

## **Development Economics**

Summer 2022

Prof. Dr. Jürgen Bitzer and Prof. Dr. Erkan Gören

### **Course Meeting Time and Place:**

Monday, 10:00 – 12:00 o'clock in room A05 1-159  
Starts: 25th April 2022, ends: 18th July 2022.

Seminar (block seminar): Discussion of topics and date: Monday, 25th April 2022, during the first lecture.

### **Content**

“Why are some countries rich and others poor?” is the question at the heart of the research on economic growth and development. The module introduces the students to the current challenges of developing countries and the strategies to overcome them. The module will focus on the empirical research on developing countries, addressing the reasons for the sluggish development as well as the applied approaches to foster economic development. The course covers critical insights on the micro- and macroeconomic challenges of successful economic development policy and programs across the developing world. Due to the interdisciplinary subject of development policy, the course brings together insights from economics, geography, health sciences, political sciences, psychology, and sociology. These insights are complemented with the most recent research practice through the exposition and discussion of leading academic articles in the field.

### **Structure of the course and prerequisites**

The lecture is mainly devoted to the empirical findings on the determinants of economic growth and follows largely the book of Todaro and Smith (2020). In the seminar current research papers on topics like poverty, conflicts, foreign aid, health, human capital and institutions in developing countries will be discussed. Each student has to present a paper from the list given below. The topics are distributed during the first lecture. The

seminar deals with actual empirical research on economic growth, which requires a sound knowledge of mathematics and econometrics.

## Grading

The final grade consists of a formal presentation with written elaboration and discussion of a peer-reviewed research article in the field of development economics (selected from the reading list below) at the end of the summer term – the exact date will be communicated during the course. Each presentation should last about 20 minutes and should be accompanied by slides followed by a discussion of up to 10 minutes. All students have to upload their slides prior to the start of the oral presentations on Stud.IP. The written elaboration should be up to 20 pages (including, references, tables, etc.). In the presentation and the written elaboration, students are required to critically assess the motivation, context and background, data, methodology, findings, and contribution of the research article of their choice.

## Literature for the lecture

Michael P. Todaro and Stephen C. Smith (2020): *Economic Development*, 13th Edition, Pearson: New York.

## Further literature on economic growth

Acemoglu, Daron (2009): *Introduction to Modern Economic Growth*. Princeton University Press: Princeton.

de Janvry, Alain and Elisabeth Sadoulet (2021): *Development Economics: Theory and Practice*, 2nd Edition, Routledge: New York.

Söderbom, Måns, Francis Teal, Markus Eberhardt, Simon Quinn and Andrew Zeitlin (2015): *Empirical Development Economics*, Routledge: New York.

## Reading list for the seminar

### The Political Economy of Ethnic Cleavages

Blouin, Arthur, and Mukand, Sharon W. (2019): Erasing Ethnicity? Propaganda, Nation Building, and Identity in Rwanda, in: *Journal of Political Economy*, Vol. 127, pp. 1008–1062.

Bazzi, Samuel, and Gudgeon, Matthew (2021): The Political Boundaries of Ethnic Divisions, in: *American Economic Journal: Applied Economics*, Vol. 13, pp. 235–266.

## International Migration

Foged, Mette, and Peri, Giovanni (2015): Immigrants' Effect on native Workers: New Analysis on Longitudinal Data, in: *American Economic Journal: Applied Economics*, Vol. 8, pp. 1–34.

Piopiunik, Marc, and Ruhose, Jens (2017): Immigration, Regional Conditions, and Crime: Evidence from an Allocation Policy in Germany, in: *European Economic Review*, Vol. 92, pp. 258–282.

Gehrsitz, Markus, and Ungerer, Martin (2022): Jobs, Crime and Votes: A Short-Run Evaluation of the Refugee Crisis in Germany, forthcoming in: *Economica*.

## Health Economics

Lowes, Sara, and Montero, Eduardo (2021): The Legacy of Colonial Medicine in Central Africa, in: *American Economic Review*, Vol. 111, pp. 1284–1314.

Fogli, Alessandra, and Veldkamp, Laura (2021): Germs, Social Networks, and Growth, in: *Review of Economic Studies*, Vol. 88, pp. 1074–1100.

Gomes, Joseph Flavian (2020): The Health Costs of Ethnic Distance: Evidence from Sub-Saharan Africa, in: *Journal of Economic Growth*, Vol. 25, pp. 195–226.

