

Economics 243
Spring 2022
MW 3:30-5pm

Paul Niehaus
James Rauch

Syllabus: The Economics of Organizations in Developing Countries

The rise of effective organizations, in both the private and public sector, is a central feature of economic growth and development. This course studies the challenges of creating effective 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 has a somewhat unusual structure. There are ten themes, listed A - J in the Course Outline below, which are covered from the perspective of the private sector in the first half of the course and from the perspective of the public sector in the second half of the course. Roughly one lecture will be devoted to each theme in each half of the course. Professor Niehaus will teach the first half of the course, on the public sector, and Professor Rauch will teach the second half of the course, on the private sector. Where possible we aim to relate the challenges facing private and public sector organizations to each other: for example, how is recruiting different in a bureaucracy as opposed to a startup enterprise?

The course requirements are as follows:

1. Submit one-paragraph research ideas by end of day Friday in weeks 2, 4, 7, and 9. We will provide feedback on these, with the aim of helping you develop the practice of quickly generating and iterating on new ideas. (50%)
2. Submit one paragraph each week describing the relationship between three (or more) papers on that week's reading list. You might think of this as a paragraph that could appear in the introduction to a paper. (50%)

In the following Course Outline, the papers covered most thoroughly in lectures are marked with an asterisk.

COURSE OUTLINE

I. The Public Sector

A. Organizational Capacity / Motivation

*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* 117(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.

B. Leadership and Management

- *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
- Boudreau, Laura and Rocco Macchiavello and Virginia Minni and Mari Tanaka. 2022 “Union Leaders: Experimental Evidence from Myanmar.” Working paper.
- Gulzar, Saad and Muhammad Khan. 2021 “‘Good politicians’: Experimental Evidence on Motivations for Political Candidacy and Government Performance.” Working Paper.
- 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.
- Chattopadhyay, Raghabendra and Duflo, Esther. 2004. “Women as Policy Makers: Evidence from a Randomized Policy Experiment in India.”
- Murphy, Shleifer, and Vishny. 1991. “The Allocation of Talent.” *Quarterly Journal of Economics* 106:503-530.

C. Staffing

- *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.
- Best, Michael and Hjort, Jonas and Szakonyi, David. “Individuals and organizations as Sources of State Effectiveness.” Working paper, 2019.
- 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*.

- 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 .
- Xu, Guo. 2018. "The Costs of Patronage: Evidence from the British Empire." *American Economic Review*.
- Colonelli, Emanuele and Prem, Mounu and Teso, Edoardo. 2020. "Patronage and Selection in Public Sector Organizations." *American Economic Review*.
- Muralidharan, Karthik and Sundararaman Venkatesh. 2013. "Contract Teachers: Experimental Evidence from India." NBER Working Paper No. 19440.
- 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.

D. Incentives

- *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.
- 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.
- 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.

- Muralidharan, Karthik and Sundararaman, Venkatesh. 2011. "Teacher Performance Pay: Experimental Evidence from India." *Journal of Political Economy* 119 (1): 39-77.
- Banerjee, Duflo, Glennerster 2008 "Putting a band-aid on a corpse: incentives for nurses in the Indian public health care system."
- Banerjee, Abhijit. 1997 "A theory of misgovernance." *Quarterly Journal of Economics* 112 (4), pp. 1289-1332.
- Iyer, Lakshmi and Mani, Anandi. 2012. "Traveling agents: political change and bureaucratic turnover in India." *Review of Economics and Statistics* 94(3): 723-739.
- Wade, Robert. 1982 "The System of Administrative and Political Corruption: Canal Irrigation in South India." *The Journal of Development Studies* 18(3):287-328.

E. Contracting

- *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." *A EJ: 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.

F. Capital

- *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.
- Bergeron, Augustin and Gabriel Tourek and Jonathan Weigel. 2021 “The state capacity ceiling on tax rates.” Working paper.
- 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*.
- 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, 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*.
- Khan, Adnan and Khwaja, Asim and Olken, Ben. 2015. “Tax Farming Redux: Experimental Evidence on Performance Pay for Tax Collectors.” *Quarterly Journal of Economics*
- 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.
- Pomeranz, Dina. 2015. “No taxation without information: deterrence and self-enforcement in the value-added tax.” *American Economic Review* 105(8), pp. 2539-69.
- Naritomi, Joana. 2019. “Consumers as tax auditors.” *American Economic Review*, 109(9): 3031-3072.
- Londono-Velez, Juliana and Avila-Mahecha, Javier (2021). “Enforcing wealth taxes in the developing world: quasi-experimental evidence from Colombia.” *American Economic Review: Insights*.
- 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.

