

ECO3033 Development Economics

Semester 1, 2023-24

Syllabus

Lecturer: Dr. Soeren J. Henn

Email: soeren.henn@newcastle.ac.uk

Twitter: [@SoerenHenn](https://twitter.com/SoerenHenn)

Office: NUBS 7.24 Desk 26

Office hours: TBD or by appointment (please email me directly at soeren.henn@newcastle.ac.uk)

Course web page: <https://ncl.instructure.com/courses/44977>

Lectures: Tuesday 11:30-12:30 (NUBS.4.08) Weeks 5-9, 11-12

 Thursday 11:30-12:30 (NUBS.1.03) Weeks 5-9, 11-12

Section: Thursday 15:30-16:30 (FDC.1.18) Weeks 7, 9, 12

 Thursday 16:30-17:30 (FDC.1.18) Weeks 7, 9, 12

 Thursday 17:30-18:30 (FDC.1.18) Weeks 7, 9, 12

Course Overview:

We will consider a number of important questions in the field of development economics: Why are some countries so rich and others so poor? What factors have determined which countries prosper? Which are the root causes and which are the proximate causes of economic underdevelopment? Can these factors be changed with specific economic policies? If so, what are they and how are they best implemented? Are there country-specific characteristics that determine economic fate? Or, is prosperity just the result of luck? Does the enjoyment of the rich somehow depend on the continuing suffering of the poor? We will consider these questions and more.

The course is intended to not only provide a general overview of the dominant views about economic development and policy, but to also provide students a sense of the most recent research in the field. For this reason, the course will go beyond the usual textbook summary of the field. Students will also examine recent journal articles that have made important contributions to the field of development economics.

In the course, a particular effort is made to link the theories and empirical evidence to the real world.

To help facilitate class discussion and to create the right environment for learning, **laptops, tablets or cell phones cannot be used in class.**

Textbooks:

Main reading sources:

Easterly, William. 2001. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, MA: MIT Press.

Michael P. Todaro and Stephen C. Smith (2020) *Economic Development*. 13th edition. Pearson

These two books, in addition to journal articles, constitute the core readings in the course. The book by Todaro and Smith is a textbook on Economic Growth and Development. It will provide the theoretical and conceptual basis for the course. The book by William Easterly is a book written for the general public. It is a quick read, and it does a nice job tying economic theory and research to the real world, examining how well economic theories fare when put into practice.

Both books are available from Amazon, [Bookshop](#) (support local bookstores!), or Waterstones. The Todaro and Smith (2020) book is also available on short-term reserve at the Library with the call number 330.91724 TOD and an e-book is also available. Older versions are fine to use as well. They have the same call number. Easterly (2001) is also available as an e-book. Students can access all assigned journal articles through e-journals at the Library. Much of the material from the reading list will also be posted on the course web page.

Note that all reading material listed below (except those marked 'optional') is examinable. Most readings will be covered in the lecture material. This will be clearly stated each week when I upload the material. You are expected to read the remaining listed materials on your own. All the information covered in the lectures is examinable. That will include summaries of the optional readings.

The syllabus also provides some additional resources (videos, topics, websites) on certain topics and thinkers. These resources are optional, but you might find them useful to better understand a topic discussed in the class or required readings.

Calendar Overview

Date	Week	Type	Format	Topic
25 Sept	4	Lecture	Online	Introduction of Module, 30min zoom
3 Oct	5	Lecture	In Person	Motivation
5 Oct	5	Lecture	In Person	Growth Part I: Harold & Dumar, Lewis
10 Oct	6	Lecture	In Person	Growth Part II: Solow
12 Oct	6	Lecture	In Person	Growth Part III: Modern Models
17 Oct	7	Lecture	In Person	Technology
19 Oct	7	Lecture	In Person	Population Growth
19 Oct	7	Seminar	In Person	
24 Oct	8	Lecture	In Person	Agriculture
26 Oct	8	Lecture	In Person	Geographic Reasons for Underdevelopment
31 Oct	9	Lecture	In Person	History I: Gender Roles and Colonialism
2 Nov	9	Lecture	In Person	History II: Slavery
2 Nov	9	Seminar	In Person	
6-10 Nov	10	<i>Enrichment Week & NUBS Career Week</i>		
14 Nov	11	Lecture	In Person	Contemporary Institutions & Corruption
16 Nov	11	Lecture	In Person	Leaders
21 Nov	12	Lecture	In Person	Culture
23 Nov	12	Lecture	In Person	Students' choice
23 Nov	13	Seminar	In Person	

Schedule and Readings

Lecture 0 (24 Sept 2022): Introduction

- 30min zoom lecture to go through syllabus and do a short survey on canvas

Lecture 1 (3 Oct 2022): Motivation

- Required Reading:
 - o Easterly Book, Chapter 1 (14 pages)
 - o Todaro & Smith, Chapter 2 (~50 pages)
- Optional Reading:
 - o A lot of the graphs in the lecture come from: Weil, David N. 2013. *Economic Growth*, 3rd edition. New York: Addison Wesley, Chapter 1
 - o [The Economist—How countries calculate their GDP](#)
- Videos:
 - o [MRU on Basic Facts About Growth](#) (13:16min)
 - o [MRU on Amartya Sen's Capabilities Approach](#) (4:34min)

