

Econ. 360, Sec 002: Economics of Developing Areas
George Mason University, Spring 2015
TTh 10:30 - 11:45 PM, Room: Krug Hall 5

Instructor: Noel D. Johnson

Email: njohnsoL@gmu.edu

Office Location: Carow 8

Office Hours: Tuesdays 1:30 to 2:30 PM or by appointment.

Course Webpage: <http://goo.gl/AVKNG4>

Course Description

In this course, we will study economic growth with an emphasis on developing countries. The primary methods I will teach you to use are historical analysis and empirical methods. As such, you should be willing to learn some history and some econometrics (which I will teach you) in order to succeed in this class. While the material learned in the course is easily applied to virtually any region of the world, we will read a disproportionate amount of material on Africa.

Course Requirements

Your course grade will be based on the following:

1. Two midterm exams each worth 25% of your final grade. The dates of the midterms are approximately placed in the course outline.
2. A comprehensive final exam worth 40% of your grade. The final will be given during the university assigned final exam time. If you miss the Final without a university sanctioned excuse (I *will* ask for documentation), then you will receive an F for the course. If you miss one (or both) of the midterms, then you may not “re-take” it. The weight of your final will be increased accordingly (e.g. if you miss one midterm, your final will be worth 65%).
3. Attend class, read the articles, and participate in class. This is worth 10% of your grade.

If you wish to dispute the grading of an exam you must submit a typed request making explicit reference to the problem(s) along with the original test within two class periods (one week). I will then review your arguments and decide if a mistake was made. Under no circumstances will I discuss grading with a student until after I have received and reviewed the written complaint. Office hours are for me to help you understand course material, not for grade disputes.

Course Materials

We will be reading many articles which are available for download on the class's Dropbox folder accessed via a link on the course webpage found at <http://goo.gl/AVKNG4>. In addition, most of the readings can be downloaded from either JSTOR, the NBER Working Papers archive, or EconLit through the GMU libraries research databases page. You are required to acquire these papers and read them before the class in which they are covered. You are expected to know the readings for the exams.

There are no required books for the course, however, two of the general themes of the course are Africa and empirical methods. If you want a good overview of the history of the former, there is no better place to start than with,

Meredith, M. (2005). *The Fate of Africa: From the Hopes of Freedom to the Heart of Despair : a History of Fifty Years of Independence*. Public Affairs

If you would like more material on the empirical methods we cover, two excellent sources for the basics (plus some more advanced material) are:

Kennedy, P. (2003). *A Guide to Econometrics*. Blackwell

Angrist, J. and Pischke, J. (2014). *Mastering 'Metrics: The Path from Cause to Effect*. Princeton University Press

Some Important Dates

First Day of Classes: 1/20

Spring Break: 3/9-3/15

Last Day of Classes: 5/4

Final Exam: May 12 from 10:30 to 1:15

PLEASE NOTE: COURSE POLICIES

1. George Mason University Honor System and Code

Honor Code

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited.

All violations of the Honor Code will be reported to the Honor Committee.

Plagiarism (statements from Mason Web Site)

Plagiarism means using the exact words, opinions, or factual information from another person without giving that person credit.

<http://mason.gmu.edu/~montecin/plagiarism.htm#plagiarism>

Please familiarize yourself with the Honor System and Code, as stated in the George Mason University Undergraduate Catalog. When you are given an assignment as an individual, the work must be your own. Some of your work may be collaborative; source material for group projects and work of individual group members must be carefully documented for individual contributions.

<http://mason.gmu.edu/~montecin/plagiarism.htm>

2. Class Registration

Students are responsible for verifying the accuracy of their own schedules. Students need to check PatriotWeb regularly to verify that they are registered for the classes that they think they are. This is particularly important since students are no longer dropped for nonpayment. ? Faculty may not allow a student who is not registered to continue to attend class and may not grade the work of students who do not appear on the official class roster.

Deadlines each semester are published in the Schedule of Classes available from the Registrar's Web Site registrar.gmu.edu

After the last day to drop a class, withdrawing from this class requires the approval of the dean and is only allowed for nonacademic reasons. ? Undergraduate students may choose to exercise a selective withdrawal. See the Schedule of Classes for selective withdrawal procedures.

3. Accommodations for students with disabilities:

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Resources at 703-993-2474. All academic accommodations must be arranged through that office.

The need for accommodations should be identified at the beginning of the semester and the specific accommodation has to be arranged through the Office of Disability Resources. Faculty cannot provide accommodations to students on their own (e.g. allowing a student extra time to complete an exam because the student reports having a disability).

