

Econ. 360 Economic Development
George Mason University, Summer 2022
May 23 - June 30 2022

Instructor: Mark Koyama

Email: mkoyama2@gmu.edu

Expected timing of email replies: 24 hours for answers requiring quick replies (excluding weekends); 48 hours for longer replies.

Virtual Office Hours: By appointment via Zoom. You are welcome to use “Ask the Professor” forum available in the Blackboard Discussion Board or send an email anytime.

Course Description

In this online course, we will study the causes of economic development. The two big themes we will explore are: (1) “Why are some countries poor” and (2) “What can be done about this poverty?”.

Emphasis will be placed on relating economic theory to empirical evidence. You will learn how to evaluate arguments and evidence. In particular, you will learn how to read and assess research papers in economics.

Course Schedule

This course is organized on a weekly schedule. The dates of home work assignments, midterm and take-home final are detailed below.

Course Prerequisites

The course prerequisites listed on the catalog are Econ 103 or Econ 104. This course assumes knowledge of microeconomics, macroeconomics, and basic statistics and algebra.

Grading and Course Requirements

Your course grade will be based on the following

1. Two midterm exams worth 20% of your grade. A take home final worth 30%. The date of the midterms are approximately placed in the schedule of classes. The final will be given during the university assigned final exam time.
2. Homework assignments: 15 %
3. Complete Review Questions: 5%.
4. Discussion Board: 10%

To summarize, your raw final grade is composed of the following:

Exams: 70%

Homework Assignments, Review Questions, and Discussion 30 %

I will assign letter grades based on this raw score. 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 three class periods. I will then review your arguments and decide if a mistake was made.

I do not accept as valid, arguments such as: "I need at least 'B' to graduate."

Learning Outcomes

1. Demonstrate knowledge of the appropriate economic theory and apply it correctly to analyze problems in development economics.
2. Demonstrate excellent knowledge of appropriate statistical and econometric concepts to understand and discuss articles published by experts in the field.
3. Apply detailed knowledge of individual developing countries and the situations facing them and to be able write clear and grammatically correct English.

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.

The integrity of the University community is affected by the individual choices made by each of us. Mason has an Honor Code with clear guidelines regarding academic integrity. Three fundamental and rather simple principles to follow at all times are that: (1) all work submitted be your own; (2) when using the work or ideas of others, including fellow students, give full credit through accurate citations; and (3) if you are uncertain about the ground rules on a particular assignment, ask for clarification. No grade is important enough to justify academic misconduct. Plagiarism means using the exact words, opinions, or factual information from another person without giving the person credit. Writers give credit through accepted documentation styles, such as parenthetical citation, footnotes, or endnotes. Paraphrased material must also be cited, using the appropriate format for this class. A simple listing of books or articles is not sufficient. Plagiarism is the equivalent of intellectual robbery and cannot be tolerated in the academic setting. If you have any doubts about what constitutes plagiarism, please see me.

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:

Students can begin the registration process with Disability Services at any time during their enrollment at George Mason University. If you are seeking accommodations, please visit <http://ds.gmu.edu/> for detailed information about the Disability Services registration process. Disability Services is located in Student Union Building I (SUB I), Suite 2500. Email:ods@gmu.edu — Phone: (703) 993-2474

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).

4. Basic Course Technology Requirements

Activities and assignments in this course will regularly use the Blackboard learning system, available at <https://mymason.gmu.edu>. Students are required to have regular, reliable access to a computer with an updated operating system (recommended: Windows 10 or Mac OSX 10.13 or higher) and a stable broadband Internet connection (cable modem, DSL, satellite broadband, etc., with a consistent 1.5 Mbps [megabits per second] download speed or higher. You can check your speed settings using the speed test on this website.)

Activities and assignments in this course will regularly use web-conferencing software (Blackboard Collaborate / Zoom). In addition to the requirements above, students are required to have a device with a functional camera and microphone. In an emergency, students can connect through a telephone call, but video connection is the expected norm.

5. Course Materials and Student Privacy

Videorecordings of class meetings that are shared only with the instructors and students officially enrolled in a class do not violate FERPA or any other privacy expectation. Videorecordings that only include the instructor (no student names, images, voices, or identifiable texts) may be shared without violating FERPA (but see below, University Policies: Privacy, for some qualifications and recommendations)

All course materials posted to Blackboard or other course site are private to this class; by federal law, any materials that identify specific students (via their name, voice, or image) must not be shared with anyone not enrolled in this class.

