

**Economics 243**  
**Spring 2024**

**Tuesdays 9:30-11am (Paul Niehaus)**  
**Thursdays 9:30-11am (Ach Adhvaryu)**

## **Syllabus: The Economics of Organizations in Developing Countries**

The rise of effective organizations is a central feature of economic growth and development. This course studies the challenges of creating effective public- and private-sector organizations in the developing world. It thus sits in between microeconomic analysis of individual and household behavior and macroeconomic analysis of economic aggregates such as capital, labor, and output.

The course is organized around ten themes, listed I through X in the Course Outline below. We will study these issues in both the public and private sectors. The contrast and comparison between work on these themes in the two sectors may help you ask good research questions—how, for example, is recruiting different in a bureaucracy as opposed to a large manufacturing firm?

The course requirements are as follows:

1. Each week, write your own one-paragraph take on how economists' thinking on the theme we are discussing has evolved. Base this on a read of the introductions to papers (or abstracts of books) listed for that week. You might think of this as a paragraph that could appear in the introduction to a paper you write in the future. **(50%)**
2. Each student will complete a referee report on one current working paper from the list below. Referee reports should be 2-4 pages, written in bullet points (of varying length) with the exception of a summary paragraph at the top. Due at 5pm on the final day of class (June 6, 2024), submission via Canvas. **(50%)**
  - a. Some resources for referee report writing:
    - i. UC Berkeley Econ 270 [assignment](#)
    - ii. MIT Public Econ [assignment](#)
    - iii. Berk, Harvey & Hirshleifer ([2015 working paper](#), [2017 JEP](#))
  - b. Links to job market papers for referee report:
    - i. [Virtual Windows Through Glass Walls? Digitization for Low-Mobility Female Entrepreneurs](#)
    - ii. [Stigma and Social Cover: A Mental Health Care Experiment in Refugee Networks](#)
    - iii. [Dynamic Effects of Price Controls and Deregulation Policies: Evidence from the Indian Cement Industry](#)

- iv. [Entrepreneurs of Emotions: Evidence from Street Vending in India](#)
- v. [Minimum Wage and Gender Gaps: Evidence from Morocco](#)
- vi. [To Follow the Crowd? Benefits and Costs of Migrant Networks](#)
- vii. [From Classroom to Prosperity: Fostering Development Through Higher Education](#)
- viii. [Paternalistic Discrimination](#)
- ix. [What Works For Her? How Work-from-Home Jobs Affect Female Labor Force Participation in Urban India](#)
- x. [Informal Taxation in Development Projects: The Role of Chiefs in Sierra Leone](#)
- xi. [Bringing Work Home: Flexible Work Arrangements as Gateway Jobs for Women in West Bengal](#)

The following Course Outline lists papers relevant to the topics we will cover. For the public sector part of the course, asterisks indicate the papers we will cover in most depth during class discussions. For the private sector part of the course, two stars (\*\*) indicate required reading that will be the focus of in-class discussion; one star (\*) indicates recommended reading that will be touched upon in class; and zero stars indicates reference articles in each literature.

## COURSE OUTLINE

### I. Organization Capacity / Motivation

#### The Public Sector

\*Besley and Persson. 2009. "The Origins of State Capacity." *American Economic Review* 99(4): 1218-44.

\*Muralidharan, Karthik and Niehaus, Paul and Sukhtankar, Sandip. 2016 "Building State Capacity: Evidence from Biometric Smartcards in India." *American Economic Review* 106(10): 2895-2929.

Chambru, Cedric and Henry, Emeric and Marx, Benjamin. 2022. "The dynamic consequences of state-building: evidence from the French Revolution." Working paper.

Ferguson, James. 1994. "The Anti-Politics Machine: Development, Depoliticization, and Bureaucratic Power in Lesotho." Minneapolis: University of Minnesota Press.

Scott, James. 1999, "Seeing like a State: How certain schemes to improve the human condition have failed." New Haven: Yale University Press.

Duflo, Dupas, Kremer. 2015. "School governance, teacher incentives, and pupil–teacher ratios: Experimental evidence from Kenyan primary schools." *Journal of Public Economics* 123: 92-110.

Bold et al. 2018. "Experimental Evidence on Scaling up Education Reforms in Kenya." *Journal of Public Economics* 168: 1-20.

Acemoglu, Johnson, Robinson. 2001. "The Colonial Origins of Comparative Development." *American Economic Review* 91(5): 1369-1401.

