

Poverty and Development

PSC/IR 255

Spring 2017 Syllabus

Professor:

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Hours: Thu 10:00-12:00

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Classroom & Time: Lattimore 201, TR 12:30-13:45

Course Overview

Why are some countries poor, while others enjoy a high standard of living? Why some enjoy stability and freedoms, while others suffer with corruption, repression and violence? Why countries stagnate or decline in their economic development. This course is designed to provide a broad theoretical framework for thinking about these problems, focusing on the political and institutional causes of differences in economic development across countries.

Lectures and Readings

There is no textbook for this course. Most readings will come from recent academic papers on the subject, and those are available for download at the library website. Book chapters that are not available for download will be posted on blackboard.

Readings marked with an * are “required”, which means that any component of them could appear in the exams. The other readings are “recommended”, which means that they are relevant to the subject in question, and have some “testable” components, as long as I talk about them in the lectures.

The lectures will focus on the main ideas being presented by each paper. Many of the readings, however, are quite technical. Here are a few tips on how to better read academic papers in this course:

1. Focus on the main idea. What is the research question being answered? How does it fit in the themes discussed so far in the course? How does it relate to the other readings? These components are usually well summarized in the first few pages of the paper.
2. Every empirical paper has a section explaining the context for the case study (i.e., details of the policy being evaluated, details on the country in question, etc.). Read this part carefully, so you can understand what the researcher is doing. Do not dwell on specific events, but think

about how information from the case study provides insight into the broader themes of the course.

3. The empirical methodology or the mathematical model, when present, can be quite challenging. Do not focus on this part. When necessary or relevant, I will provide accessible explanations during the lectures. This means, however, that you might face questions on the intuition of the statistical analysis or models in the exams (as long as I talk about it in the lectures).
4. In order to better understand quantitative results in a paper, focus on the conclusion, where they should well summarized.
5. Be prepared. If you do not read in advance, you might not be able to follow the lectures.

Assessment and Grading

There will be four in-class exams with 2-4 essay questions each. These will be taken from a list of 4-6 questions that I will distribute (on blackboard) the day before each exam. The exams will last 60 minutes. The scores on these will comprise 100% of your grade (they are equally weighted). The material for each exam is non-cumulative.

In the exams, provide clear and concise arguments. A good answer would include your opinion, based on a thoughtful analysis of the theory and evidence presented in the readings and lectures. The more you prepare in advance, the better you will do in the exams. Also, prepare your OWN answers in advance (see academic honesty below).

The grade for students missing exams will be zero. If a true emergency arises, contact me before the exam. If I determine that the excuse is justifiable, then we'll reschedule a make-up exam.

For W Students only

There will be a final paper of 10-12 pages, which will represent 25% of the final grade (the exams will represent 75% of the grade). The paper provides students with an opportunity to examine the topics discussed in class from the in-depth perspective of one or several empirical cases of their choosing. The paper will require W students to cite at least six academic sources not among assigned readings.

Academic Honesty

Tempted to cheat? Don't do it. Fortunately, there are few possible opportunities for cheating in this course. Students are encouraged to talk to each other about the readings, and to study them together. The only exception is that students are NOT ALLOWED to share written answers to potential exam questions preceding each exam. Students should prepare their own answers. Attempting to plagiarize someone else's work in the exam (and in life!) will only make your own answers to appear shallow, weak and unoriginal. The university's academic honesty policy can be found at: <http://www.rochester.edu/college/honesty>.

Anything else

If any of this is unclear or if there are other relevant details for your situation, please contact me sooner rather than later. If you have a disability for which you may request an academic accommodation, you are encouraged to contact both myself and the access coordinator for your school to establish eligibility for academic accommodations (please see <https://www.rochester.edu/disability/students.html>). I hope this course will be an enjoyable experience for everyone.

Schedule and Readings

Jan 19 Introductory Class (Syllabus discussion)

Introduction

Jan 24 *Rodrik, D. (2013). The Past, Present, and Future of Economic Growth. Global Citizen Foundation Working Paper 1 (2013). Up to Section 2

*Easterly, W (2002). The Elusive Quest for Growth Cambridge: Harvard University Press. Chapters 1-3.

*Todaro, M. P., Smith S. (2015) Economic Development (12th edition) New York: Pearson Addison Wesley. Chapter 3.

Collier, P (2007). The Bottom Billion Oxford: Oxford University Press. Chapter 1.

Jan 26 *Acemoglu, D., Robinson, J. (2012). Why nations fail: the origins of power, prosperity, and poverty (Vol. 4). New York: Crown Business. Chapters 1-3.

*Acemoglu, D., Johnson, S., Robinson, J. (2006). Institutions as a Fundamental Cause of Long-Run Growth. Handbook of Economic Growth, Aghion, P. and Durlauf, S., eds. Amsterdam; North-Holland. Pages 1-20.

Acemoglu, D., Dell, M. (2010). Productivity Differences between and within Countries. American Economic Journal: Macroeconomics, 2(1), 169-88.

Part I. The Historical Legacy of the West

Jan 31 *Acemoglu, D., Johnson, S., & Robinson, J. A (2001). "The Colonial Origins of Comparative Development: An Empirical Investigation." *The American Economic Review*, 91(5), 1369-1401.

Feb 02 *Iyer, L., Banerjee, A. (2005). History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India. *American Economic Review*, 95(3), 1190-1213.

Feb 07 *Dell, M. (2010). The persistent effects of Peru's mining mita. *Econometrica* 78(6): 1863-1903.

Dell, M., Lane N., Querubin P. (2016). State Capacity, Local Governance, and Economic Development in Vietnam. Working Paper.

