

Economics 116: Economic Development

Version: September 20, 2022

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Course web page: <https://canvas.ucsd.edu/courses/39856>

Class time: Tuesdays and Thursdays, 2:00-3:20 pm

Class location: PETER 104

All times should be assumed to be in PDT.

**** Note:** Below is the proposed syllabus. While I intend to closely follow the syllabus, there may be some changes as the semester progresses. All changes will be announced on canvas and reflected in an updated syllabus.

Course Overview:

We will consider a number of important questions in the field of development economics: Why are some countries so rich and others so poor? What factors have determined which countries prosper? Which are the root causes and which are the proximate causes of economic underdevelopment? Can these factors be changed with specific economic policies? If so, what are they and how are they best implemented? Are there country-specific characteristics that determine economic fate? Or, is prosperity just the result of luck? Does the enjoyment of the rich somehow depend on the continuing suffering of the poor? We will consider these questions and more.

The course is intended to not only provide a general overview of the dominant views about economic development and policy, but to also provide students a sense of the most recent research in the field. For this reason, the course will go beyond the usual textbook summary of the field. Students will also examine recent journal articles that have made important contributions to the field of development economics.

Class communication and logistics:

1. All classes and office hours will be held in person. Any future changes will follow University guidelines.

2. Please check Canvas regularly for announcements.
3. All readings will be posted on Canvas.
4. Slides for each lecture will be posted on Canvas.
5. All assignments will be submitted on canvas.

Grading:

1. Multiple choice quizzes 30%

There will be weekly timed (1hr) quizzes based on the lecture and in class discussions. Once you start a quiz you will only have an hour to do it. You cannot take quizzes multiple times. These will be multiple choice and graded automatically on canvas. We expect each quiz to take you around 20-30 mins to do if you've done the readings and attended/listened to the lectures, so these are meant as a refresher for the material you're learning more than an actual "test" of your knowledge. Quizzes are designed to make sure you are keeping up with the material for the week and not lagging behind.

Timed weekly (posted on Friday @ Noon PST, due by following Monday @ Noon PST). 9 quizzes total, lowest quiz dropped.

2. Mid-term exam 27%

The mid-term exam will be taken in class on October 25, 2022. It will cover material from the first five weeks of class.

3. Final exam 40%

The exam will consist of questions, where the students are expected to draw from and synthesize the theoretical, descriptive, and qualitative evidence covered in the readings and during in class discussion. Details about the specific nature of the exam will be provided in class.

The assigned final exam date and time are: December 8, 2022, 3pm-6pm.

4. Class participation and attendance 3%

The quality of remarks, questions, and involvement in lecture will contribute to the final grade.

Academic integrity:

Academic dishonesty will not be tolerated. Students are expected to do their own work, as outlined in the UCSD Policy on Integrity of Scholarship. All suspected cases of academic dishonesty will be reported to the Academic Integrity Coordinator. In addition to the penalties imposed by the Academic Integrity Review Board, we also reserve the right to fail students found guilty of academic misconduct.

The following are a few examples of academic dishonesty in this class:

1. Having another student complete an assignment for you or give you answers to specific questions
2. Having someone else take your exam for you
3. Lying about having taken an exam or completed an assignment

Administrative issues:

If you have a documented disability, please inform the Professor or the TA immediately. If you believe that you have a disability and desire accommodation, please register with the Office for Students with Disabilities.

UCSD now has automated waitlists. If you have any questions regarding adding the class, please contact the undergraduate advisors in Economics.

Textbook:

- 1.) Weil, David N. 2013. Economic Growth, 3rd edition. New York: Addison Wesley.
- 2.) Easterly, William. 2001. The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics. Cambridge, MA: MIT Press.

These books, in addition to journal articles, constitute the core readings in the course. The book by David Weil is a textbook on Economic Growth and Development. It will provide the theoretical and conceptual basis for the course. Chapters that are required reading will be posted on canvas in the relevant module. The book by William Easterly is a book written for the general public. It is a quick read, and it does a nice job tying economic theory and research to the real world, examining how well economic theories fare when put into practice.

