

Economics 172 – Issues in African Economic Development
SPRING 2007 SYLLABUS

Professor Edward Miguel (emiguel@econ.berkeley.edu, 510-642-7162)

Lectures: Tuesday and Thursday 9:30-11am, 100 GPB

Office Hours: Monday 9-11:30am, Evans 647

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

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

Prerequisites: At least one prior term of intermediate 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)
- Classroom participation may be a factor in borderline grading cases

Teaching Assistants: Mame-Fatou Diagne (mfd@econ.berkeley.edu), Pamela Jakiela (jakiela@econ.berkeley.edu), Chelsea MacMullan (cmacmullan@gmail.com)

The course website is: http://www.econ.berkeley.edu/users/webfac/emiguel/e172_s07/e172.shtml
Reading packets of photocopied articles can be picked up at Copy Central on Bancroft.

Other sources of information on Africa: For daily online news from Africa, refer to All-Africa News at <http://allafrica.com/> or to the BBC at <http://news.bbc.co.uk/1/hi/africa/default.stm>. For a blog on African economic development debates, <http://africaunchained.blogspot.com/>. For East African political cartoons, www.gadonet.com.

I. Economic Theories and Methods

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

[Tools: Economic growth theory; Ordinary least squares (OLS) regression]

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

[Tools: Randomized evaluation]

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. 143-168.

(Problem Set 1 handed out Thursday February 1st, due Thursday February 8th)

Week 5-6: The economics of HIV/AIDS

[Tools: Difference-in-differences analysis]

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

[Tools: Regression discontinuity (RD)]

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. (2007). "Incentives to Learn: Merit Scholarships that Pay Kids to Do Well", unpublished working paper, U.C. Berkeley.

(Problem Set 2 handed out Thursday February 22nd, due Thursday March 1st)

Week 8: Economic shocks and rural households

[Tools: Field data collection]

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.

Week 9: The economics of rural water

[Tools: Travel cost valuation]

BBC. (2006). "The slow death of Africa's Lake Chad", BBC News online, April 14, 2006.

Kremer, Michael, Jessica Leino, Edward Miguel, and Alix Zwane. (2007). "Spring Cleaning: A Randomized Evaluation of Source Water Quality Improvement", unpublished working paper.

(Midterm Examination – Thursday March 15th in class, through Week 8 lectures)

II. History, Institutions and Politics

Weeks 10-11: 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 12-13: 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 12th, due Thursday April 19th)

Week 14: 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.

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 and Local Collective Action in Sierra Leone”, unpublished working paper.

Week 16: Africa’s economic success stories

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.

The Economist. (2006). “Africa and China”, Nov 3rd, 2006.

(Final examination during the regular exam period – Tuesday May 15th, 8-11am)



Map of Africa, today