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.

G. Learning

*Majumdar, Sumon and Mukand, Sharun. 2004. "Policy Gambles." *American Economic Association* 94(4): 1207-1222.

*Buera, Francisco J., Alexander Monge-Naranjo, and Giorgio E. Primiceri. 2011. "Learning the wealth of nations." *Econometrica* 79(1): 1-45.

Mukand, Sharun, and Dani Rodrik. 2005. "In search of the Holy Grail: Policy Convergence, Experimentation, and Economic Performance." *American Economic Review* 95(1):374-383.

Oates, Wallace E. 1999. "An Essay on Fiscal Federalism," *American Economic Association* 37(3):1120-1149 Section 5.

H. Market Structure

*Shleifer, Andrei and Vishny, Robert. 1993. "Corruption." *Quarterly Journal of Economics* 108(3):599-617.

*Barron, Patrick and Olken, Benjamin A. 2009. "The Simple Economics of Extortion: Evidence from Trucking in Aceh," *Journal of Political Economy* 117(3):417-452.

Muralidharan and Sundararaman "The Aggregate Effect of School Choice: Evidence from a Two-Stage Experiment in India."

Bloom, Nicholas and Propper, Carol and Seiler, Stephen and van Reenan, John. 2015 "The Impact of Competition on Management Quality: Evidence from Public Sector Hospitals." *Review of Economic Studies* 82(2) pp. 457-489.

Djankov, Simeon and Sequeira, Sandra. 2014. “Corruption and Firm Behavior: Evidence from South African Ports.” *Journal of International Economics* 94(2) pp. 277-294.

I. Regulation

*Acemoglu, Daron and Verdier, Thierry. 2000. “The Choice Between Market Failures and Corruption.” *American Economic Review* 90(1): 194-211.

*Duflo, Greenstone, Pande and Ryan, Nicholas. 2013. “Truth-telling by Third-party Auditors and the Response of Polluting Firms: Experimental Evidence from India.” *Quarterly Journal of Economics*

See also [this case](#) on the backstory and [this blog post](#) on subsequent collaborations.

Banerjee, Abhijit. 1997. “A Theory of Misgovernance.” *Quarterly Journal of Economics* 112(4): 1289-1332.

Bertrand, Djankov, Hanna and Mullainathan, Sendhil. 2007. “Obtaining a Driver’s License in India.” *Quarterly Journal of Economics* 122(4):1639-1676.

Atanassova, Bertrand, Mullainathan and Niehaus, Paul. 2013. “Targeting with Agents.” *American Economic Journal* 5(1): 206-238.

Mookherjee, Dilip and Png, I.P.L 1995. “Corruptible law enforcers: how should they be compensated?” *The Economic Journal* 105: 145-159.

J. Politics

*Berman et al “Can Hearts and Minds be Bought? The Economics of Counterinsurgency in Iraq.” *Journal of Political Economy*

*Fujiwara, Thomas. 2015 “Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil.” *Econometrica* 83(2): 423-464.

Buntaine, Mark and Michael Greenstone and Guojun He and Mengdi Liu and Shaoda Wang and Bing Zhang. 2021. “Citizen Participation and Government Accountability: National-Scale Experimental Evidence from Pollution Appeals in China.” Working paper.

Neggers, Yusuf. 2018. “Enfranchising your own? Experimental evidence on bureaucrat diversity and election bias in India.” *American Economic Review* 108(6): 1288-1321.

- Ferraz, Claudio and Finan, Frederico. 2008. "Exposing Corrupt Politicians: The Effects of Brazil's Publicity Released Audits on Electoral Outcomes." *Quarterly Journal of Economics* 123(2): 703-745.
- Cole, Healy and Werker, Eric. 2012. "Do Voters Demand Responsive Governments? Evidence from Indian Disaster Relief." *Journal of Development Economics* 97(2): 167-181.
- Finan, Frederico and Schechter, Laura. 2012. "Vote-Buying and Reciprocity," *Econometrica* 80(2):863-881.
- Callen, Michael and Long, James. 2015. "Institutional Corruption and Election Fraud: Evidence from a Field Experiment in Afghanistan." *American Economic Review* 105(1): 354-81.