Reading List and Class Schedule:

Week 1

1. September 22, 2022: Introduction to economic development

Weil Book, Chapter 1

Easterly Book, Chapter 1

Week 2

2. September 27, 2022: Traditional theories of economic growth and development 1

Harrod-Domar Model, Rostow Stages of Growth, and Lewis Model

Todaro, John P. and Stephen C. Smith (2006), Economic Development. Pearson Addison. Wesley. pp. 104-115.

3. September 29, 2022: Traditional theories of economic growth and development 2

Solow Model

Weil Book, Chapter 3

Easterly Book, Chapter 3

Week 3

4. October 4, 2022: Health

Weil Book, Chapter 6

Miguel, Edward and Michael Kremer. (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities," *Econometrica*, 72(1): 159-217.

Baird, Sarah, Joan Hamory Hicks, Michael Kremer, and Eduard Miguel. (2016). "Worms at Work: Long-Run Impacts of a Child Health Investment," *Quarterly Journal of Economics*, 4(1): 1637-1680.

5. October 6, 2022: Education

Weil Book, Chapter 6

Easterly Book, Chapter 4

Duflo, Esther. (2001). "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment," *American Economic Review*, 91(4): 795-813.

Kremer, Michael. (2006). "Randomized Evaluations of Educational Programs in Developing Countries: Some Lessons," *American Economic Review Papers and Proceedings*, 93(2): 102-106.

Week 4

6. October 11, 2022: Population growth

Weil Book, Chapter 4

Easterly Book, Chapter 5

Rogall, Thorsten and David Yanagizawa-Drott. (2013). "The Legacy of Political Mass Killings: Evidence from the Rwandan Genocide," Harvard University, working paper.

7. October 13, 2022: Technology

Weil, Chapter 8

Easterly, Chapter 9

Bloom, Nicholas, Benn Eifert, Aprajit Mahajan, David McKenzie, and John Roberts. (2013). "Does Management Matter? Evidence from India," *Quarterly Journal of Economics*, 128 (1): 1-51.

Cristia, Julian. Pablo Ibarrran, Santiago Cueto, Ana Santiago, and Eugenio Severin. (2017). "Technology and Child Development: Evidence from the One Laptop Per Child Program" *American Economic Journal: Applied Economics*, 9 (3): 295-320.

Week 5

8. October 18, 2022: Governance, institutions, and corruption

Weil Book, Chapter 12

Easterly Book, Chapters 11 and 12

Reinikka, Ritva, and Jakob Svensson. (2004). "Local Capture: Evidence from a Central Government Transfer Program in Uganda," *Quarterly Journal of Economics*, 119(2): 679-705.

Olken, Benjamin. (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia," *Journal of Political Economy*, 115(2): 200-249.

9. October 20, 2022: Leaders

Weil Book, Chapter 12

Easterly Book, Chapter 11

Stackhouse, John, "A Despot's Delight," Chapter 7 in Out of Poverty. Random House Canada, pp. 99-104.

Jones, Ben and Benjamin Olken. (2005). "Do Leaders Matter? National Leadership and Growth since World War II," *Quarterly Journal of Economics*, 120 (3): 835-864.

Duflo, Esther and Raghavendra Chattopadhyay. (2004). "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India," *Econometrica* 72 (5): 1409-1443.

Week 6

10. October 25, 2022: IN CLASS MID-TERM EXAM.

11. October 27, 2022 Historical determinants of development

Acemoglu, Daron, Simon Johnson, and James Robinson. (2001). "Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91(5): 1369-1401.

Nunn, Nathan. (2008). "The Long-Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics*, 123(1): 139-176.

Alesina, Alberto, Paola Giuliano and Nathan Nunn. (2013). "On the Origins of Gender Roles: Women and the Plough," *Quarterly Journal of Economics*, 128(2): 469-530.

Week 7

12. November 1, 2022: Geography

Weil Book, Chapter 15

Sachs, Jeffrey and Pia Malaney. (2002). "The Economic and Social Burden of Malaria," *Nature*, 415 (6872): 680-685.

Sachs, Jeffrey. (2001). "The Geography of Poverty and Wealth," *Scientific American*, 284 (3) March: 70-75.

Diamond, Jared. (2002). "Evolution, Consequences and Future of Plant and Animal Domestication," *Nature*, 418 (8): 700-707.

