	Revised Topic Proposals	10
Friday 9/25 (week 5)	Preliminary Literature List	5
Friday 10/9 (week 7)	Literature Review	15
Friday 10/16 (week 8)	Identifying Data Source(s)	5
Friday 11/6 (week 11)	Data Analysis	15
Friday 11/20 (week 13)	Draft Presentation Slides + Paper	5 + 5
Friday 12/4 (week 15)	Final Presentation Slides + Paper	10 + 25
Tuesday 12/8 (week 16)	Class presentation, delivered in class	25

Texts (required)

de Janvry, Alain, and Elisabeth Sadoulet. 2021. *Development Economics: Theory and Practice*, 2nd ed. Abingdon: Routledge. ISBN 9780367456474.

Banerjee, Abhijit V., and Esther Duflo. 2025. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, revised and updated ed. New York: PublicAffairs. ISBN 1541706188.

Extended Course Article List

This list includes full citations for all required journal articles, plus any recommended or supplemental readings, organized by week. PDFs of all required and recommended articles are provided on Canvas. Supplemental articles are available through the linked article titles; please contact Professor Beauregard with any problems accessing course materials.

Week 1, 8/25. What is development? Indicators and issues

Required

Banerjee, Abhijit V., and Esther Duflo. 2007. "The Economic Lives of the Poor." *Journal of Economic Perspectives* 21 (1): 141-168.

Recommended

Deaton, Angus. 2008. "Income, Health, and Well-Being around the World: Evidence from the Gallup World Poll." *Journal of Economic Perspectives* 22 (2): 53-72.

Week 2, 9/1. The state of development: growth and cross-country income differences

Required

Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91 (5): 1369-1401.

Recommended

Dell, Melissa. 2010. "The Persistent Effects of Peru's Mining Mita." *Econometrica* 78 (6): 1863-1903.

Supplemental

Albouy, David Y. 2012. "The Colonial Origins of Comparative Development: An Empirical Investigation: Comment." *American Economic Review* 102 (6): 3059-3076.

Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2012. "The Colonial Origins of Comparative Development: An Empirical Investigation: Reply." *American Economic Review* 102 (6): 3077-3110.

Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. 2004. "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development." *Journal of Economic Growth* 9 (2): 131-165.

Week 3, 9/8. Structural transformation and inequality

Required

Gollin, Douglas, David Lagakos, and Michael E. Waugh. 2014. "The Agricultural Productivity Gap." *Quarterly Journal of Economics* 129 (2): 939-993.

Recommended

Young, Alwyn. 2013. "Inequality, the Urban-Rural Gap, and Migration." *Quarterly Journal of Economics* 128 (4): 1727-1785.

Supplemental

Lewis, W. Arthur. 1954. "Economic Development with Unlimited Supplies of Labour." *The Manchester School* 22 (2): 139-191.

Week 4, 9/15. History of thought in development economics

Required

Rodrik, Dani. 2010. "Diagnostics before Prescription." *Journal of Economic Perspectives* 24 (3): 33-44.

Recommended

Krugman, Paul. 1992. "Toward a Counter-Counterrevolution in Development Theory." *The World Bank Economic Review* 6 (suppl. 1): 15-38.

Supplemental

Selected contributions to the symposium "The Agenda for Development Economics," *Journal of Economic Perspectives* 24 (3), Summer 2010, freely available in the Journal of Economic Perspectives issue archive:

Deaton, Angus. 2010. "Understanding the Mechanisms of Economic Development." *Journal of Economic Perspectives* 24 (3): 3-16.

Acemoglu, Daron. 2010. "Theory, General Equilibrium, and Political Economy in Development Economics." *Journal of Economic Perspectives* 24 (3): 17-32.

Ray, Debraj. 2010. "Uneven Growth: A Framework for Research in Development Economics." *Journal of Economic Perspectives* 24 (3): 45-60.

Week 5, 9/22. Impact evaluation: methods and their critics

Required

Deaton, Angus. 2010. "Instruments, Randomization, and Learning about Development." *Journal of Economic Literature* 48 (2): 424-455.

Recommended

Banerjee, Abhijit V., and Esther Duflo. 2009. "The Experimental Approach to Development Economics." *Annual Review of Economics* 1: 151-178.

Supplemental

Imbens, Guido W. 2010. "Better LATE Than Nothing: Some Comments on Deaton (2009) and Heckman and Urzua (2009)." *Journal of Economic Literature* 48 (2): 399-423.

Week 6, 9/29. Poverty, vulnerability, and poverty traps

Required

Kraay, Aart, and David McKenzie. 2014. "Do Poverty Traps Exist? Assessing the Evidence." *Journal of Economic Perspectives* 28 (3): 127-148.

Recommended

Banerjee, Abhijit, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry. 2015. "A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries." *Science* 348 (6236): 1260799.

Supplemental

Ray, Debraj. 1998. "Poverty and Undernutrition." Chapter 8 in *Development Economics*, 249-294. Princeton: Princeton University Press.

Week 7, 10/6. Population, fertility, and the household

Required

Ashraf, Nava, Erica Field, and Jean Lee. 2014. "Household Bargaining and Excess Fertility: An Experimental Study in Zambia." *American Economic Review* 104 (7): 2210-2237.

Recommended

Duflo, Esther. 2012. "Women Empowerment and Economic Development." *Journal of Economic Literature* 50 (4): 1051-1079.

Week 8, 10/13. Financial services for the poor: credit and microfinance

Required

Banerjee, Abhijit, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. 2015. "The Miracle of Microfinance? Evidence from a Randomized Evaluation." *American Economic Journal: Applied Economics* 7 (1): 22-53.

