

From Micro to Macro Development

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Abstract

Macroeconomic development remains an important policy goal because of its ability to lift entire populations out of poverty. In our review of the literature, we emphasize that the best way to achieve this objective is to embrace a synthesis of methods and ideas, with the science of experiments as a unifying feature. RCTs need representative data and structural modeling, and macro models need to be designed and disciplined to the realities and data of developing country economies. Macroeconomic models have key lessons for gathering and analyzing micro evidence and for moving to an evaluation of macro policy. Resource constraints, heterogeneity, general equilibrium effects, obstacles to trade, dynamics, and returns to scale can all play key roles. A synthesis for macro development is well under way.

O1, O11, O12, O2 macro development policy, randomized controlled trials, scaling up, aggregate models

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