Acemoglu, Johnson, Robinson. 2002 "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution." *Quarterly Journal of Economics* 107(4): 1231-1294.

Glaeser et al. 2004 "Do Institutions Cause Growth?" *Journal of Economic Growth* 9(3): 271-303.

Acemoglu, Daron. 2003. "Why Not a Political Coase Theorem?" *Journal of Comparative Economics* 31(4): 620-652.

#### The Private Sector

- \*\* Hsieh, C.T. and Klenow, P.J., 2009. Misallocation and manufacturing TFP in China and India. *The Quarterly journal of economics*, 124(4), pp.1403-1448.
- \*\* Hsieh, C.T. and Olken, B.A., 2014. The missing “missing middle”. *Journal of Economic Perspectives*, 28(3), pp.89-108.
- \*\* Adhvaryu, A., Kala, N. and Nyshadham, A., 2023. Returns to on-the-job soft skills training. *Journal of Political Economy*, 131(8), pp.2165-2208.
- \*\* De Mel, S., McKenzie, D. and Woodruff, C., 2014. Business training and female enterprise start-up, growth, and dynamics: Experimental evidence from Sri Lanka. *Journal of Development Economics*, 106, pp.199-210.
- \* McKenzie, D. and Woodruff, C., 2013. What are we learning from business training and entrepreneurship evaluations around the developing world?. *The World Bank Research Observer*, 29(1), pp.48-82.
- Acemoglu, D. and Pischke, J.S., 1998. Why do firms train? Theory and evidence. *The Quarterly Journal of Economics*, 113(1), pp.79-119.
- Acemoglu, D. and Pischke, J.S., 1999. Beyond Becker: training in imperfect labour markets. *The Economic Journal*, 109(453), pp.112-142.
- Acemoglu, D. and Pischke, J.S., 1999. The structure of wages and investment in general training. *Journal of Political Economy*, 107(3), pp.539-572.
- Autor, D.H., 2001. Why do temporary help firms provide free general skills training? *The Quarterly Journal of Economics*, 116(4), pp.1409-1448.
- Blattman, C., Fiala, N. and Martinez, S., 2013. Generating skilled self-employment in developing countries: Experimental evidence from Uganda. *The Quarterly Journal of Economics*, 129(2), pp.697-752.
- Acevedo, P., Cruces, G., Gertler, P. and Martinez, S., 2017. Living Up to Expectations: How Job Training Made Women Better Off and Men Worse Off (No. w23264). National Bureau of Economic Research.
- Brooks, Wyatt, Kevin Donovan, and Terence R. Johnson (2017), “Mentors or Teachers? Microenterprise Training in Kenya,” *Forthcoming, American Economic Journal: Applied*

*Economics.*

Campos, F., Frese, M., Goldstein, M., Iacovone, L., Johnson, H.C., McKenzie, D. and Mensmann, M., 2017. Teaching personal initiative beats traditional training in boosting small business in West Africa. *Science*, 357(6357), pp.1287-1290.

Karlan, D., Knight, R. and Udry, C., 2012. Hoping to Win, Expected to Lose: Theory and Lessons on Micro Enterprise Development (No. w18325). *National Bureau of Economic Research*.

Macchiavello, R., Rabbani, A. and Woodruff, C., 2015. The market for training services: a demand experiment with Bangladeshi garment factories. *The American Economic Review*, 105(5), pp.300-304.

## **II. Leadership and Management**

### The Public Sector

\*Jones, Benjamin F. and Olken, Benjamin A. 2005 “Do Leaders Matter?” *Quarterly Journal of Economics* 120(3): 835-864.

\*Klitgaard, Robert. 1988. “Controlling Corruption”, chapters 2-3

Murphy, Shleifer, and Vishny. 1991. “The Allocation of Talent.” *Quarterly Journal of Economics* 106:503-530.

Chattopadhyay, Raghavendra and Duflo, Esther. 2004. “Women as Policy Makers: Evidence from a Randomized Policy Experiment in India.” *Econometrica* 72 (5)

Hermalin, Benjamin. 2012 “Leadership and Corporate Culture.” *Handbook of Organizational Economics*.

Majumdar & Mukand “The Leader as Catalyst: On Mass Movements and the Mechanics of Institutional Change.” Working paper, undated.