Lecture 2 (5 Oct 2022): Growth Part I: Harold & Dumar, Lewis

- Required Reading:
 - o Easterly Book, Chapter 2 (20 pages)
 - o Todaro & Smith, Chapter 3.1-3.4 (17 pages)
- Optional Reading:
 - o Bick, A., Fuchs-Schündeln, N., & Lagakos, D. (2018). How do hours worked vary with income? Cross-country evidence and implications. *American Economic Review*, 108(1), 170-99.
 - o Gollin, D. (2014). The Lewis model: A 60-year retrospective. *Journal of Economic Perspectives*, 28(3), 71-88.
- Videos:
 - o [MRU on W. Arthur Lewis](#) (4:10min)
 - o [MRU on William Easterly](#) (9:39min)

Lecture 3 (10 Oct 2022): Growth Part II: Solow

- Required Reading:
 - o Easterly Book, Chapter 3 (23 pages)
 - o Todaro & Smith, Rest of Chapter 3 including Appendix 3.2 (13 pages)

- Optional Reading:
 - o For more another discussion of the Solow model: Weil book, Chapter 3
- Videos:
 - o [MRU on Solow Introduction](#) (15:01min)
 - o [MRU on Solow Comparative Statics](#) (12:44min)
 - o [MRU on Solow Data](#) (17:11min)
 - o [MRU on Solow Productivity](#) (17:04min)

Lecture 4 (12 Oct 2022): Growth Part III: Modern Models

- Required Reading:
 - o Easterly Book, Chapter 8 (25 pages)
 - o Todaro & Smith, Chapter 4.1-4.5 (XX pages)
- Optional Reading:
 - o Kremer, Michael. (1993). "The O-Ring Theory of Economic Development," *Quarterly Journal of Economics*, 108(3): 551-575.
 - o Mkandawire, T. (2014). "The Spread of Economic Doctrines and Policymaking in Postcolonial Africa," *African Studies Review*, 57(1):171-198.
- Videos:
 - o [MRU on O-Ring](#) (19:28min)
 - o [MRU on Rosenstein-Rodan](#) (3:56min)

Lecture 5 (17 Oct 2022): Technology

- Required Reading:
 - o Easterly Book, Chapter 9 (21 pages)
 - o Weil, Chapter 8 (XX pages)
 - o Bloom, Nicholas, Benn Eifert, Aprajit Mahajan, David McKenzie, and John Roberts. (2013). "Does Management Matter? Evidence from India," *Quarterly Journal of Economics*, 128 (1): 1-51.
- Optional Reading:
 - o Cristia, Julian. Pablo Ibarrraran, Santiago Cueto, Ana Santiago, and Eugenio Severin. (2017). "Technology and Child Development: Evidence from the One Laptop Per Child Program" *American Economic Journal: Applied Economics*, 9 (3): 295-320.

Lecture 6 (19 Oct 2022): Population Growth

- Required Reading:
 - o Easterly Book, Chapter 5 (12 pages)

- Todaro & Smith, Chapter 6 (XX pages)
- Videos:
 - [MRU on Demographic transitions](#) (9:33min)
 - [MRU on Population and Economic Growth](#) (7:15min)
 - [MRU on the Malthusian Argument](#) (5:54min)
 - [MRU on the African Demographic Dividend](#) (3:40min)

Lecture 7 (24 Oct 2022): Agriculture

- Required Reading:
 - Todaro & Smith, Chapter 9 (XX pages)
 - Bates, R. H. (2005). Markets and states in tropical Africa: The political basis of agricultural policies. Univ of California Press. Intro & Chapter 1 (XX pages) (Ebook available from the library)
 - Montero, E. (2022). Cooperative property rights and development: Evidence from land reform in El Salvador. *Journal of Political Economy*, 130(1), 48-93.
- Optional Reading:
 - Gollin, Douglas, Casper Worm Hansen, and Asger Mose Wingender (2021). Two blades of grass: The impact of the green revolution. *Journal of Political Economy*, 129(8), 2344-2384.
- Videos:
 - [MRU on Why Agriculture is so Important](#) (2:17min)
 - [MRU on Industry Builds on Agriculture](#) (3:19min)
 - [MRU on Green Revolution](#) (3:54min)
 - [MRU on Micronutrients](#) (3:12min)
 - [MRU on Productivity Decline](#) (3:55min)
 - [MRU on GMO](#) (5:14min)
 - [MRU on Land Reform in India](#) (5:48min)
 - [MRU on Sharecropping](#) (4:39min)
 - [MRU on China's agricultural reform](#) (4:41min)
 - [MRU on fertilizers, roads and Africa](#) (2:36min)

Lecture 8 (26 Oct 2022): Geographic Reasons for Underdevelopment

- Required Reading:
 - Weil Book, Chapter 15 (XX Pages)
 - Sachs, Jeffrey and Pia Malaney. (2002). "The Economic and Social Burden of Malaria," *Nature*, 415 (6872): 680-685.
 - Sachs, Jeffrey. (2001). "The Geography of Poverty and Wealth," *Scientific American*, 284 (3) March: 70-75.

