

**Econ. 360, Sec 002: Economics of Developing Areas**  
**George Mason University, Spring 2019**  
**TTh 3:00 - 4:15 PM, Room: Planetary Hall 224**

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**Instructor:** Noel D. Johnson

**Email:** njohnsoL@gmu.edu

**Office Location:** Carow 8

**Office Hours:** Tuesdays from 4:30 to 5:30 or by appointment

**Course Webpage:** TBA

**Course Description**

The aim of this course is to introduce various ideas and approaches to understanding economic growth. The course is split, roughly, into four sections. In the first, we will review the basic facts of economic growth as well as discuss current empirical techniques used to study growth. In the second section we will discuss factor accumulation as an explanation for growth. In the third section we will discuss various explanations for differences in productivity across regions. In the final section we will discuss deep determinants of economic growth. Throughout the course an effort will be made to link the theory of economic growth with empirical evidence. Textbook readings will be supplemented with recent academic papers and blog posts.

<b>Weeks 1 &amp; 2</b>	Introduction and Preliminaries
<b>Week 3</b>	Empirical Techniques
<b>Weeks 4 &amp; 5</b>	Capital's Role in Production
<b>Weeks 6 &amp; 7</b>	The Role of Population in Economic Growth
<b>Week 8</b>	The Effect of Human Capital on Growth
<b>Week 9</b>	How much does productivity growth differ among countries?
<b>Week 10</b>	Can technological gaps explain differences in productivity?
<b>Week 11</b>	Midterm Exam
<b>Week 12</b>	How much of productivity differences come from inefficiency?

<b>Weeks 13</b>	Government
<b>Weeks 14</b>	Culture
<b>Weeks 15</b>	Geography, Climate, and Natural Resources

## Course Requirements

*Eighty percent of success is showing up* – Woody Allen

Your course grade will be based on the following:

1. A midterm exam worth 30% of your grade. The date of the midterm is approximately placed in the course outline. If you miss the midterm, then you may not “re-take” it. The weight of your final will be increased accordingly.
2. Problem sets worth 15% of your grade.
3. Country Analysis Report worth 25% of your grade.
4. A comprehensive final exam worth 30% 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.

## Grade Disputes

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) of the day I hand back the graded exams. 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.

**Country Analysis Report** In your report you will compare the growth performance of a country of your choice with the growth performance of two other countries. For example, you may compare the growth performance of Columbia over the years 1970 to 2006 with that of two other countries of similar income and size during the same period. The goal of the paper is to explain the growth performance of the country in question, drawing on concepts covered in class, while demonstrating your competence in quantitative methods and qualitative interpretation. By the fourth week of class you should decide which countries to study. Then, you should prepare a preliminary outline

or draft (around 3-5 pages) to turn in, in hardcopy, on March 19 at the beginning of class. The final draft of the paper, in hardcopy, is due at the beginning of class on May 2. The paper should be about 10 pages (double-spaced 12 point font), including all references and tables and figures.

### **Class Attendance and Participation**

Participation is important for this class and you should attend class unless you are ill. I will hand out sign-up sheets on randomly chosen dates to evaluate attendance. You can miss 4 classes for any reason. Beyond 4 classes, each recorded absence will negatively impact your final grade by 2.5-percentage points. If you miss a class, you are strongly encouraged to make an appointment with me to discuss specific questions about the material after you have obtained notes from someone in class.

### **Course Materials**

There is one required text: David N. Weil, *Economic Growth*, 3rd edition. Copies have been ordered at the GMU Bookstore.

We will also be reading articles which are available for download on 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.

### **Some Other Good Books on Economic Growth (optional)**

- Deaton, A. (2013). *The great escape: health, wealth, and the origins of inequality*. Princeton University Press
- Easterly, W. (2002). *The elusive quest for growth: economists' adventures and misadventures in the tropics*. MIT press
- Collins, D., Morduch, J., Rutherford, S., and Ruthven, O. (2010). *Portfolios of the poor: how the world's poor live on \$2 a day*. Princeton University Press
- Wrong, M. (2009). *It's our turn to eat: the story of a Kenyan whistleblower*. Fourth Estate London
- Banerjee, A. V. and Duflo, E. (2011). *Poor economics: A radical rethinking of the way to fight global poverty*. Public Affairs
- Acemoglu, D. and Robinson, J. A. (2013). *Why nations fail: The origins of power, prosperity, and poverty*. Broadway Business
- Sen, A. K. (2001). *Development as freedom*. Oxford University Press

- North, D. C., Wallis, J. J., and Weingast, B. R. (2009). *Violence and social orders: A conceptual framework for interpreting recorded human history*. Cambridge University Press
- Mokyr, J. (1992). *The lever of riches: Technological creativity and economic progress*. Oxford University Press
- McNeill, W. H. (1998). *Plagues and peoples*. Anchor
- Diamond, J. M. (1998). *Guns, germs and steel: a short history of everybody for the last 13,000 years*. Random House
- Clark, G. (2008). *A farewell to alms: a brief economic history of the world*. Princeton University Press

### **Some Important Dates**

First Day of Classes: 22 January

Spring Break: 11 March to 17 March

Last Day of Classes: 6 May

Final Exam: 9 May, 1:30pm to 4:15pm

### **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](http://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)