Gulzar, Saad. 2021. “Who enters politics and why?” *Annual Review of Political Science*, 24, p253-275.

Boudreau, Laura and Rocco Macchiavello and Virginia Minni and Mari Tanaka. 2022 “Union Leaders: Experimental Evidence from Myanmar.” Working paper.

Muralidharan, Karthik and Sing, Abhijeet. 2022. “Improving Public Sector Management at Scale? Experimental Evidence on School Governance in India.” Working paper.

### The Private Sector

\*\*Adhvaryu, A., Kala, N. and Nyshadham, A., 2022. Management and shocks to worker productivity. *Journal of Political Economy*, 130(1), pp.1-47.

\*\*Bloom, N., Eifert, B., Mahajan, A., McKenzie, D. and Roberts, J., 2013. Does management matter? Evidence from India. *The Quarterly Journal of Economics*, 128(1), pp.1-51.

\*\* Adhvaryu, A., Nyshadham, A. and Tamayo, J., 2023. Managerial quality and productivity dynamics. *The Review of Economic Studies*, 90(4), pp.1569-1607.

\*\*Hjort, J., 2014. Ethnic divisions and production in firms. *The Quarterly Journal of Economics*, 129(4), pp.1899-1946.

\*Kaur, S., Kremer, M. and Mullainathan, S., 2015. Self-control at work. *Journal of Political Economy*, 123(6), pp.1227-1277.

\*Bloom, Nicholas and John Van Reenen (2007), “Measuring and Explaining Management Practices across Firms and Countries,” *Quarterly Journal of Economics*, 122(4): 1341-1408.

\*Bertrand, Marianne, Simon Johnson, Krislert Samphantharak, and Antoinette Schoar (2008), “Mixing Family With Business: A Study of Thai Business Groups and the Families Behind Them,” *Journal of Financial Economics*, 88 (3): 466-498.

\* Adhvaryu, A., Howell, P., Nyshadham, A. and Tamayo, J.A., 2023. Rapport in Organizations: Evidence from Fast Food. Harvard Business School.

Bennedsen, Kasper, Meisner Nielsen, Francisco Perez-Gonzalez, and Daniel Wolfenzon (2007), “Inside the Family Firm: The Role of Families in Succession Decisions and Performance,” *The Quarterly Journal of Economics*, 122(2): 647–691.

Bloom, N., Mahajan, A., McKenzie, D. and Roberts, J., 2020. Do management interventions last? Evidence from India. *American Economic Journal: Applied Economics*, 12(2), pp.198-219.

Bloom, Nicholas and John Van Reenen, 2010, "Why do Management Practices Differ across Firms and Countries?" *Journal of Economic Perspectives*. 24(1), pp. 203-24.

### **III. Staffing**

#### The Public Sector

\*Besley, Timothy J. and Ghatak, Maitreesh. 2005. "Competition and Incentives with Motivated Agents." *The American Economic Review* 95(3): 616-636.

\*Weaver, Jeffrey. 2021. "Jobs for Sale: Corruption and Misallocation in Hiring." Mimeo, University of Southern California.

Rauch, James. 1995. "Bureaucracy, Infrastructure, and Economic Growth: Evidence from U.S. Cities During the Progressive Era." *American Economic Review* v85: 968-979.

Evans, Peter and Rauch, James. 2000. "Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries." *Journal of Public Economics* 75(1):49-71.

Dal Bo, Finan and Rossi. 2013. "Strengthening State Capabilities: the Role of Financial Incentives in the Call to Public Service." *Quarterly Journal of Economics* 128(3): 1169-1218 .

Muralidharan, Karthik and Sundararaman Venkatesh. 2013. "Contract Teachers: Experimental Evidence from India." NBER Working Paper No. 19440.

Finan, Frederico and Olken, Ben and Pande, Rohini (2017). "The Personnel Economics of the State." Handbook of Field Experiments.

Ashraf, Nava, Bandiera, Oriana and Lee, Scott (2018) "Losing prosociality in the quest for talent? Sorting, selection, and productivity in the delivery of public services." *American Economic Review*.

Xu, Guo. 2018. "The Costs of Patronage: Evidence from the British Empire." *American Economic Review*.

Best, Michael and Hjort, Jonas and Szakonyi, David. "Individuals and organizations as Sources of State Effectiveness." Working paper, 2019.

Colonelli, Emanuele and Prem, Mounu and Teso, Edoardo. 2020. “Patronage and Selection in Public Sector Organizations.” *American Economic Review*.