Videorecordings — whether made by instructors or students — of class meetings that include audio, visual, or textual information from other students are private and must not be shared outside the class Live video conference meetings (e.g. Collaborate or Zoom) that include audio, textual, or visual information from other students must be viewed privately and not shared with others in your household or recorded and shared outside the class

Some/All of our synchronous meetings in this class will be recorded to provide necessary information for students in this class. Recordings will be stored on Blackboard [or other secure site] and will only be accessible to students taking this course during this semester.

This course requires the use of LockDown Browser and a webcam for online exams. The webcam can be built into your computer (internal webcam) or can be the type of webcam that plugs in with

a USB cable (external webcam). Watch this short video to get a basic understanding of LockDown Browser and the webcam feature. A Quick Start Guide for Students is also available.

You will need the following system requirements for online exams:

- Windows: 10, 8, 7
- Mac: OS X 10.10 or higher
- iOS: 10.0+ (iPad only). Must have a compatible LMS integration [Details].
- Web camera (internal or external) microphone
- A reliable internet connection
- Prior to your first exam, you must install LockDown Browser following the step-by-step instructions.

To ensure LockDown Browser and the webcam are set up properly, do the following: Start LockDown Browser, log into Blackboard and select this course.

- Locate and select the Help Center button on the LockDown Browser toolbar. Run the Webcam Check and, if necessary, resolve any issues or permissions your computer prompts.
- Run the System & Network Check. If a problem is indicated, see if a solution is provided in the Knowledge Base. Further troubleshooting is available through the ITS Support Center. Exit the Help Center and locate the practice quiz named.
- Upon completing and submitting the practice quiz, exit LockDown Browser.

When taking an online exam that requires LockDown Browser and a webcam, remember the following guidelines:

- Ensure you're in a location where you won't be interrupted.
- Turn off all other devices (e.g. tablets, phones, second computers) and place them outside of your reach.
- Clear your desk of all external materials not permitted — books, papers, phones, other devices.
- Before starting the test, know how much time is available for it, and that you've allotted sufficient time to complete it.
- Remain at your computer for the duration of the test. Make sure that your computer is plugged into a power source, or that battery is fully-charged.
- If the computer or networking environment is different than what was used previously with the Webcam Check and System & Network Check in LockDown Browser, run the checks again prior to starting the test

To produce a good webcam video, do the following:

- Do not wear a baseball cap or hat with a brim that obscures your face

- Ensure your computer or tablet is on a firm surface (a desk or table). Do NOT have the computer on your lap, a bed, or any other surface where the device (or you) are likely to move. If using a built-in (internal) webcam, avoid tilting the screen after the webcam setup is complete.
- Take the exam in a well-lit room and avoid backlighting, such as sitting with your back to a window.
- Remember that LockDown Browser will prevent you from accessing other websites or applications; you will be unable to exit the test until all questions are completed and submitted.

Sharing of instructor-created materials, particularly materials relevant to assignments or exams, to public online “study” sites is considered a violation of Mason’s Honor Code. I have created unique material for this specific class. Sharing this online without my permission is unethical.

6. Religious Holidays

As per GMU policy, I will do my best to accommodate student absences due to religious holidays (or for other university sanction reasons). Please let me know within the first two weeks of the semester whether the midterm exam dates conflict with the dates of major religious holidays on which the student will be absent or unavailable due to religious observances.

Course Materials

The required books for the course are:

- Mark Koyama and Jared Rubin. *How the World Became Rich*. Polity Press, Cambridge, 2022
- Abhijit Banerjee and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, New York, 2011.
- William R. Easterly. *The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics*. MIT Press, Cambridge, MA, 2001
- William Easterly. *The White Man’s Burden*. Penguin Books, New York, 2006
- Jeffrey Sachs. *The End of Poverty*. Penguin, New York, 2006

There is no required textbook for this course. Instead, the midterm and final will draw on my lectures, readings, and other videos and podcasts. Nevertheless students who have not taken both Econ 103 and Econ 104 are recommended to consult Tyler Cowen and Alex Tabarrok’s *Modern Principles of Economics: Macroeconomics* (any edition).

