

UC San Diego
Winter 2008
Class: T-Th 8-9:20 (Ledden Auditorium)

Professor Eli Berman
elib@ucsd.edu
OH: Th 9:30-10:30, Econ 218

TAs : Dalia Ghanem, dghanem@ucsd.edu
____ Karmen Suen, ksuen@ucsd.edu
TA Off Hrs: M 2-3, W 1-2, in Seq. 239

Economics 165 Middle East Economics

The course introduces students to a number of economic topics relevant to understanding current events in the Middle East. It provides some practice in applying economic concepts to understanding history and current events.

We will cover five broad topics:

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

Readings: Unfortunately, there is no textbook which fully meets the needs of a modern course. Readings are an integral part of the course and will be accessible for the most part through the library digital reserves, reserves.ucsd.edu .

Assignments, Exams and Evaluation: A ten-page paper is due Tuesday, March 11. A first draft can be submitted for comment by Tuesday, February 26. Authors of the best first drafts are eligible to give class presentations for extra credit. You are encouraged to carry out the assignment in pairs, in which case the paper should be twelve pages long.

A midterm (Thursday, February 7) is optional and will be included in evaluation only if it raises your grade. The final exam (Thursday, March 20) is compulsory. The final grade will be calculated as the maximum of a) the average grades of assignment, midterm and final, or b) the average grades of assignment and final.

How to study? Review the lecture notes (preferably with a knowledgeable friend). Check the readings. Come ask questions in office hours.

The “Buckley” waiver makes it much easier for us to return your written work, by allowing us to put it in a public place rather than having you meet with the TA. Please read the attached waiver, sign it, and return it to a TA if you’re comfortable with it.

Disabilities will be accommodated. Please refer to OSD policy on what we do to help.
<http://www-senate.ucsd.edu/manual/appendices/app3.htm> .

Readings - Required readings are underlined. Other readings are recommended.

1. Economic History

A. Biblical History through Islamic Empire

Issawi, Charles, *The Middle East Economy, Decline and Recovery* (Princeton: Markus Wiener, 1995).

Chapter 1 - The Modern Middle East in the World Context

Chapter 2 - The Middle East in the World Economy, A Long Range Historical View (pp. 33-44)

B. What Went Wrong?

Issawi, Chapter 2 - The Middle East in the World Economy, A Long Range Historical View (44-55)

Chapter 3 - Technology, Energy and Civilization: Some Historical Observations (59-74)

C. Economic History from 1800 to the Present

Issawi, Chapter 5- Egypt, Iran and Turkey, 1800-1970

Chapter 6 - Egypt: Economic Evolution Since 1800

D. Oil

Issawi, Chapter 11 - The 1973 Oil Crisis and After (209-225)

Tietenberg, Tom, *Environmental and Natural Resource Economics*, 6th edition (New York: Addison Wesley Longman, 2003). Chapter 8, pp. 158-168.

E. Property

Issawi, Chapter 10 - The Adaption of Islam to Contemporary Economic Realities

Kuran, Timur, "Why the Middle East Is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation" *Journal of Economic Perspectives*, 2004.

Kuran, Timur, "The Logic of Financial Westernization in the Middle East" *The Journal of Economic Behavior and Organization*, 2005.

Kuran, Timur, "The Economic Ascent of the Middle East's Religious Minorities: The Role of Islamic Legal Pluralism" *The Journal of Legal Studies*, 2004.

F. Economic Policy and State Intervention

Richards, Alan and John Waterbury, *A Political Economy of the Middle East*, (2nd edition), (Boulder: Westview, 1996).

Chapter 2 - The Framework of the Study, (37-43)

Chapter 3 - Economic Growth and Structural Change, (62-7)

Chapter 7 - The Emergence of the Public Sector (173-204)

Chapter 8 - Contradictions of State-Led Growth (205-221)

Chapter 9 - The Checkered Course of Economic Reform (222-250)

2. Demographics and Education

Richards and Waterbury, Chapter 4 - The Impact of Rapid Population Growth (77-102)

Weil, David N., Economic Growth (2005) - Chapter #4: Demographics.

A. *Global Demographic Transition & Malthus*

B. *Why Do Birth Rates Fall? Becker I.*

C. *Becker II, Economic Implications of Fertility Decline*

**** Midterm about here ****

3. 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.

Kuran, Timur, "Fundamentalisms and the Economy" in Marty and Appleby (eds.) *Fundamentalisms and the State*, (Chicago: University of Chicago Press, 1990)

4. Economics, Violence and Civil Wars

Fearon, James, and David Laitin, "Ethnicity, Insurgency and Civil War," *American Political Science Review*, 97(1), February 2003.

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"

Mishal, Shaul and Avraham Sela, *The Palestinian Hamas: Vision Violence and Coexistence*, (New York: Columbia University Press, 2000), chapter 1: "Social Roots and Institutional Development."

Berman, Eli, and David Laitin, "Religion, Terrorism and Public Goods: Testing the Cub Model"

5. Palestine

TBA

6. Iraq

TBA

STUDENT CONSENT FOR RELEASE OF STUDENT INFORMATION

(Buckley Waiver)

I hereby authorize the UCSD Economics Department to return my graded examinations and problem sets by placing them in a location accessible to all students in the course. I understand that the return of my examinations and problem sets as described above may result in disclosure of personally identifiable information that is not public information as defined in UCSD PPM 160-2, and I hereby consent to the disclosure of such information.

Quarter W08 Course: Econ 165 - Middle East Economics Date:

Instructor: Eli Berman

Student ID#

Print Name

Signature