Halliday, Timothy J., and Lynham, John, and de Paula, Áureo (2019): VOG: Using Volcanic Eruptions to Estimate the Health Costs of Particulates, in: *Economic Journal*, Vol. 129, pp. 1782–1816.

## Conflicts

Chiovelli, Giorgio, and Michalopoulos, Stelios, and Papaioannou, Elias (2019): Landmines and Spatial Development, in: *NBER working paper 24758*, Vol. 25, pp. 195–226.

McGuirk, Eoin, and Burke, Marshall (2020): The Economic Origins of Conflict in Africa, in: *Journal of Political Economy*, Vol. 128, pp. 3940–3997.

Rogall, Thorsten (2021): Mobilizing the Masses for Genocide, in: *American Economic Review*, Vol. 111, pp. 41–72.

## Foreign Aid

Crost, Benjamin, and Felter, Joseph, and Johnston, Patrick (2014): Aid Under Fire: Development Projects and Civil Conflict, in: *American Economic Review*, Vol. 104, pp. 1833–1856.

Duflo, Esther, and Rema, Hanna, and Ryan, Stephen P. (2012): Incentives Work: Getting Teachers to Come to School, in: *American Economic Review*, Vol. 102, pp. 1241–1278.

## The Environment and Development

Kocornik-Mina, Adriana, and McDermott, Thomas K. J., and Michaels, Guy, and Rauch, Ferdinand (2020): Flooded Cities, in: *American Economic Journal: Applied Economics*, Vol. 12, pp. 35–66.

Burzyński, Michał, and Deuster, Christoph, and Docquier, Frédéric, and de Melo, Jaime (2022): Climate Change, Inequality, and Human Migration, forthcoming in: *Journal of the European Economic Association*.

Souza-Rodrigues, Eduardo (2019): Deforestation in the Amazon: A Unified Framework for Estimation and Policy Analysis, in: *Review of Economic Studies*, Vol. 86, pp. 2713–2744.

## Policymaking and the Roles of State and Civil Society

Bursztyn, Leonardo, and Egorov, Georgy, and Fiorin, Stefano (2020): From Extreme to Mainstream: The Erosion of Social Norms, in: *American Economic Review*, Vol. 110, pp. 3522–3548.

Lichter, Andreas, and Löffler, Max, and Sieglöcher, Sebastian (2021): The Long-Term Costs of Government Surveillance: Insights From Stasi Spying in East Germany, in: *Journal of the European Economic Association*, Vol. 19, pp. 741–789.

Ochsner, Christian, and Roesel, Felix (2020): Migrating Extremists, in: *Economic Journal*, Vol. 130, pp. 1135–1172.

Müller, Karsten, and Schwarz, Carlo (2021): Fanning the Flames of Hate: Social Media and Hate Crime, in: *Journal of the European Economic Association*, Vol. 19, pp. 2131–2167.

## Human Capital

Becker, Sascha O., and Grosfeld, Irena, and Grosjean, Pauline, and Voigtländer, Nico, and Zhuravskaya, Ekaterina (2020): Forced Migration and Human Capital: Evidence from Post-WWII Population Transfers, in: *American Economic Review*, Vol. 110, pp. 1430–1463.

Cagé, Julia, and Rueda, Valeria (2016): The Long-Term Effects of the Printing Press in Sub-Saharan Africa, in: *American Economic Journal: Applied Economics*, Vol. 8, pp. 69–99.

Jedwab, Remi, and Meier zu Selhausen, Felix, and Moradi, Alexander (2021): Christianization Without Economic Development: Evidence from Missions in Ghana, in: *Journal of Economic Behavior and Organization*, Vol. 190, pp. 573–596.

## **Urban Economics**

Serafinelli, Michel, and Tabellini, Guido (2022): Creativity Over Time and Space, forthcoming in: *Journal of Economic Growth*.

Ambrus, Attila, and Field, Erica, and Gonzalez, Robert (2020): Loss in the Time of Cholera: Long- Run Impact of a Disease Epidemic on the Urban Landscape, in: *American Economic Review*, Vol. 110, pp. 475–525.

## **Accessibility**

Jedwab, Rémi, and Storeygard, Adam (2022): The Average and Heterogeneous Effects of Transportation Investments: Evidence from Sub-Saharan Africa 1960-2010, in: *Journal of the European Economic Association*, Vol. 20, pp. 1–38.

Storeygard, Adam (2016): Farther on down the Road: Transport Costs, Trade and Urban Growth in Sub-Saharan Africa, in: *Review of Economic Studies*, Vol. 83, pp. 1263–1295.