We will be reading many articles and chapters which are available for download on the class’s Blackboard page. 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.

Another resource that I will make use of is Marginal Revolution University—an online course in development economics run by my colleagues Tyler Cowen and Alex Tabarrok.

Readings, and Outline

I reserve the right to make changes to this outline as I go along. I will assign additional readings for discussion groups projects during the semester. I also recommend a range of podcasts and videos.

I. Introduction (Lesson 1 – available May 23)

- (1) Chapters 1 and 2 in Jeffrey Sachs. *The End of Poverty*. Penguin, New York, 2006
- (2) Chapter 1 in William R. Easterly. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, Cambridge, MA, 2001

II. Economic Growth

Growth Theory (Lesson 2 – available May 23)

- (3) Chapters 2 and 3 of William R. Easterly. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, Cambridge, MA, 2001

III. Economic Growth: Geography Poverty Traps (Lesson 3 – available May 3)

- (4) Chapter 2 in Mark Koyama and Jared Rubin. *How the World Became Rich*. Polity Press, Cambridge, 2022
- (5) Chapter 3 in Jeffrey Sachs. *The End of Poverty*. Penguin, New York, 2006
- (6) Chapter 2 of William Easterly. *The White Man's Burden*. Penguin Books, New York, 2006

III. Institutions

Empirical Analysis (Lesson 4 – available May 30)

- (7) Primer on Linear Regression
<http://marcfbellemare.com/wordpress/wp-content/uploads/2017/08/Regression.pdf>
- (8) Primer on Causal Analysis
<http://marcfbellemare.com/wordpress/wp-content/uploads/2011/08/Causality.pdf>
- (9) *History and the Institutional Roots of Wealth and Poverty I* (Lesson 5 – available June 6)
- (10) Mark Koyama and Jared Rubin. *How the World Became Rich*. Polity Press, Cambridge, 2022, Chapter 3.

Institutions and the Historical Roots of Wealth and Poverty II (Lesson 6 – available June 6)

- (11) Daron Acemoglu, Simon Johnson, and James A. Robinson. Institutions as a fundamental cause of long-run growth. In Philippe Aghion and Steven Durlauf, editors, *Handbook of Economic Growth*, volume 1 of *Handbook of Economic Growth*, chapter 6, pages 385–472. Elsevier, July 2005
- (12) Melissa Dell. The persistent effects of Peru's mining Mita. *Econometrica, Econometric Society*, 78(6):1863–1903, November 2010

C. Institutions and Africa (Lesson 7 – available June 13)

- (13) Nathan Nunn. The Long-Term Effects of Africa's Slave Trades. *The Quarterly Journal of Economics*, 123(1):139–176, 02 2008
- (14) Nathan Nunn and Leonard Wantchekon. The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review*, 101(7):3221–52, December 2011
- (15) Marcella Alsan. The effect of the TseTse fly on African development. *American Economic Review*, 105(1):382–410, 2015

Additional References

- (16) Maxim Pinkovskiy and Xavier Sala i Martin. Africa is on time. *Journal of Economic Growth*, 19(3):311–338, September 2014

D. Economic Growth in Asia (Lesson 8– available June 13)

- (17) Chapter 10 in Mark Koyama and Jared Rubin. *How the World Became Rich*. Polity Press, Cambridge, 2022
- (18) Stephan Haggard. Institutions and growth in East Asia. *Studies in Comparative International Development*, 38(4):53–81, 2004

E. Institutions and Governance Problems Today (Lesson 9 – available June 13)

- (19) Daron Acemoglu and James A. Robinson. *Why Nations Fail*. Crown Business, New York, 2012, Chapters 13-14
- (20) Raymond Fisman and Edward Miguel. Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets. *Journal of Political Economy*, 115(6):1020–1048, December 2007
- (21) Chapters 4 and 5 of William Easterly. *The White Man's Burden*. Penguin Books, New York, 2006

Midterm 1: open from June 15-June 17

IV. Policies

B. Health (Lesson 10 – available June 20)

- (22) Chapter 3 in Abhijit Banerjee and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, New York, 2011

