

UC San Diego  
Winter 2004  
Class: T-Th 2-3:30 (Center 101)

Professor Eli Berman  
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OH: T 3:30-4:00, Th 1-2  
or by appt., Econ 218

TAs : Chung Chiang Chen, Ricardo Serrano, Karmen Suen  
TA OH: Thursday 5-8 PM, Sequoyah 244.

### **Economics 165 Middle East Economics**

The course aims /to introduce students to a number of economic topics relevant to an understanding of current events in the Middle East. It provides some practice in applying concepts from other classes to current events.

Unfortunately, there is no textbook which meets the needs of a modern course. Readings are an integral part of the course and will be accessible via the web.

Evaluation: There will be a ten page written assignment. Students will have the option of carrying out the assignment in pairs. A midterm is optional and will be included in evaluation only if it raises the grade. The final exam is compulsory. The final grade will be calculated as the maximum of a) the average grade of assignment, midterm and final, or b) the average grade of assignment and final.

We will cover five broad topics:

1. Economic History
2. Economics of Religion
3. Economics, Violence and Civil Wars
4. Economic Demography
5. Palestinian Economy
6. Iraqi Economy

### **Readings**

#### *1. Economic History*

Issawi, Charles, *The Middle East Economy, Decline and Recovery* (Princeton: Markus Wiener, 1995).  
Chapters 1, 2, 3, 5, 6, 11

Kuran, Timur, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation" USC mimeo  
[http://papers.ssrn.com/sol3/delivery.cfm/SSRN\\_ID475205\\_code49181.pdf?abstractid=475205](http://papers.ssrn.com/sol3/delivery.cfm/SSRN_ID475205_code49181.pdf?abstractid=475205)  
Kuran, Timur, "The Logic of Financial Westernization in the Middle East" (June 2003) USC mimeo  
[http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=425442](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=425442)



Tietenberg, Tom, *Environmental and Natural Resource Economics* (New York: Addison Wesley Longman, 2000). Chapter 8, pp. 156-165.

## 2. *Economics of Religion*

Berman, Eli "Sect, Subsidy and Sacrifice: An Economist's View of Ultra-Orthodox Jews," Quarterly Journal of Economics, 115(3) (August, 2000).

Iannaccone, Laurence R. "Sacrifice and Stigma: Reducing Free-riding in Cults, Communes, and Other Collectives," Journal of Political Economy, C(1992), 271-291.

\_\_\_\_\_. "Introduction to the Economics of Religion," Journal of Economic Literature, XXXVI (1998), 1465-1496.

Berman, Eli and Ara Stepanyan, "How Many Radical Islamists? Evidence from Five Countries" UCSD mimeo. <http://econ.ucsd.edu/~elberman/>

Kuran, Timur, "Fundamentalisms and the Economy" in Marty and Appleby (eds.) "Fundamentalisms and the State," (Chicago: University of Chicago Press, 1990)  
[http://www-rcf.usc.edu/~kuran/abstracts/articles/ar\\_21.pdf](http://www-rcf.usc.edu/~kuran/abstracts/articles/ar_21.pdf)

## 3. *Economics, Violence and Civil Wars*

Rashid, Ahmed, Taliban: Militant Islam, Oil and Fundamentalism in Central Asia, (New Haven: Yale, 2000),  
chapter 1: "Kandahar 1994: Origins of the Taliban"  
chapter 9: "High on Heroin: Drugs and the Taliban Economy"

Berman, Eli, " Hamas, Taliban and the Jewish Underground: An Economist's View of Radical Religious Militias," September 2003. <http://econ.ucsd.edu/~elberman/>

Berman, Eli and David Laitin, "Rational Martyrs: International Evidence on Suicide Attacks," UC San Diego mimeo, (October 2003). <http://econ.ucsd.edu/~elberman/>