### ***Weeks 1 & 2: Introduction and Preliminaries***

- Weil Chapters 1 and 2: Differences in the level and rate of income growth among countries
- Hans Rosling BBC video on income differences over time: <https://goo.gl/ZwYffc>
- MR University “When in India, Get a Haircut”: <https://goo.gl/ks5c5g>
- Broadberry and Wallis, “Growing, shrinking, and long-run economic performance”: <https://goo.gl/ZVpXuY>
- Chapter 12 in Hartmann, B. and Boyce, J. K. (1983). *A quiet violence: View from a Bangladesh village*. Zed Books [reading 1]
- Banerjee, A. V. and Duflo, E. (2007). The economic lives of the poor. *Journal of economic perspectives*, 21(1):141–168. [reading 2]

### ***Week 3: Empirical Techniques***

- Pages 291 to 300 of Freedman, D. A. (1991). Statistical models and shoe leather. *Sociological methodology*, pages 291–313 [reading 3]
- Ravallion, M. (2001). The mystery of the vanishing benefits: An introduction to impact evaluation. *the world bank economic review*, 15(1):115–140 [reading 4]
- **Problem Set 1 Distributed**

### ***Weeks 4 & 5: Capital’s Role in Production***

- Weil Chapter 3: Capital’s Role in Production
- Pritchett, L. (1997). Divergence, big time. *The Journal of Economic Perspectives*, 11(3):3–17 [reading 5]
- Dietz Vollrath blog post on “New Evidence on Convergence”: <https://goo.gl/CukWxe>

### ***Week 6: The Role of Population in Economic Growth***

- Weil Chapter 4: The Role of Population in Economic Growth (skip appendix).
- Pages 681 to 687 of Kremer, M. (1993). Population growth and technological change: One million bc to 1990. *The Quarterly Journal of Economics*, 108(3):681–716 [reading 6]
- Eggleston, K. N. and Fuchs, V. R. (2012). The new demographic transition: most gains in life expectancy now realized late in life. *Journal of Economic Perspectives*, 26(3):137–56 [reading 7]

- Jedwab, R. and Vollrath, D. (2015). Urbanization without growth in historical perspective. *Explorations in Economic History*, 58:1–21 [reading 8]

***Week 7: The Effect of Human Capital on Growth***

- Weil Chapter 6: The Effect of Human Capital on Growth
- Bleakley, H. (2007). Disease and development: evidence from hookworm eradication in the american south. *The quarterly journal of economics*, 122(1):73–117 [reading 9]
- David Roodman blog post “Questioning the evidence on hookworm eradication in the American South”: <https://goo.gl/RVPcNW>
- **Problem Set 2 Distributed**

***Week 8: How much does productivity growth differ among countries?***

- Weil Chapter 7: How much does productivity growth differ among countries?
- Bosworth, B. and Collins, S. M. (2008). Accounting for growth: comparing china and india. *Journal of Economic Perspectives*, 22(1):45–66 [reading 10]
- **Problem Set 1 Collected**

***Week 9: Can technological gaps explain differences in productivity?***

- Weil Chapters 8 and 9: Can technological gaps explain differences in productivity?
- Nordhaus, W. D. (2007). Two centuries of productivity growth in computing. *The Journal of Economic History*, 67(1):128–159 [reading 11]

***Week 10: Midterm Exam***

***Week 11: How much of productivity differences come from inefficiency?***

- Weil Chapter 10: How much of productivity differences come from inefficiency?
- Bloom, N. and Van Reenen, J. (2010). Why do management practices differ across firms and countries? *Journal of economic perspectives*, 24(1):203–24 [reading 12]

***Week 12: Government***

- Weil Chapter 12: Government
- Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *American economic review*, 91(5):1369–1401 [reading 13]

- North, D. C., Wallis, J. J., Webb, S. B., and Weingast, B. R. (2007). *Limited access orders in the developing world: A new approach to the problems of development*. The World Bank [reading 14]
- Pages 28 to 32 of Griffiths, P. (2015). *The Economist's Tale: a consultant encounters hunger and the World Bank*. Zed Books Ltd [reading 15]
- Johnson, N. D. and Koyama, M. (2017). States and economic growth: Capacity and constraints. *Explorations in Economic History*, 64:1–20 [reading 16]
- Johnson, N. D. and Koyama, M. (2014). Taxes, lawyers, and the decline of witch trials in france. *The Journal of Law and Economics*, 57(1):77–112 [reading 17]
- Voigtländer, N. and Voth, H.-J. (2013). Gifts of mars: Warfare and europe's early rise to riches. *Journal of Economic Perspectives*, 27(4):165–86 [reading 18]
- **Problem Set 2 Collected**

### ***Week 13: Culture***

- Weil Chapter 14: Culture
- Guiso, L., Sapienza, P., and Zingales, L. (2006). Does culture affect economic outcomes? *Journal of Economic perspectives*, 20(2):23–48 [reading 19]
- 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 [reading 20]

### ***Week 14: Geography, Climate, and Natural Resources***

- Weil Chapter 15: Geography, Climate, and Natural Resources
- Anderson, R. W., Johnson, N. D., and Koyama, M. (2016). Jewish persecutions and weather shocks: 1100–1800. *The Economic Journal*, 127(602):924–958 [reading 21]
- Nunn, N. and Qian, N. (2010). The columbian exchange: A history of disease, food, and ideas. *Journal of Economic Perspectives*, 24(2):163–88 [reading 22]

## **References**

- Acemoglu, D., Johnson, S., and Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *American economic review*, 91(5):1369–1401.
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