II. The Private Sector

A. Organizational Capacity

- *Lucas, Robert E. 1978. "On the Size Distribution of Business Firms." *Bell Journal of Economics* 9: 508-523.
- Kihlstrom, Richard E. and Laffont, Jean-Jacques. 1979. "A General Equilibrium Entrepreneurial Theory of Firm Formation Based on Risk Aversion." *Journal of Political Economy* 87: 719-748.
- Feng, Ying and Rauch, James E. 2015. "The Impact of Entrepreneurial Risk Aversion on Wages in General Equilibrium." NBER Working Paper No. 20992 (March).
- Lazear, Edward P. 2005. "Entrepreneurship." *Journal of Labor Economics* 23: 649-680.
- *Akcigit, Ufuk; Alp, Harun; and Peters, Michael. 2021. "Lack of Selection and Limits to Delegation: Firm Dynamics in Developing Countries." *American Economic Review* 111(1): 231-240 and 261-263 only.
- Cingano, Federico and Pinotti, Paolo. 2016. "Trust, Firm Organization, and the Pattern of Comparative Advantage." *Journal of International Economics* 100: 1-13.
- Rauch, James E. 1991. "Reconciling the Pattern of Trade with the Pattern of Migration." *American Economic Review* 81: 775-796.

B. Leadership and Management

*Bloom, Nicholas; et al. 2013. “Does Management Matter? Evidence from India.” *Quarterly Journal of Economics* 128(1): 1-51.

*Bloom, Nicholas et al. 2020. “Do Management Interventions Last? Evidence from India.” *American Economic Journal: Applied Economics* 12(2): 198-219.

Alfaro-Serrano, David. 2019. “Process Standards and Management Practices: Evidence from Peru.” Working Paper, Columbia University (November).

*Muendler, Marc; Rauch, James E., and Tocoian, Oana. 2012. “Employee Spinoffs and Other Entrants: Stylized Facts from Brazil.” *International Journal of Industrial Organization* 30: 447-458.

Queiró, Francisco. 2021. “Entrepreneurial Human Capital and Firm Dynamics.” *Review of Economic Studies*, forthcoming.

C. Staffing

*Muendler, Marc and Rauch, James E. 2015. “Mobilizing Social Capital Through Employee Spinoffs.” <https://econweb.ucsd.edu/~jrauch/pdfs/spinteam-newq-web.pdf>

*Beaman, Lori and Magruder, Jeremy. 2012. “Who Gets the Job Referral? Evidence From a Social Networks Experiment.” *American Economic Review* 102(7): 3574-3593.

Heath, Rachel. 2018. “Why Do Firms Hire Using Referrals? Evidence from Bangladeshi Garment Factories.” *Journal of Political Economy* 126(4): 1691-1746.

Bertrand, M., Schoar, A., 2006. “The role of family in family firms,” *Journal of Economic Perspectives* 20, 73–96.

D. Incentives

*Rauch, James E. 2014. “Employee Spinouts, Social Networks, and Family Firms.” *Asia-Pacific Journal of Accounting and Economics* 21 (March): 4-17.

*Chen, Cheng and Steinwender, Claudia. 2021. “Import Competition, Heterogeneous Preferences of Managers, and Productivity.” *Journal of International Economics* 133 (103533).

Lemos, Renata and Scur, Daniela. 2019. “The Ties that Bind: Implicit Contracts and Management Practices in Family-Run Firms.” CEPR Discussion Paper (June). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3428314

*Atkin, David; Chaudhry, Azam; Chaudhry, Shamyla; Khandelwal, Amit; and Verhoogen, Eric. 2017. “Organizational Barriers to Technology Adoption: Evidence from Soccer-Ball Producers in Pakistan.” *Quarterly Journal of Economics* 132(3): 1101-1164.

Hardy, Morgan and McCasland, Jamie. 2021. “It Takes Two: Experimental Evidence on the Determinants of Technology Diffusion.” *Journal of Development Economics* 149 (102600).