13. November 3, 2022: Culture 1

Weil Book, Chapter 14

Henrich, Joseph. 2015. The Secret to our Success: How Culture is Driving Human Evolution, Domesticating our Species, and Making us Smarter, Princeton: Princeton University Press. Chapters 2 & 3.

Giuliano, Paola and Nathan Nunn. (2019). "Understanding Cultural Persistence and Change," Working paper, Harvard University. (Sections 1 and 2 required. The rest is not required.)

Henrich, Joseph, Robert Boyd, Sam Bowles, Colin Camerer, Herbert Gintis, Richard McElreath and Ernst Fehr. (2001). "In search of Homo Economicus: Experiments in 15 Small-Scale Societies," *American Economic Review*, 91(2): 73-79.

Week 8

14. November 8, 2022: Culture 2

Stackhouse, John, "Daddy George," Chapter 6 in Out of Poverty. Random House Canada, pp. 80-98.

Squires, Munir. (2018.) "Kinship Taxation as an Impediment to Growth: Experimental Evidence from Kenyan Microenterprises," Working paper, Vancouver School of Economics. [Not responsible for the model.]

Nunn, Nathan and Raul Sanchez de la Sierra. (2017). "Why Being Wrong can be Right: magical Warfare Technologies and the Persistence of False Beliefs," *American Economic Review Papers and Proceedings*, 107 (5): 582-587.

15. November 10, 2022: Ethnicity

Easterly Book, Chapter 13

Habyarimana, James, Macartan Humphreys, Daniel N. Posner, and Jeremy M. Weinstein. (2007). "Why Does Ethnic Diversity Undermine Public Goods Provision?" *American Political Science Review*, 101(4): 709-725.

Hjort, Jonas. (2014). "Ethnic Divisions and Production in Firms," *Quarterly Journal of Economics*, 129(4): 1899-1946.

Week 9

16. November 15, 2022: Gender

Bursztyn, Leonardo, Alessandra Gonzalez, and David Yanagizawa-Drott. 2018. "Misperceived Social Norms: Female Labor Force Participation in Saudi Arabia," Working paper, University of Chicago.

Lowes, Sara. (2018). "Matrilineal Kinship and Spousal Cooperation," Working paper, Bocconi University.

17. November 17, 2022: Foreign aid

Easterly Book, Chapter 6

Nunn, Nathan and Nancy Qian. (2014). "U.S. Food Aid and Civil Conflict," *American Economic Review*, 104 (6): 1630-1666.

Crost, Benjamin, Joseph Felter, and Patrick B. Johnston. (2014). "Aid Under Fire: Development Projects and Civil Conflict," *American Economic Review*, 104 (6): 1833-1856.

Week 10

18. November 22, 2022: External influence

Easterly, William, Daniel Berger, Nathan Nunn and Shanker Satyanath. (2013). "Commercial Imperialism? CIA Interventions and Trade During the Cold War," *American Economic Review*, 103 (2): 863-896.

Kuziemko, Ilyana and Eric Werker. (2006). "How Much is a Seat on the UN Security Council Worth?" *Journal of Political Economy*, 114: 905-930.

Dreher, Axel, Jan-Egbert Sturm, and James Vreeland. (2009.) "Global Horse Trading: IMF Loans for Votes in the United Nations Security Council" *European Economic Review*, 53: 742-757.

Week 11

19. November 29, 2022: Conflict

Dube, Oeindrila and Juan F. Vargas. (2010). "Commodity Price Shocks and Civil Conflict: Evidence from Colombia," *Review of Economic Studies*, 80 (4):1384-1421.

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. (2004). "Economic Shocks and Civil Conflict: An Instrumental Variables Approach," *Journal of Political Economy*, 112 (4): 725-53.

Dell, Melissa, and Pablo Querubin. (2018). "Nation Building Through Foreign Intervention: Evidence from Discontinuities in Military Strategies," *Quarterly Journal of Economics*, 133 (2): 701-764.

20. December 1, 2022 : How can history inform policy?

Lowes, Sara and Eduardo Montero. 2021. "The Legacy of Colonial Medicine Campaigns in Central Africa," *American Economic Review*, Vol. 111, No. 4, pp. 1284-1314.

Ashraf, Nava, Natalie Bau, Nathan Nunn, and Alessandra Voena. 2020. "Bride Price and Female Education," *Journal of Political Economy*, 128 (2): 591–641.