

Social Policies in Low- and Middle-Income Countries: design and evaluation

Objective:

This is a 15-hour course about the design, analysis and evaluation of social policies in Low- and Middle-Income Countries. This course aims at analyzing the constraints that affect households and policy makers and at understanding the empirical tools economists use to analyze these constraints and evaluate the impact of policies designed to address them. The understanding of the micro-economic foundations of several development problems will be used to discuss policy choices and outcomes in different contexts. We will rely on empirical micro-economic studies to study behavior under different types of market failures and to evaluate the impacts of policy interventions.

The course will introduce some of the most recent debates on the design of social policies in various thematic areas (education, early childhood development, skills, social protection, productive social safety nets and climate adaptation).

Prerequisites:

Micro-economics and econometrics

Requirements:

Students are expected to do the required readings (indicated with *) before each class and come to class prepared to actively participate in class discussions of the papers and to critically discuss strengths and weaknesses of each paper. Guiding questions for the readings will be distributed for some of the lectures, and students are expected to be prepared to answer those questions in class. Students will be asked to prepare 2 paper presentations in groups. Grades will be based on class participation and presentations.

Course Outline & readings

Day 1 (Tuesday July 21): Market imperfections, social protection and social policy design

Conceptual readings

*Banerjee, A, R. Hanna, B. Olken, D Sverdlin Lisker, 2024. "Social Protection in the Developing World", *Journal of Economic Literature*, 62(4).

*Ravallion, M. 2016. "Interventions against Poverty in Poor Places". UN-WIDER annual lecture.

*Duflo, E. 2017. "The Economist as Plumber." *American Economic Review: Papers & Proceedings* 107(5): 1-26

Applications

*Balboni, C., O. Bandiera, R. Burgess, M. Ghatak, and A. Heil, “Why do people stay poor,” *Quarterly Journal of Economics*, 2022.

*Benjamin O. 2019. “Designing anti-poverty programs in emerging economies in the 21st century: Lessons from Indonesia for the world.” *Bulletin of Indonesian Economic Studies* 55 (3): 319-339.

Banerjee, A., Duflo, E., Goldberg, N., Karlan, D., Osei, R., Pariente, W., . . . Udry, C. (2015, May). A multifaceted program causes lasting progress for the very poor: Evidence from six countries. *Science*, 348(6236), 1260799–1260799. doi: 10.1126/science.1260799

Day 2 (Wednesday July 22): Nutrition & early childhood development

Conceptual readings

*Alderman, H., & Fernald, L. (2017). The Nexus Between Nutrition and Early Childhood Development. *Annual Review of Nutrition*, 37(1), 447-476. doi:10.1146/annurev-nutr-071816-064627

*Attanasio, O., Cattan, S., & Meghir, C. (2022). Early Childhood Development, Human Capital, and Poverty. *Annual Review of Economics*, 14(1), 853-892. doi:10.1146/annurev-economics-092821-053234

Applications

*Carneiro, P., Kraftman, L., Mason, G., Moore, L., Rasul, I., & Scott, M. (2021). The Impacts of a Multifaceted Prenatal Intervention on Human Capital Accumulation in Early Life. *American Economic Review*, 111(8), 2506-2549. doi:10.1257/aer.20191726

* Attanasio, O. S. Cattan, E. Fitzsimons, C. Meghir, and M. Rubio-Codina (2020). “Estimating the Production Function for Human Capital: Results from a Randomized Control Trial in Colombia.” *American Economic Review* 110(1): 48-85.

Gertler, P. J.J Heckman, R. Pinto, S.M Chang, S. Grantham-McGregor, C. Vermeersch, S. Walker, A. Wright. 2021 "Effect of the Jamaica early childhood stimulation intervention on labor market outcomes at age 31", NBER working paper w29292.

Day 3 (Thursday July 22): Education, skills & scaling

Conceptual readings

*Muralidharan, K. 2017. “Field Experiments in Education in Developing Countries” in Banerjee, A. and E. Duflo, (eds.), *Handbook of Economic Field Experiments*. Volume 1. Elsevier.

* From Proof of Concept to Scalable Policies: Challenges and Solutions, with an Application, with Rukmini Banerji, Abhijit Banerjee, Esther Duflo, Harini Kannan, Shobhini Mukherji, Marc Shotland, and Michael Walton. *Journal of Economic Perspectives*, Fall 2017, 31(4): 73-102.

Akyeampong, K., Andrabi, T., Banerjee, A., Banerji, R., Dynarski, S., Glennerster, R., . . . Yoshikawa, H. (2023). Cost-Effective Approaches to Improve Global Learning - What does recent evidence tell us are “Smart Buys” for improving learning in low- and middle-income countries? London, Washington D.C., New York: FCDO, the World Bank, UNICEF, and USAID.

Applications

*Barrera-Osorio, F., Kugler, A. D., & Silliman, M. I. (2023). "Hard and soft skills in vocational training: experimental evidence from Colombia." *The World Bank Economic Review* Vol.37 (3), p.409-436

* Muralidharan, K and A, Singh, 2025. "Adapting for scale: Experimental Evidence on Technology-aided Instruction in India", *NBER working paper* w34205.

Macours, K., J. Vera Rueda and D. Webb "Menstrual stigma and human capital: Experimental evidence from Madagascar", *CEPR Discussion Paper* 21167.

Day 4: Climate adaptation and productive social safety nets

Conceptual readings

*Carleton, T., E. Duflo, B.K. Jack and G. Zappala (2024) "Adaptation to Climate Change" Handbook of the Economics of Climate Change, Barrage and Hsiang, Eds. Elsevier.

Laajaj, R. and K. Macours, 2026. "The Complexity of Multidimensional Learning in Agriculture", *Econometrica*, 94(2).

Applications

* Macours, K. P. Premand and R. Vakis "Transfers, Diversification and Household Risk Strategies: Experimental Evidence with Lessons for Climate Change Adaptation", 2022. *Economic Journal*.132 (647):2438–2470.

* Pople, A., R. Hill, S.Dercon, B. Brunckhorst, 2024, "The importance of being early: Anticipatory cash transfers for flood-affected households", *CSAE working paper* 2024/7/17.

* Aker, J. and B.K. Jack (2023) "Harvesting the rain: The adoption of environmental technologies in the Sahel" *Review of Economics and Statistics*.

Day 5: Cost-effectiveness, cash benchmarking, long-term impacts, and wrap-up

Conceptual Readings

*Dhaliwal, Iqbal, Esther Duflo, Rachel Glennerster, Caitlin Tulloch, 2013. "Comparative cost-effectiveness analysis to inform policy in developing countries: A General Framework with Applications for Education", in *Education Policy in Developing Countries*, edited by Paul Glewwe, University of Chicago Press.

Hendren, N and B Sprung-Keyser, 2022. "The Case for MFPP in empirical welfare analysis", *NBER working paper* w30029

Applications

* McIntosh, Craig and Andrew Zeitlin, 2024. "Cash Versus Kind: Benchmarking a Child Nutrition Program Against Unconditional Cash Transfers in Rwanda" *The Economic Journal*, Volume 134, Issue 664, November 2024, Pages 3360–3389.

* Araujo M. C and Macours, K and "Education, Income and Mobility: Experimental Impacts of Childhood Exposure to Progresa after 20 years", *IADB working paper*

* Attanasio, O, L Cardona-Sosa, C Medina, C Meghir and C M Posso-Suárez (2021), "Long Term Effects of Cash Transfer Programs in Colombia," *NBER Working Papers 29056*.