

**Senior Seminar: Analyzing Cross-Country Data**  
**Fall 2006**  
**T 2:30-3:20, Sequoyah Hall 244**

**James Rauch**  
**Office: TMC Econ 220**  
**Hours: TTh 9:30-10:50**  
**or by appointment**

## **SYLLABUS**

This course will teach students how to use available cross-country data sets from organizations such as the World Bank to make reliable international comparisons of socioeconomic performance. Students will also learn to recognize misleading uses of these data. The main applications will be to evaluation of human development in Arab countries and to prediction of economic growth in less developed countries.

**Assignments:** You will need to complete four computer assignments to pass the course. Each assignment will require some very simple programming in STATA. I will review the simple programming interactively in class and supply you with template programs.

### **COURSE OUTLINE**

Lecture 1: What cross-country data are available? We will peruse the web sites to be used in Assignment 1. We will review the variables available and discuss what they mean.

Lecture 2: How can cross-country comparisons be misleading? Assignment 2 compares GDP measured in US dollars versus “international dollars.” Assignment 1 is due.

Lecture 3: Why focus on particular variables when making cross-country comparisons? The story behind the Human Development Index.

Lecture 4: What sets of countries should be used for comparisons to any given country or set of countries? What are useful summary statistics? Assignment 2 is due.

Lectures 5-6: An illustration: PowerPoint presentation, “Arab Human Development in Comparative Perspective.” Description of Assignment 3.

Lectures 7-8: A more sophisticated method of comparison: cross-country regressions. Assignment 4 shows how to use the predicted values from the regression for comparisons. Assignment 3 is due.

Lecture 9: An illustration: Using cross-country growth regressions for comparisons in “Africa’s Growth Tragedy.”

Lecture 10: Dangers of cross-country growth regressions: are they really useful? “The Lost Decades.” Current fashion in cross-country growth (or level) regressions: explanatory variables that are unquestionably exogenous. Assignment 4 is due.