C. Education (Lesson 11 – available June 20)

- (23) Chapters 4 in Abhijit Banerjee and Esther Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, New York, 2011
- (24) Chapter 4 of William R. Easterly. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, Cambridge, MA, 2001

- (25) Chapter 7 of William Easterly. *The White Man's Burden*. Penguin Books, New York, 2006

Additional References

- (26) Willa Friedman, Michael Kremer, Edward Miguel, and Rebecca Thornton. Education as Liberation? *Economica*, 83(329):1–30, January 2016
- (27) Esther Duflo, Rema Hanna, and Stephen P. Ryan. Incentives Work: Getting Teachers to Come to School. *American Economic Review*, 102(4):1241–1278, June 2012
- (28) Esther Duflo, Pascaline Dupas, and Michael Kremer. Peer Effects, Teacher Incentives, and the Impact of Tracking: Evidence from a Randomized Evaluation in Kenya. *American Economic Review*, 101(5):1739–1774, August 2011

D. Capital and Microfinance (Lesson 12 – available June 27)

- (29) Chapters 6, 7, and 8 in Abhijit Banerjee and Esthers Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, New York, 2011

Additional References

- (30) Abhijit Banerjee, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. The Miracle of Microfinance? Evidence from a Randomized Evaluation. *American Economic Journal: Applied Economics*, 7(1):22–53, January 2015

Homework Assignments due: July 4

Midterm 2: open July 13-15

Take-Home Exam – due July 30

References

- [1] Daron Acemoglu, Simon Johnson, and James A. Robinson. Institutions as a fundamental cause of long-run growth. In Philippe Aghion and Steven Durlauf, editors, *Handbook of Economic Growth*, volume 1 of *Handbook of Economic Growth*, chapter 6, pages 385–472. Elsevier, July 2005.
- [2] Daron Acemoglu and James A. Robinson. *Why Nations Fail*. Crown Business, New York, 2012.
- [3] Marcella Alsan. The effect of the TseTse fly on African development. *American Economic Review*, 105(1):382–410, 2015.
- [4] Abhijit Banerjee, Esther Duflo, Rachel Glennerster, and Cynthia Kinnan. The Miracle of Microfinance? Evidence from a Randomized Evaluation. *American Economic Journal: Applied Economics*, 7(1):22–53, January 2015.
- [5] Abhijit Banerjee and Esthers Duflo. *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*. PublicAffairs, New York, 2011.
- [6] Melissa Dell. The persistent effects of Peru's mining Mita. *Econometrica, Econometric Society*, 78(6):1863–1903, November 2010.

- [7] Esther Duflo, Pascaline Dupas, and Michael Kremer. Peer Effects, Teacher Incentives, and the Impact of Tracking: Evidence from a Randomized Evaluation in Kenya. *American Economic Review*, 101(5):1739–1774, August 2011.
- [8] Esther Duflo, Rema Hanna, and Stephen P. Ryan. Incentives Work: Getting Teachers to Come to School. *American Economic Review*, 102(4):1241–1278, June 2012.
- [9] William Easterly. *The White Man's Burden*. Penguin Books, New York, 2006.
- [10] William R. Easterly. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, Cambridge, MA, 2001.
- [11] Raymond Fisman and Edward Miguel. Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets. *Journal of Political Economy*, 115(6):1020–1048, December 2007.
- [12] Willa Friedman, Michael Kremer, Edward Miguel, and Rebecca Thornton. Education as Liberation? *Economica*, 83(329):1–30, January 2016.
- [13] Stephan Haggard. Institutions and growth in East Asia. *Studies in Comparative International Development*, 38(4):53–81, 2004.
- [14] Mark Koyama and Jared Rubin. *How the World Became Rich*. Polity Press, Cambridge, 2022.
- [15] Nathan Nunn. The Long-Term Effects of Africa's Slave Trades. *The Quarterly Journal of Economics*, 123(1):139–176, 02 2008.
- [16] Nathan Nunn and Leonard Wantchekon. The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review*, 101(7):3221–52, December 2011.
- [17] Maxim Pinkovskiy and Xavier Sala i Martin. Africa is on time. *Journal of Economic Growth*, 19(3):311–338, September 2014.
- [18] Jeffrey Sachs. *The End of Poverty*. Penguin, New York, 2006.