Leaver, Clare and Ozier, Owen and Serneels, Pieter and Zeitlin, Andrew. 2021. “Recruitment, Effort, and Retention Effects of Performance Contracts for Civil Servants: Experimental Evidence from Rwandan Primary Schools.” *American Economic Review* 111 (7)

Brown, Christina. 2021. “Inducing Positive Sorting through Performance Pay: Experimental Evidence from Pakistani Schools.” Working paper.

Riano, Juan Felipe. 2022. “Bureaucratic nepotism.” Working paper.

### The Private Sector

\*\* Heath, R., 2018. Why do firms hire using referrals? Evidence from Bangladeshi garment factories. *Journal of Political Economy*, 126(4), pp.1691-1746.

\*\* Xu, H. and Adhvaryu, A., 2022. The Human Capital Effects of Access to Elite Jobs. *American Economic Journal: Applied Economics*.

\*\* Adhvaryu, A., Molina, T. and Nyshadham, A., 2022. Expectations, Wage Hikes and Worker Voice. *The Economic Journal*, 132(645), pp.1978-1993.

\*Alfonsi, L., Bandiera, O., Bassi, V., Burgess, R., Rasul, I., Sulaiman, M. and Vitali, A., 2020. Tackling youth unemployment: Evidence from a labor market experiment in Uganda. *Econometrica*, 88(6), pp.2369-2414.

\* Adhvaryu, A., Gade, S., Molina, T. and Nyshadham, A., 2021. Sotto Voce: The Impacts of Technology to Enhance Worker Voice.

\*De Mel, Suresh, David McKenzie, and Chris Woodruff, “Labor Drops: Experimental Evidence on the Returns to Additional Labor in Microenterprises” *American Economic Journal: Applied Economics*, 11(1): 202-235, 2019

\* Adhvaryu, A., Bassi, V., Nyshadham, A. and Tamayo, J.A., 2020. No line left behind: Assortative matching inside the firm (No. w27006). National Bureau of Economic Research.

Caria, S., Orkin, K., Garlick, R., Singh, N., Heath, R. and Andrews, A., 2024. Barriers to Search and Hiring in Urban Labour Markets. Technical Report, Vox Dev Literature 2024., Simon



- Franklin, and Marc Witte, “Searching with Friends,” *Journal of Labor Economics*, 2023, forthcoming.
- Boudreau, L., Heath, R. and McCormick, T.H., 2024. Migrants, experience, and working conditions in Bangladeshi garment factories. *Journal of Economic Behavior & Organization*, 219, pp.196-213.
- Beaman, L. and Magruder, J., 2012. Who gets the job referral? Evidence from a social networks experiment. *American Economic Review*, 102(7), pp.3574-3593.
- Chandrasekhar, A.G., Morten, M. and Peter, A., 2020. Network-based hiring: Local benefits; global costs (No. w26806). National Bureau of Economic Research.
- Breza, E., Kaur, S. and Shamdasani, Y., 2021. Labor rationing. *American Economic Review*, 111(10), pp.3184-3224.
- Kaur, S., 2019. Nominal wage rigidity in village labor markets. *American Economic Review*, 109(10), pp.3585-3616.
- Carranza, E., Donald, A., Grosset, F. and Kaur, S., 2022. The social tax: Redistributive pressure and labor supply (No. w30438). *National Bureau of Economic Research*.
- Breza, E., Kaur, S. and Krishnaswamy, N., 2019. Coordination without organization: Collective labor supply in decentralized spot markets (No. w25880). *National Bureau of Economic Research*.
- Bassi, V. and Nansamba, A., 2022. Screening and signalling non-cognitive skills: experimental evidence from Uganda. *The Economic Journal*, 132(642), pp.471-511.
- Hardy, M. and McCasland, J., 2023. Are small firms labor constrained? experimental evidence from Ghana. *American Economic Journal: Applied Economics*, 15(2), pp.253-284.
- Macchiavello, R., Menzel, A., Rabbani, A. and Woodruff, C., 2015. Challenges of change: An experiment training women to manage in the Bangladeshi garment sector. *Warwick, UK: University of Warwick*.

