

Poverty and Development, PSCI/INTR 255
Fall 2022 Syllabus

Professor:

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Office: Harkness 320B
Hours: W 1:30-3:30pm

Classroom & Time: Dewey Room 2110E, TR 9:40-10:55am

Course Overview

Why are some countries poor, while others enjoy a high standard of living? Why do some enjoy stability and freedoms, while others suffer with corruption, repression and violence? Why do 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 the course. Readings come from recent academic work 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 are “required”, which means that any component of them could appear in the exams. 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:

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.

Background. Every 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.

Technical sections. 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. In order to better understand quantitative results in a paper, focus on the conclusion, where they should well summarized. 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 take-home** exams with **four** essay questions each. The questions will be posted on blackboard the day before each scheduled exam, in the morning (under *Assignments*). Students will have one day to prepare their answers in a pdf file, which should be submitted to blackboard by noon on exam day. There will be no class on exam days.

The scores on these tests will comprise 100% of your grade, and the material for each exam is non-cumulative. The weight of each exam in the final grade is as follows: lowest grade (10%), highest grade (40%), the remaining two (25% each).

Letter grades will be assigned as follows:

A 93-100

A- 85-92

B+ 80-84

B 75-79

B- 70-74

C+ 66-69

C 63-66

C- 60-62

D+ 56-59

D 53-55

D- 50-52

Fail below 50

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** (see academic honesty below). The grade for students missing exams will be zero. If a true emergency arises, contact me before the exam and I'll schedule a make-up exam.

Latin American Studies Minor

If you are taking this course to fulfill a requirement for the Latin American Studies minor, you will need to complete a final research paper on a topic related to both this course and Latin America. This work will be submitted to the Latin American Studies coordinator upon completion of the course. Please contact me no later than Sep 30

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 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 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

Sep 01 Syllabus discussion

Introduction

- Sep 06 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.
- Sep 08 Dercon, Stefan (2022). Gambling on Development. New York: Oxford University Press. Chapter 1.
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.

Part I. The Historical Legacy of the West

- Sep 13 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.
- Sep 15 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.
- Sep 20 Dell, M. (2010). The persistent effects of Peru's mining mita. Econometrica 78(6): 1863-1903.
- Sep 22 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.
- Sep 27 Nunn, N., and N. Qian (2014). U.S. Food Aid and Civil Conflict. American Economic Review 1630-1666.
- Sep 29 EXAM 1

Part II. Geography, Natural Resources and Conflict

- Oct 04 Engerman, S., Sokoloff K. (2000). Institutions, Factor Endowments, and Paths of Development in the New World. Journal of Economic Perspectives 14(3): 217-232.
Easterly, W. (2007). Inequality Does Cause Underdevelopment. Journal of Development Economics 84 (2): 755-776.
- Oct 06 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
Sachs, J. (2012). Government, Geography, and Growth: The True Drivers of Economic Development. Foreign Affairs 91(5): 142-150.

Oct 11 Fall Break

Oct 13 Dube, O., Vargas, J. (2013). Commodity Price Shocks and Civil Conflict: Evidence from Colombia. *Review of Economic Studies* 80: 1384–1421.

Oct 18 Robinson, J.A., Torvik, R., Verdier, T. (2006). Political foundations of the resource curse. *Journal of Development Economics* 79:447-468 **(read 447-451)**

Isham, J., Woolcock M., Pritchett L., and Busby G. (2005). The Varieties of Resource Experience: Natural Resource Export Structures and the Political Economy of Economic Growth. *The World Bank Economic Review* 19(2): 141–174 **(read 141-149)**

Oct 20 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.