Course Outline (Subject to change)

I. Introduction

- (1) Pritchett, L. (1997). Divergence, big time. *Journal of Economic Perspectives*, 11(3):3–17
- (2) Banerjee, A. and Duflo, E. (2007). The economic lives of the poor. *Journal of Economic Perspectives*, 21(1):141–167
- (3) Chapter 12 in Hartmann, B. and Boyce, J. (1983). *A Quiet Violence: View from a Bangladesh Village*. Development studies. Zed Press

II. Causality & Measurement

- (4) Freedman, D. (1989). Statistical models and shoe leather. *Mathematical Social Sciences*, 18(2):192–192
- (5) Ravallion, M. (2001). The mystery of the vanishing benefits: An introduction to impact evaluation. *World Bank Economic Review*, 15:115–140
- (6) Appendix on “How to Read a Regression Table” in Meier, G. and Rauch, J. (2000). *Leading issues in economic development*. Oxford University Press
- (7) Kolata, G. (2014). Method of study is criticized in group’s health policy tests. *New York Times*, February 2
- (8) Wainer, H. (2007). The most dangerous equation. *American Scientist*, May-June:249–256

Midterm 1

III. Colonialism

- (9) Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *The American Economic Review*, 91(5):1369–1401
- (10) Sokoloff, K. L. and Engerman, S. L. (2000). History lessons: Institutions, factor endowments, and paths of development in the new world. *Journal of Economic Perspectives*, 14(3):217–32
- (11) Nunn, N. (2008). The long-term effects of Africa’s slave trades. *Quarterly Journal of Economics*, Vol, 123(1):pg. 139–176

VI. Geography, Diversity, & Development

- (12) Nunn, N. and Puga, D. (2012). Ruggedness: The blessing of bad geography in Africa. *Review of Economics and Statistics*, 91(1):20–36
- (13) Ashraf, Q. and Galor, O. (2013). The “Out of Africa” hypothesis, human genetic diversity, and comparative economic development. *American Economic Review*, 103(1):1–46
- (14) Davis, D. and Weinstein, D. (2002). Bones, bombs, and break points: The geography of economic activity. *American Economic Review*, 92(5):1269–1289

- (15) Jedwab, R., Kerby, E., and Moradi, A. (2014). History, path dependence and development: Evidence from colonial railroads, settlers and cities in Kenya

V. Culture & Preferences

- (16) Fisman, R. and Miguel, E. (2007). Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political Economy*, 115(6)
- (17) Hoff, K. and Pandey, P. (2014). Making up people—the effect of identity on performance in a modernizing society. *Journal of Development Economics*, 106:118–131
- (18) Mani, A., Mullainathan, S., Shafir, E., and Zhao, J. (2013). Poverty impedes cognitive function. *Science*, 341

Midterm 2

VII. Political Economy

- (19) Miguel, E. (2005). Poverty and witch killing. *Review of Economic Studies*, 72(4):1153–1172
- (20) Johnson, N. D. and Koyama, M. (2014). Taxes, lawyers, and the decline of witch trials in France. *Journal of Law & Economics*
- (21) Michalopoulos, S. and Papaioannou, E. (2013). Pre-colonial ethnic institutions and contemporary African development. *Econometrica*, 81(1):113–152
- (22) Fisher, M. (2014). Too big to govern: the real roots of Nigeria’s Boko Haram problem. *VOX*
- (23) Lowes, S., Nunn, N., Robinson, J., and Weigel, J. (2014). The evolution of culture and institutions: Evidence from the Kuba Kingdom
- (24) Becker, S. O., Boeckh, K., Hainz, C., and Woessmann, L. (2011). The empire is dead, long live the empire! Long-run persistence of trust and corruption in the bureaucracy
- (25) Kirkpatrick, D. D. (2014). Egyptians vote on new constitution in referendum. *New York Times*, January 14
- (26) Lamoreaux, N. R. (2011). The mystery of property rights: A U.S. perspective. *The Journal of Economic History*, 71:275–306
- (27) Milanovic, B. (2014). The coase theorem and Russia. *glineq.blogspot.com*

VIII. Policy: Aid & Immigration

- (28) Starobin, P. (2013). Does it take a village? *Foreign Policy*
- (29) Bleakley, H. and Ferrie, J. (2013). Up from poverty? the 1832 Cherokee land lottery and the long-run distribution of wealth
- (30) Clemens, M. A. (2011). Economics and emigration: Trillion-dollar bills on the sidewalk? *Journal of Economic Perspectives*, 25(3):83–106

Comprehensive Final Exam on May 12 from 10:30 to 1:15

References

- Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *The American Economic Review*, 91(5):1369–1401.
- Angrist, J. and Pischke, J. (2014). *Mastering 'Metrics: The Path from Cause to Effect*. Princeton University Press.
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- Meier, G. and Rauch, J. (2000). *Leading issues in economic development*. Oxford University Press.
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