Recommended

Banerjee, Abhijit, Dean Karlan, and Jonathan Zinman. 2015. "Six Randomized Evaluations of Microcredit: Introduction and Further Steps." *American Economic Journal: Applied Economics* 7 (1): 1-21.

Week 9, 10/20. Fall break, no class

Week 10, 10/27. Risk, insurance, and savings

Required

Karlan, Dean, Robert Osei, Isaac Osei-Akoto, and Christopher Udry. 2014. "Agricultural Decisions after Relaxing Credit and Risk Constraints." *Quarterly Journal of Economics* 129 (2): 597-652.

Recommended

Townsend, Robert M. 1994. "Risk and Insurance in Village India." *Econometrica* 62 (3): 539-591.

Supplemental

Dupas, Pascaline, and Jonathan Robinson. 2013. "Savings Constraints and Microenterprise Development: Evidence from a Field Experiment in Kenya." *American Economic Journal: Applied Economics* 5 (1): 163-192.

Week 11, 11/3. Human capital: health and education

Required

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

Recommended

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

Supplemental

Aiken, Alexander M., Calum Davey, James R. Hargreaves, and Richard J. Hayes. 2015. "Re-analysis of health and educational impacts of a school-based deworming programme in western Kenya: a pure replication." *International Journal of Epidemiology* 44 (5): 1572-1580.

Davey, Calum, Alexander M. Aiken, Richard J. Hayes, and James R. Hargreaves. 2015. "Re-analysis of health and educational impacts of a school-based deworming programme in western Kenya: a statistical replication of a cluster quasi-randomized stepped-wedge trial." *International Journal of Epidemiology* 44 (5): 1581-1592.

Hicks, Joan Hamory, Michael Kremer, and Edward Miguel. 2015. "Commentary: Deworming externalities and schooling impacts in Kenya: a comment on Aiken et al. (2015) and Davey et al. (2015)." *International Journal of Epidemiology* 44 (5): 1593-1596.

Hargreaves, James R., Alexander M. Aiken, Calum Davey, and Richard J. Hayes. 2015. "Authors' Response to: Deworming externalities and school impacts in Kenya." *International Journal of Epidemiology* 44 (5): 1596-1599.

Week 12, 11/10. Labor markets and migration

Required

Lagakos, David, Ahmed Mushfiq Mobarak, and Michael E. Waugh. 2023. "The Welfare Effects of Encouraging Rural-Urban Migration." *Econometrica* 91 (3): 803-837.

Recommended

Kaur, Supreet. 2019. "Nominal Wage Rigidity in Village Labor Markets." *American Economic Review* 109 (10): 3585-3616.

Supplemental

Bryan, Gharad, Shyamal Chowdhury, and Ahmed Mushfiq Mobarak. 2014. "Underinvestment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh." *Econometrica* 82 (5): 1671-1748.

Week 13, 11/17. Institutions, incentives, and implementation

Required

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

Recommended

Bertrand, Marianne, Simeon Djankov, Rema Hanna, and Sendhil Mullainathan. 2007. "Obtaining a Driver's License in India: An Experimental Approach to Studying Corruption." *Quarterly Journal of Economics* 122 (4): 1639-1676.

Supplemental

Banerjee, Abhijit V., Esther Duflo, and Rachel Glennerster. 2008. "Putting a Band-Aid on a Corpse: Incentives for Nurses in the Indian Public Health Care System." *Journal of the European Economic Association* 6 (2-3): 487-500.

Week 14, 11/24. Social programs, targeting, and cash transfers

Required

Egger, Dennis, Johannes Haushofer, Edward Miguel, Paul Niehaus, and Michael Walker. 2022. "General Equilibrium Effects of Cash Transfers: Experimental Evidence from Kenya." *Econometrica* 90 (6): 2603-2643.

Recommended

Alatas, Vivi, Abhijit Banerjee, Rema Hanna, Benjamin A. Olken, and Julia Tobias. 2012. "Targeting the Poor: Evidence from a Field Experiment in Indonesia." *American Economic Review* 102 (4): 1206-1240.

Supplemental

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

Week 15, 12/1. Aid, industrial policy, and the role of the state

Required

Juhász, Réka. 2018. "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade." *American Economic Review* 108 (11): 3339-3376.

Recommended

Qian, Nancy. 2015. "Making Progress on Foreign Aid." *Annual Review of Economics* 7 (1): 277-308.

Supplemental

Juhász, Réka, Nathan Lane, and Dani Rodrik. 2024. "The New Economics of Industrial Policy." *Annual Review of Economics* 16: 213-242.

Week 16, 12/8. Overview and student final presentations

No new readings. Reread de Janvry and Sadoulet, Introduction and Chapter 1, pp. 47-49.

Program learning outcomes

This course's objectives flow from the learning goals of the MS IDEC Program. In particular, its scope is designed to help students:

- Understand the application of modern micro and macroeconomic theory to the key problems of economic development, concentrating here on growth and structural transformation, market failures, poverty traps, the structure of incentives, and the determinants of migration.
- Conduct original quantitative empirical analysis of a development economics problem. The independent project covers the full arc of a short research paper, from research question to literature review to data analysis to results to discussion, and asks students to locate standard development data sources, determine and conduct appropriate statistical analysis using statistical software, and interpret the results for theory and policy.
- Effectively communicate research findings in writing and orally, through written paper evaluations, an in-class research paper presentation, and the development and presentation of an independent research project throughout the semester.

The course also begins preparing students for the program goal of designing and carrying out fieldwork-based research. Close reading of peer-reviewed published work, with attention to research design, identification, and generalizability, is the foundation for a viable second-year thesis project.