#### **IV. Incentives**

##### The Public Sector

- \*Olken, Benjamin. 2007. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." *Journal of Political Economy* 115(2):200-249.
- \*Khan, Adnan and Khwaja, Asim and Olken, Benjamin. 2019 "Making moves matter: experimental evidence on incentivizing bureaucrats through performance-based postings." *American Economic Review* 109(1):237-270.
- Wade, Robert. 1982 "The System of Administrative and Political Corruption: Canal Irrigation in South India." *The Journal of Development Studies* 18(3):287-328.
- Banerjee, Abhijit. 1997 "A theory of misgovernance." *Quarterly Journal of Economics* 112 (4), pp. 1289-1332.
- Banerjee, Duflo, Glennerster 2008 "Putting a band-aid on a corpse: incentives for nurses in the Indian public health care system."
- Muralidharan, Karthik and Sundararaman, Venkatesh. 2011. "Teacher Performance Pay: Experimental Evidence from India." *Journal of Political Economy* 119 (1): 39-77.
- Iyer, Lakshmi and Mani, Anandi. 2012. "Traveling agents: political change and bureaucratic turnover in India." *Review of Economics and Statistics* 94(3): 723-739.
- de Ree, Joppe and Muralidharan, Karthik and Pradhan, Menno and Rogers, Halsey. 2018. "Double for nothing? Experimental evidence on an unconditional teacher salary increase in Indonesia." *Quarterly Journal of Economics*, 133(2): 993-1039.
- Bandiera, Oriana and Michael Best and Adnan Khan and Andrea Prat. 2021 "The Allocation of Authority in Organizations: A field experiment with bureaucrats." *The Quarterly Journal of Economics* 136 (4): 2195-2242.
- Bertrand, Marianne and Burgess, Robin and Chawla, Arunish and Xu, Guo. Forthcoming. "The glittering prizes: career incentives and bureaucratic performance." *The Review of Economic Studies*, forthcoming.

### The Private Sector

- \*\* Adhvaryu, A., Nyshadham, A. and Tamayo, J., 2022. An anatomy of performance monitoring (No. 22-066). Harvard Business School Working Paper.
- \*\* Adhvaryu, A., Murathanoglu, E. and Nyshadham, A., 2023. On the allocation and impacts of managerial training (No. w31335). National Bureau of Economic Research.
- \*Bandiera, O., Barankay, I. and Rasul, I., 2010. Social incentives in the workplace. *The Review*

of *Economic Studies*, 77(2), pp.417-458.

Bandiera, O., Barankay, I. and Rasul, I., 2007. Incentives for managers and inequality among workers: Evidence from a firm-level experiment. *The Quarterly Journal of Economics*, 122(2), pp.729-773.

Bandiera, O., Barankay, I. and Rasul, I., 2009. Social connections and incentives in the workplace: Evidence from personnel data. *Econometrica*, 77(4), pp.1047-1094.

Holmstrom, B. and Milgrom, P., 1991. Multitask principal-agent analyses: Incentive contracts, asset ownership, and job design. *The Journal of Law, Economics, and Organization*, 7(special\_issue), pp.24-52.

Prendergast, C., 1999. The provision of incentives in firms. *Journal of economic literature*, 37(1), pp.7-63.

Baker, G.P., 1992. Incentive contracts and performance measurement. *Journal of political Economy*, 100(3), pp.598-614.

## **V. Contracting**

### The Public Sector

\*Kranton, Rachel, and Anand V. Swamy. 2008. "Contracts, Hold-Up, and Exports: Textiles and Opium in Colonial India." *American Economic Review* 98(3): 967-89.

\*Ryan, Nick. 2021 "Holding up green energy." Working paper.

Rao, Manaswini (2019). "Judicial Capacity Increases Firm Growth through Credit Access: Evidence from Clogged Courts in India." *Working paper*.

Faupel-Lewis, Sean and Neggers, Yusuf and Olken, Ben and Pande, Rohini. 2016. "Can electronic procurement improve infrastructure provision? Evidence from public works in India and Indonesia." *AEJ: Economic Policy* 8(3), pp. 258-83.

Djankov, La Porta, López-de-Silanes and Shleifer, Andrei. 2002. "Courts: The Lex Mundi project," CEPR Discussion Papers No. 3344 .

Djankov, Hart, McLiesh and Shleifer, Andrei. 2008. "Debt Enforcement around the World," *Journal of Political Economy* 116(6):1105-1149.

Laffont, Jean-Jacques, and Tirole, Jean. 1993. "A theory of incentives in procurement and regulation." MIT Press.