- Diamond, Jared. (2002). “Evolution, Consequences and Future of Plant and Animal Domestication,” *Nature*, 418 (8): 700-707
- Videos:
 - [MRU on Guns, Germs, and Steel](#) (18:01min)
 - [MRU on Geography and Development, Trade](#) (11:21min)
 - [MRU on Geography and Development, Disease](#) (11:20min)

Lecture 9 (31 Oct 2022): History I: Gender Roles and Colonialism

- Required Reading:
 - Alesina, Alberto, Paola Giuliano and Nathan Nunn. (2013). “On the Origins of Gender Roles: Women and the Plough,” *Quarterly Journal of Economics*, 128(2): 469-530.
 - Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). “The colonial origins of comparative development: An empirical investigation,” *American Economic Review*, 91(5), 1369-1401.

Lecture 10 (2 Nov 2022): History II: Slavery

- Required Reading:
 - Nunn, Nathan. (2008). “The Long-Term Effects of Africa’s Slave Trades,” *Quarterly Journal of Economics*, 123(1): 139-176
 - Dell, M. (2010). “The persistent effects of Peru's mining mita”. *Econometrica*, 78(6), 1863-1903.

Lecture 11 (14 Nov 2022): Corruption

- Required Reading:
 - Easterly Book, Chapters 11 & 12
 - Olken, Benjamin. (2007). “Monitoring Corruption: Evidence from a Field Experiment in Indonesia,” *Journal of Political Economy*, 115(2): 200-249
 - Reinikka, Ritva, and Jakob Svensson. (2004). “Local Capture: Evidence from a Central Government Transfer Program in Uganda,” *Quarterly Journal of Economics*, 119(2):679-705.
- Videos:
 - MRU on Property rights
 - MRU has lots of videos on Corruption
- Optional Non-academic Readings:
 - Achebe, Chinua (1960). *No Longer at Ease*. London: Heinemann. New York: Obolensky.

- Armah, Ayi Kwei (1988). *The beautiful ones are not yet born*. Oxford: Heinemann.
- [Oil Industry Corruption](#) in London Review of Books: A Westerner's account of investigating corruption in Nigeria's oil industry

Lecture 12 (16 Nov 2022): Leaders

- Required Reading:
 - Easterly Book, Chapter 11
 - Jones, Ben and Benjamin Olken. (2005). "Do Leaders Matter? National Leadership and Growth since World War II," *Quarterly Journal of Economics*, 120 (3): 835-864.
 - Dube, O., & Harish, S. P. (2020). "Queens," *Journal of Political Economy*, 128(7), 2579-2652.
- Optional Reading:
 - Henn, Soeren. (2022) "Complements or Substitutes? How Institutional Arrangements Bind Chiefs and the State in Africa," *American Political Science Review*, Forthcoming
- Videos:
 - [Econimate on Queens](#) (6:20min)

Lecture 13 (21 Nov 2022): Culture

- Required Reading:
 - Henrich, Joseph. 2015. *The Secret to Our Success: How Culture is Driving Human Evolution, Domesticating our Species, and Making us Smarter*, Princeton: Princeton University Press. Chapters 2 & 3. (Ebook available from the library)
 - Stackhouse, John, "Daddy George," Chapter 6 in *Out of Poverty*. Random House Canada, pp. 80-98

Lecture 14 (23 Nov 2022): Student's Choice

- [Foreign Aid](#)
- [More Culture](#)

Additional Resources (non-examinable)

Conversations with Tyler Podcasts: These are interesting conversations between Tyler Cowen, an economist at George Mason University (and author of marginalrevolution.com) and various intellectuals, broadly defined. Among them are several scholars whose readings are included in the syllabus. I list and link them below. These conversations are pretty wide ranging and often only focus tangentially on development economics. I put them here in case you are intrigued by a certain topic or scholar and want to hear more:

- [Melissa Dell](#)
- [Nathan Nunn](#)
- [Daron Acemoglu](#)
- [Michael Kremer](#)
- [Nicholas Bloom](#)
- [Abhijit Banerjee](#)
- [Esther Duflo](#)
- [Joseph Henrich](#)
- [Dani Rodrik](#)
- [Jeffrey Sachs](#)

EconTalk Podcasts: In this podcast Russ Roberts, an economist at Stanford and Shalem College, interviews economists about their work. There are many episodes covering many of the authors in the syllabus (too many to list here). Again, I am providing the link to the podcast here in case you want to learn more about a certain economist and their work.