Oct 25 EXAM 2

Part III. Democracy, Corruption, Political Accountability

Oct 27 Acemoglu, D., Robinson, J. (2006). *Economic Origins of Dictatorship and Democracy* Cambridge University Press. **(read 1-43)**

Nov 01 Martinez-Bravo, M., Mukherjee, P., Stegmann, A. (2017). The Non-Democratic Roots of Elite Capture: Evidence from Soeharto Mayors in Indonesia. *Econometrica* 85(6): 1991-2010

Nov 03 Bardhan, P., Mookherjee, D. (2019). Decentralizing antipoverty program delivery in developing countries. *Journal of Public Economics* 89: 675-704. **(read 675-680)**

Frey, A. (2019). Cash Transfers, Clientelism, and Political Enfranchisement: Evidence from Brazil. *Journal of Public Economics* 176: 1-17. **(read 1-5)**

Nov 08 Olken, B. (2007). Monitoring Corruption: Evidence from a Field Experiment in Indonesia. *Journal of Political Economy* 115: 200-249

Fujiwara, T. (2015). Voting Technology, Political Responsiveness, and Infant Health: Evidence From Brazil. *Econometrica* 83(2): 423–464

Campello, D., Zucco Jr., C. (2016) Presidential Success and the World Economy. *The Journal of Politics*, 78(2): 589-602

Nov 10 Anderson, S., Francois P., Kotwal A. (2015). Clientelism in Indian Villages. *American Economic Review* 105(6): 1780-1816

Nov 15 EXAM 3

Nov 17 NO CLASS

Part IV. Culture, Gender, Ethnicity and Religion

Nov 22 Nunn N. (2012). Culture and the Historical Process. *Economic History of Developing Regions* 27: 108-126.

Tabellini, G. (2010). Culture and Institutions: Economic Development in the Regions of Europe. *Journal of the European Economics Association* 8(4): 677-716.

Nov 24 NO CLASS (Thanksgiving)

- Nov 29 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
- Dec 01 Chattopadhyay, R., Duflo, E. (2004). Women as policy makers: Evidence from a Randomized Policy Experiment in India. *Econometrica* 72(5): 1409-1443.
- Dec 06 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. **(read 709-711)**
- Dec 08 Cantoni, Davide, Jeremiah Dittmar, Noam Yuchtman, 2018. Religious Competition and Reallocation: the Political Economy of Secularization in the Protestant Reformation. *The Quarterly Journal of Economics* 133(4): 2037-2096
- Dec 13 EXAM 4

For W Students only

There will be a final paper for students enrolled in the W version of the class. The paper is graded on a binary PASS/FAIL scale, in which case a FAIL means that the student will not receive the W credit for the course.

Students will choose from a list of research questions related to the course. The paper will be an attempt to answer the question, based on the existing literature on the subject, and on the student's own opinion. The paper should be comprised of three main components:

- An introduction, where the student should explain the research question under examination, make a case for its relevance, and provide a brief summary of the paper's main takeaways.
- Context. Here you will, if necessary, provide enough information on the context of the question. For example, if your question is specific to a certain country and/or period of time, the context should be enough so uninformed readers can understand the paper.
- a literature review on the topic, which is the body of the paper. Here you summarize what other people have said about the question. You should cite at least FIVE academic sources in your paper, outside of the assigned readings.
- your personal view on the subject. This is more or less like a conclusion, where you comment on the answers provided by the literature you've reviewed, and contribute with your thoughts.

The paper should be written in font size 12, one-half spacing, no more than 10 pages excluding a page with bibliographical references at the end (cover pages also do not count). In the text, cite using the following format (Frey, 2019), and include the full reference in the bibliography (any style).

Deadlines:

Oct 20, 2022 Students should let me know their chosen question.

Nov 30, 2022. Students should let me know the (at least 5) academic articles that they will review in their own paper.

Dec 10, 2022. A first draft of the paper is due, by email. I will provide feedback on this draft, so students can improve it before the final version is due.

Dec 18, 2022. The final version is due, by email.

Questions for W.

Are democracies better than autocracies at promoting economic development?

Why is redistribution higher in Europe when compared to the USA?

Is foreign aid the solution to the economic development gap in Africa?

Why do poor people often vote for Right-wing parties that support less taxes and less redistribution?

Does economic growth generate or reduce violent conflict?