### The Private Sector

\*\*Banerjee, Abhijit V., and Esther Duflo. 2000. "Reputation Effects and the Limits of Contracting: A Study of the Indian Software Industry." *The Quarterly Journal of Economics*, 115(3): 989-1017.

\*McMillan, John and Christopher Woodruff (1999), "Interfirm Relationships and Informal Credit in Vietnam," *Quarterly Journal of Economics*, 114: 1285-1320.

\*Macchiavello, R, and Morjaria. 2015. The Value of Relationships: Evidence from a Supply Shock to Kenyan Rose Exports. *The American Economic Review*, 105(9)

\*Blouin A., and Macchiavello, R. 2018. Strategic default in the international coffee market. *Quarterly Journal of Economics*.

Macchiavello, R. and Morjaria, A., 2023. *Relational Contracts: Recent Empirical Advancements and Open Questions* (No. w30978). National Bureau of Economic Research.

Macchiavello, R., 2022. Relational contracts and development. *Annual Review of Economics*, 14, pp.337-362.

Greif, Avner. 1993. "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition." *The American Economic Review*, 83(3): 525-548.

Krishna, K. and Sheveleva, Y., 2017. Wheat or strawberries? Intermediated trade with limited contracting. *American Economic Journal: Microeconomics*, 9(3), pp.28-62.

Macchiavello, R. 2010. Development Uncorked: Reputation Acquisition in the New Market for Chilean Wines in the UK. Working paper.

Macchiavello, R. and Morjaria, A., 2021. Competition and relational contracts in the Rwanda coffee chain. *The Quarterly Journal of Economics*, 136(2), pp.1089-1143.

Ryan, N., 2020. Contract enforcement and productive efficiency: Evidence from the bidding and renegotiation of power contracts in India. *Econometrica*, 88(2), pp.383-424.

- Shapiro, Carl (1983), "Premiums for high quality products as returns on reputation," *Quarterly Journal of Economics*, 98: 659-680.
- Startz, M. 2023. The value of face-to-face: search and contracting problems in Nigerian trade.
- Tirole, Jean (1996), "A theory of collective reputations (with applications to the persistence of corruption and to firm quality)," *Review of Economic Studies*, 63(1): 1-22.
- Acemoglu, Daron, Vasco M. Carvalho, Asuman Ozdaglar, and Alireza Tahbaz-Salehi (2012), "The Network Origins of Aggregate Fluctuations," *Econometrica*, 80(5): 1977-2016.
- \*Khwaja, Asim Ijaz, Atif Mian, and Abid Qamar (2011), "Bank Credit and Business Networks," *HKS Faculty Research Working Paper RWP11-017*.
- Antras, Pol and Davin Chor (2013), "Organizing the Global Value Chain," *Econometrica*, 81(6): 2127-2204.
- Bernard, A.B., Moxnes, A. and Saito, Y.U., 2019. Production networks, geography, and firm performance. *Journal of Political Economy*, 127(2), pp.639-688.
- Bernstein, Shai, Xavier Giroud, and Richard R. Townsend (2016), "The Impact of Venture Capital Monitoring," *The Journal of Finance*, LXXI (4): 1591-1622.
- Hochberg, Yael V., Alexander Ljungqvist, and Yang Lu (2007), "Whom You Know Matters: Venture Capital Networks and Investment Performance," *Journal of Finance*, 62 (1): 251-301.
- Shue, K., 2013. Executive networks and firm policies: Evidence from the random assignment of MBA peers. *The Review of Financial Studies*, 26(6), pp.1401-1442.

## **VI. Capital**

### The Public Sector

- \*Ahmed, Cohen and Werker, Eric. 2009. "How is Foreign Aid Spent?" *American Economics Journal of Macroeconomics* 1(2): 225-244.
- \*Olken, B and M Singhal (2011), "Informal taxation," *American Economic Journal: Applied Economics* 3: 1-28.