E. (Lack of) Contracting

Djankov, Simeon; et al. 2003. “Courts.” *Quarterly Journal of Economics* 118(2): 453-517.

*Greif, Avner. 1993. “Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders’ Coalition.” *American Economic Review* 83(3): 525-548, section III only.

*Dixit, Avinash. 2004. *Lawlessness and Economics* (Princeton: Princeton University Press), Chapter 3 only. See also Rauch, James E. “Getting the Properties Right to Secure Property Rights: Dixit’s *Lawlessness and Economics*,” *Journal of Economic Literature* 43 (June 2005), esp. pp. 482-485.

Antràs, Pol. 2016. *Global Production: Firms, Contracts, and Trade Structure* (Princeton: Princeton University Press), Chapter 4 only.

*Ponticelli, Jacopo and Alencar, Leonardo S. 2016. “Court Enforcement and Firm Productivity: Evidence from a Bankruptcy Reform in Brazil.” *Quarterly Journal of Economics* 131(3): 1365-1413.

Chemin, Matthieu. 2012. “Does Court Speed Shape Economic Activity? Evidence from a Court Reform in India.” *Journal of Law, Economics, and Organization* 28(3): 460-485.

Boehm, Johannes and Oberfield, Ezra. 2020. “Misallocation in the Market for Inputs: Enforcement and the Organization of Production.” *Quarterly Journal of Economics* 139(4): 2007-2058.

Hansman, Christopher et al. 2020. “Vertical Integration, Supplier Behavior, and Quality Upgrading among Exporters.” *Journal of Political Economy* 128(9): 3570-3625.

F. Capital

*Banerjee, Abhijit V. and Newman, Andrew. 1993. “Occupational Choice and the Process of Development.” *Journal of Political Economy* 101: 274-298, section II.C only.

Stiglitz, Joseph and Weiss, Andrew. 1981. “Credit Rationing in a Model with Imperfect Information.” *American Economic Review* 71: 393-410.

- *Jack, William; Kremer, Michael; de Laat, Joost; and Suri, Tavneet. 2019. "Borrowing Requirements, Credit Access, and Adverse Selection: Evidence from Kenya." National Bureau of Economic Research Working Paper No. 22686 (January).
- *Evans, David and Jovanovic, Boyan. 1989. "An Estimated Model of Entrepreneurial Choice under Liquidity Constraints." *Journal of Political Economy* 97: 808-827.
- *McKenzie, David. 2017. "Identifying and Spurring High-Growth Entrepreneurship: Experimental Evidence from a Business Plan Competition." *American Economic Review* 107: 2278-2307.
- *Cabral, Luís M. B. and Mata, José. 2003. "On the Evolution of the Firm Size Distribution: Facts and Theory." *American Economic Review* 93: 1075-90.
- Bazzi, Samuel et al. 2022. "Credit Supply Shocks and Firm Dynamics: Evidence from Brazil." Working Paper, UCSD (January).
- Fisman, Raymond; Paravisini, Daniel; and Vig, Vikrant. 2017. "Cultural Proximity and Loan Outcomes." *American Economic Review* 107(2): 457-492.
- Bianchi, Milo and Bobba, Matteo. 2013. "Liquidity, Risk, and Occupational Choices." *Review of Economic Studies* 80(2): 491-511.

G. Learning

- *Alfaro-Ureña, Alonso; Manelici, Isabela; Vasquez, José P. 2021. "The Effects of Joining Multinational Supply Chains: New Evidence from Firm-to-Firm Linkages." https://jpvasquez-econ.github.io/files/Effects_of_Joining_MNC_Supply_Chains.pdf
- Javorcik, Beata S. and Spatareanu, Mariana. 2009. "Tough Love: Do Czech Suppliers Learn From Their Relationships with Multinationals?" *Scandinavian Journal of Economics* 111(4): 811-833.
- Lu, Yi; Tao, Zhigang; and Zhu, Lianming. 2017. "Identifying FDI Spillovers." *Journal of International Economics* 107 (July): 75-90.
- Abebe, Girum; McMillan, Margaret; and Serafinelli, Michel. 2018. "Foreign Direct Investment and Knowledge Diffusion in Poor Locations: Evidence From Ethiopia." NBER Working Paper No. 24461 (March).
- Bai, Jie; et al. 2020. "Quid Pro Quo, Knowledge Spillover, and Industrial Quality Upgrading: Evidence from the Chinese Auto Industry." NBER Working Paper No. 27644 (November).