Feb 09 *Nunn, N. and L. Wantchekon (2011). The Slave Trade and the Origins of Mistrust in Africa. *American Economic Review* 7:3221-52.

Nunn N. The Long Term Effects of Africa's Slave Trades (2008). *Quarterly Journal of Economics* 123(1):139-176

Feb 14 *Easterly, W. (2009). Can the West Save Africa? *Journal of Economic Literature* 47 (2).

Rodrik, D. (2006). Goodbye Washington consensus, hello Washington confusion? A review of the World Bank's economic growth in the 1990s: learning from a decade of reform. *Journal of Economic literature* 44(4): 973-987

*Nunn, N., and N. Qian (2014). U.S. Food Aid and Civil Conflict. *American Economic Review* 1630-1666

Feb 16 EXAM 1

Part II. Geography, Natural Resources and Conflict

Feb 21 *Mellinger, A. D., Sachs J. D., Gallup J. L. (1999). Geography and economic Development. CAER working paper.

*Dell, M., Jones, B. F., Olken, B. A. (2012). Temperature shocks and economic growth: Evidence from the last half century. *American Economic Journal: Macroeconomics*, 4(3), 66-95.

Sachs J. D. (2012). Government, Geography, and Growth: The True Drivers of Economic Development. A Review Essay. *Foreign Affairs* 91 (5).

Easterly, W. (2007). Inequality Does Cause Underdevelopment. *Journal of Development Economics* 84 (2): 755-776

Feb 23 *Acemoglu, D., Johnson, S., Robinson, J. (2002). Reversal of fortune: Geography and institutions in the making of the modern world income distribution. *Quarterly journal of economics* 1231-1294

*Rodrik, D. Subramaniam A., Trebbi F. (2004). Institutions Rule: The primacy of institutions over Geography *Journal of Economic Growth*. *Journal of Economic Growth* 9(2): 131-165

Feb 28 *Easterly, W., Levine R. (2003). Tropics, germs, and crops: the role of endowments in economic development. *Journal of Monetary Economics* 50(1): 3-39

Mar 02 *Ross, M. (1999). Review: The Political Economy of the Resource Curse. *World Politics* 51(2): 297-322.

*Brollo, F., Nannicini, T., Perotti, R., Tabellini, G. (2013). The Political Resource Curse. *American Economic Review* 103(5): 1759-96

Mar 07 *Dube, O., Vargas, J. (2013). Commodity Price Shocks and Civil Conflict: Evidence from Colombia. *Review of Economic Studies* 80: 1384-1421

Mar 09 EXAM 2

Spring Break

Mar 14 No class

Mar 16 No class

Part III. Democracy, Corruption, Political Accountability and Patronage

Mar 21 *Acemoglu, D., Robinson, J. (2006). *Economic Origins of Dictatorship and Democracy* Cambridge University Press. Pages 1-43.

Aghion, P., Alesina, A., Trebbi, F. (2007). Democracy, Technology, and Growth. NBER Working Paper.

- Mar 23 *Olken, B. (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of Political Economy* 115: 200-249
Olken, B., Barron P., (2007). The Simple Economics of Extortion: Evidence from Trucking in Aceh. NBER Working Papers 13145.
- Mar 28 *Ferraz, C., Finan, F. (2011). Electoral Accountability and Corruption: Evidence from the Audits of Local Governments. *American Economic Review* 101(4): 1274-1311.
- Mar 30 *Fujiwara, T. (2015). Voting Technology, Political Responsiveness, and Infant Health: Evidence From Brazil. *Econometrica* 83(2): 423-464
- Apr 04 *Frey, A. (2015). Cash Transfers, Clientelism, and Political Enfranchisement: Evidence from Brazil. Working paper.
Anderson, S., Francois P., Kotwal A. (2015). Clientelism in Indian Villages. *American Economic Review* 105(6): 1780-1816.
- Apr 06 No class
- Apr 11 EXAM 3

Part IV. Culture, Gender, Ethnicity and Religion

- Apr 13 *Tabellini, G. (2010). Culture and Institutions: Economic Development in the Regions of Europe. *Journal of the European Economics Association* 8(4): 677-716
Nunn N. (2012). Culture and the Historical Process. *Economic History of Developing Regions* 27: 108-126.
- Apr 18 *Greif, A. (1991). Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies. *Journal of Political Economy* 102(5): 912-950
Algan, Y., Cahuc, P. (2010). Inherited Trust and Growth. *American Economic Review* 100(5): 2060-92.
- Apr 20 *Chattopadhyay, R., Duflo, E. (2004). Women as policy makers: Evidence from a Randomized Policy Experiment in India. *Econometrica* 72(5): 1409-1443.
Beaman, L., Chattopadhyay, R., Duflo, E., Pande, R., Topalova, P. (2009). Powerful Women: Does Exposure Reduce Bias? *Quarterly Journal of Economics* 124 (4): 1497-1540.
- Apr 25 *Alesina, A., La Ferrara, E. (2005). Ethnic Diversity and Economic Performance. *Journal of Economic Literature* 43: 762-800
Habyarimana, J., Humphreys M., Posner D., Weinstein, J. (2007). Why Does Ethnic Diversity Undermine Public Goods Provision? *American Political Science Review* 101 (4): 709-725
- Apr 27 *Daniel, B., Choi, J., Fisher, G. (2015), Religious Identity and Economic Behavior. Working paper
Barro, R., McCleary, R. (2002). Religion and Political Economy in an International Panel. NBER Working Paper No. 8931
- May 02 EXAM 4