*Taxation*

- Gordon, Roger & Li, Wei, 2009. "Tax structures in developing countries: Many puzzles and a possible explanation," *Journal of Public Economics* 93(7-8): 855-866.
- Persson, Torsten and Besley, Tim (2014). "Why do developing countries tax so little?" *Journal of Economic Perspectives*.
- Gadenne, Lucie and Singhal, Monica (2014). "Decentralization in developing economies." *Annual Review of Economics*.
- Khan, Adnan and Khwaja, Asim and Olken, Ben. 2015. "Tax Farming Redux: Experimental Evidence on Performance Pay for Tax Collectors." *Quarterly Journal of Economics*
- Pomeranz, Dina. 2015. "No taxation without information: deterrence and self-enforcement in the value-added tax." *American Economic Review* 105(8), pp. 2539-69.
- Best, Michael and Brockmeyer, Anne and Kleven, Henrik and Spinnewijn, Johannes and Waseem, Mazhar. 2015. "Production vs. Revenue Efficiency with Limited Tax Capacity: Theory and Evidence from Pakistan," *Journal of Political Economy* 123(6), pp. 1311-55.
- Jensen, Anders. 2019. "Employment Structure and the Rise of the Modern Tax System." NBER Working paper #25505.
- Naritomi, Joana. 2019. "Consumers as tax auditors." *American Economic Review*, 109(9): 3031-3072.
- Bergeron, Austin and Tourek, Gabriel and Weigel, Jonathan (2020). "The state capacity ceiling on tax rates: evidence from randomized tax abatements in the DRC." *Working paper*.
- Brockmeyer, Anne and Estafan, Alejandro and Arras, Karina Ramirez and Serrato, Juan Carlos Suarez (2021). "Taxing property in developing countries: theory and evidence from Mexico."
- Bergeron, Augustin and Gabriel Tourek and Jonathan Weigel. 2021 "The state capacity ceiling on tax rates." Working paper.
- Londono-Velez, Juliana and Avila-Mahecha, Javier (2021). "Enforcing wealth taxes in the developing world: quasi-experimental evidence from Colombia." *American Economic Review: Insights*.
- Dzansi, James and Jensen, Anders and Lagakos, David and Telli, Henry. 2022. "Technology and tax capacity: evidence from local governments in Ghana." Working paper.

### *Foreign aid*

- Burnside, Craig, and David Dollar. 2000. "Aid, Policies, and Growth." *American Economic Review* 90(4): 847-868.
- Easterly, Levine and Roodman, David. 2004. "Aid, Policies, and Growth: Comment." *American Economic Review* 94(3): 774-780.
- Jayachandran, Seema and Kremer, Michael. 2006. "Odious Debt," *American Economic Review* 96(1):82-92.
- Faye, Michael and Niehaus, Paul. 2009. "Political Aid Cycles." *American Economic Review* 102(7): 3516-3530.
- Isaksson, Ann-Sofie and Kotsadam, Andreas. 2018. "Chinese aid and local corruption." *Journal of Public Economics* 159.
- Andersen, Jorgen and Johannesen, Niels and Rijkers, Bob. 2020. "Elite capture of foreign aid: evidence from offshore bank accounts." World Bank Policy Research Working Paper #9150.
- Wolfram, Catherine and Miguel, Edward and Hsu, Eric and Berkouwer, Susanna. 2023. "Donor contracting conditions and public procurement: causal evidence from Kenyan electrification." Working paper.

### The Private Sector

- \*\*Banerjee, A.V. and Duflo, E., 2014. Do firms want to borrow more? Testing credit constraints using a directed lending program. *Review of Economic Studies*, 81(2), pp.572-607.
- \*\*De Mel, S., McKenzie, D. and Woodruff, C., 2008. Returns to capital in microenterprises: evidence from a field experiment. *The Quarterly Journal of Economics*, 123(4), pp.1329-1372.
- \*Banerjee, A., Duflo, E., Glennerster, R. and Kinnan, C., 2015. The miracle of microfinance? Evidence from a randomized evaluation. *American Economic Journal: Applied Economics*, 7(1), pp.22-53.
- \*Banerjee, A., Karlan, D. and Zinman, J., 2015. Six randomized evaluations of microcredit: Introduction and further steps. *American Economic Journal: Applied Economics*, 7(1), pp.1-21.

- De Mel, Suresh, David McKenzie, and Christopher Woodruff (2012), “One-Time Transfers of Cash or Capital Have Long-Lasting Effects on Microenterprises in Sri Lanka,” *Science*, 335: 962-965.
- Visaria, Sujata, 2009, Legal Reforms and Loan Repayment: The Microeconomic Impact of Debt Recovery Tribunals in India, *American Economic Journal: Applied Economics* 1, 59-81
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See also [this case](#) on the backstory and [this blog post](#) on subsequent collaborations.

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