- Poole, Jennifer. 2013. "Knowledge Spillovers from Multinational to Domestic Firms: Evidence From Worker Mobility." *Review of Economics and Statistics* 95(2): 393-406.
- Muendler, Marc and Rauch James E. 2018. "Do Employee Spinoffs Learn Markets from Their Parents? Evidence from International Trade." *European Economic Review* 105: 159-173.
- *Cai, Jing and Szeidl, Adam. 2018. "Interfirm Relationships and Business Performance." *Quarterly Journal of Economics* 133(3): 1229-1282.
- Menzel, Andreas. 2021. "Knowledge Exchange and Productivity Spillovers in Bangladeshi Garment Factories." *Journal of Economic Behavior and Organization* 185: 721-746.

H. Market Structure

- *Jensen, Robert T. and Miller, Nolan H. 2018. "Market Integration, Demand, and the Growth of Firms: Evidence from a Natural Experiment in India." *American Economic Review* 108 (December): 3583-3625.
- *Khanna, Tarun and Yafeh, Yishay. 2007. "Business Groups in Emerging Markets: Paragons or Parasites?" *Journal of Economic Literature* 45 (June): 331-372.
- Feenstra, Robert C.; Huang, Deng-Shing; and Hamilton, Gary G. 2003. "A Market-Power Based Model of Business Groups." *Journal of Economic Behavior and Organization* 51: 459-485. See also Feenstra and Hamilton, 2006, *Emergent Economies, Divergent Paths: Economic Organization and International Trade in South Korea and Taiwan* (Cambridge: Cambridge University Press), Chapters 3 and 4.
- Bertrand, M., S. Johnson, K. Samphantharak and A. Schoar, "Mixing Family With Business: A Study of Thai Business Groups and the Families Behind Them," *Journal of Financial Economics*, June 2008, 88 (3), 466-498.
- Belenzon, Sharon; Pataconi, Andrea; and Zelner, Bennet. 2013. "The Nebulous Nature of the Firm: An Empirical Study of Corporate Group Structure in 16 Developed Economies." <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.385.7317&rep=rep1&type=pdf>
- Kowalski, P. et al. 2013. "State-Owned Enterprises: Trade Effects and Policy Implications." OECD Trade Policy Paper No. 147.

I. Regulation

- *Djankov, Simeon; et al. 2002. "The Regulation of Entry." *Quarterly Journal of Economics* 117(1): 1-37.

*Branstetter, Lee; et al. 2014. “Do Entry Regulations Deter Entrepreneurship and Job Creation? Evidence from Recent Reforms in Portugal.” *Economic Journal* 124 (June): 805-832.

*Besley, Timothy and Burgess, Robin. 2004. “Can Labor Regulation Hinder Economic Performance? Evidence from India.” *Quarterly Journal of Economics* 119(1): 91-134.

J. Politics

*Acemoglu, Daron et al. 2018. “The Power of the Street: Evidence From Egypt’s Arab Spring.” *Review of Financial Studies* 31(1): 1-42.

*Diwan, Ishac et al. 2020. “Pyramid Capitalism: Cronyism, Regulation, and Firm Productivity in Egypt.” *Review of International Organizations* 15: 211-246.
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*Rijkers, Bob et al. 2017. “Political Connections and Tariff Evasion: Evidence from Tunisia.” *World Bank Economic Review* 31(2): 459-482.

Fisman, Raymond and Wang, Yongxiang. 2015. “The Mortality Cost of Political Connections.” *Review of Economic Studies* 82(4): 1346-1382.

Akcigit, Ufuk et al. 2018. “Connecting to Power: Political Connections, Innovation, and Firm Dynamics.” NBER Working Paper No. 25136 (October).

DellaVigna, Stefano, Ruben Durante, Brian Knight, and Eliana La Ferrara. 2016. “Market-Based Lobbying: Evidence from Advertising Spending in Italy.” *American Economic Journal: Applied Economics* 8(1): 224-56.