

SYLLABUS – SPRING 2006
ECONOMICS 172: Issues in African Economic Development
Professor Edward Miguel (emiguel@econ.berkeley.edu, 642-7162)

Description: This course will examine major current issues in development economics, with a focus on how they relate to Sub-Saharan Africa. The course is divided into two major parts:

- I. Economic Theories and Issues
- II. History, Institutions and Politics

Prerequisites: At least one prior term of economics (i.e., Economics 100A or 100B), and some prior coursework in statistics or econometrics.

Grading: The course grade will be based on three components:

- Three take-home Assignments, each worth 10 percent (30 percent)
- Midterm examination (30 percent)
- Final Examination (40 percent)

Office Hours: Monday 9:00-11:30am in Evans 647

Teaching Assistants:

John Bellows (jbellow@econ.berkeley.edu) and Jessica Leino (leino@econ.berkeley.edu)

The course website is: http://www.econ.berkeley.edu/users/webfac/emiguel/e172_s06/e172.shtml

Reading packets of photocopied articles can be picked up at Copy Central on Bancroft.

For daily online news from Africa, refer to the BBC at <http://news.bbc.co.uk/1/hi/africa/default.stm> or to All-Africa News at <http://allafrica.com/>. For entertaining political cartoons from Kenya, refer to www.gadonet.com.

I. Economic Issues and Theories

Week 1: Patterns of African economic development

United Nations Development Program (UNDP). (2005). *Human Development Report 2005*, Table 1 and Table 14, pp. 219-222 and 266-269.

Cooper, Frederick. (2002). *Africa since 1940: The Past of the Present*, pp. 91-118.

Kevane, Michael. (2004). "Chapter 2: Explaining Underdevelopment in Africa" in *Women and Development in Africa: How Gender Works*, pp. 7-28.

Week 2: Theories of economic growth

Jones, Charles. (2002). *Introduction to Economic Growth (Second Edition)*, Chapters 1-2, pp. 1-51.

Easterly, William (2001). "Chapter 3: Solow's Surprise: Investment is Not the Key to Growth" in *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, pp. 47-69.

Meier, Gerald M., and James E. Rauch. (2005). "Appendix: How to Read a Regression Table", *Leading Issues in Economic Development, Eight Edition*, pp. 633-638.

Weeks 3-4: Geography, health and development

Bloom, David, and Jeffrey Sachs. (1998). "Geography, Demography, and Economic Growth in Africa," *Brookings Papers on Economic Activity*, 2, 207-295.

Miguel, Edward. (2005). "Chapter 6: Health, Education, and Economic Development", in *Health and Economic Growth: Findings and Policy Implications*, (eds.) Guillem López-Casasnovas, Berta Rivera and Luis Currais, pp. 143-153.

(Problem Set 1 handed out Thursday February 2nd, due Thursday February 9th)

Week 5-6: The economics of HIV/AIDS

Meier, Gerald M., and James E. Rauch. (2005). "Selection IV.B.3: Confronting AIDS", in *Leading Issues in Economic Development, Eight Edition*. Oxford University Press, pp. 231-239.

Gordon, April A., and Donald L. Gordon (eds.). (2001). *Understanding Contemporary Africa (Third Edition)*, pp. 207-212

Fox, Matthew, et al. (2004). "The Impact of HIV/AIDS on Labour Productivity in Kenya", *Tropical Medicine and International Health*, 9(3), 318-324.

Week 7: Human capital

Kevane, Michael. (2004). "Chapter 9: Investments in Education" in *Women and Development in Africa: How Gender Works*, pp. 143-157.

Kremer, Michael, Edward Miguel, and Rebecca Thornton. (2005). "Incentives to Learn: Merit Scholarships that Pay Kids to Do Well", unpublished working paper, U.C. Berkeley.

(Problem Set 2 handed out Thursday February 23rd, due Thursday March 2nd)

Week 8: Economic shocks and rural households

Udry, Christopher. (1990). "Credit Markets in Northern Nigeria: Credit as Insurance in a Rural Economy," *World Bank Economic Review*, 4(3), 251-269.

Miguel, Edward. (2005). "Poverty and Witch Killing", *Review of Economic Studies*, 72(4), 1153-72.

(Midterm Examination – Thursday March 9th in class)

II. History, Institutions and Politics

Weeks 9-10: Historical Legacies of Slavery and Colonialism

Schraeder, Peter J. (2004). *African Politics and Society: A Mosaic in Transformation*. Thomas-Wadsworth Press. "Part II: Political and Economic Impacts of Colonialism", pp. 49-79.

Nunn, Nathan. (2005). "Slavery, Institutional Development, and Long-run Growth in Africa, 1400-2000", unpublished working paper.

Herbst, Jeffrey. (2000). *States and Power in Africa*. Princeton Univ. Press, Chapters 1-3, pp. 11-96.

Weeks 11-12: Debates on structural adjustment and globalization

Bates, Robert. (1981). *Markets and States in Tropical Africa*, Chapters 1-2, pp. 1-43.

Easterly, William. (2001). "Chapter 6: The Loans that Were, the Growth that Wasn't" in *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, pp. 101-120.

Leonard, David K., and Scott Straus. (2003). "Chapter 2: Debt and Aid, Righting the Incentives", in *Africa's Stalled Development: International Causes and Cures*, pp. 21-35.

Kremer, Michael and Edward Miguel. (2004). "The Illusion of Sustainability", *NBER WP #10324*.

(Problem Set 3 handed out Thursday April 13th, due Thursday April 20th)

Week 13: Ethnic and linguistic divisions

Easterly, William, and Ross Levine. (1997). "Africa's growth tragedy: policies and ethnic divisions", *Quarterly Journal of Economics*, 112, 1203-1250.

Laitin, David. (1992). *Language Repertoires and State Construction in Africa*. Cambridge University Press: New York. Chapters 1, 4, 5, pp. 1-23, 69-100.

Week 14: The Political economy of development in East Africa

Barkan, Joel, ed. (1994). "Chapter 1: Divergence and Convergence in Kenya and Tanzania: Pressures for Reform" in *Beyond Capitalism versus Socialism in Kenya and Tanzania*. Lynne Rienner Publishers, pp. 1-45.

Miguel, Edward. (2004). "Tribe or Nation? Nation-building and Public Goods in Kenya versus Tanzania", *World Politics*, 56(3), 327-362.

Week 15: Violence and development in Sierra Leone

Keen, David. (2005). "Chapter 3: Historical Background: Uneven Development" in *Conflict and Collusion in Sierra Leone*, pp. 8-35.

World Bank. (2003). "Chapter 1: Civil War as Development in Reverse" in *Breaking the Conflict Trap*, pp. 13-32.

Bellows, John and Edward Miguel. (2006). “War Institutions: New Evidence from Sierra Leone”, forthcoming *American Economic Association Papers and Proceedings*.

Week 16: Botswana, Africa’s outlier

Acemoglu, Daron, Simon Johnson, and James Robinson. (2003). “Chapter 4: An African Success Story: Botswana,” *In Search of Prosperity: Analytic Narratives on Economic Growth*, pp, 80-119.

(Final examination during the regular exam period)



Map of Africa, today