

ECON 360: Economics of Developing Areas

Tuesdays and Thursdays, 3:00-4:15

Nguyen Engineering Building 1110

I. Contact Information

Instructor: Andrew Thomas

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Office Hours: T Th before or after class, or by appointment.

II. Course Overview:

Description:

Why are some societies poor and some rich? This is the question that has motivated the study of economics ever since Adam Smith published *An Inquiry into the Nature of Causes of the Wealth of Nations* in 1776. This class is a continuation of that inquiry. Towards that goal, we will review the history of economic growth, the failures and successes of aid in development, and the recent literature on the nature and causes of development.

Grading:

Your grade will be the sum of four components:

25% Daily reading quizzes

25% Homework assignments

25% Final project

25% Final exam

The quizzes will be at the beginning of each class session relating to the assigned reading; this is an incentive to keep you on top of the reading. The lowest two quiz scores for the semester will be dropped. Homework assignments will be weekly, and are intended to solidify concepts and aid you in your final project. More information on the final project will be forthcoming. The final exam will occur on our assigned exam day. Class participation offers the opportunity to bump your final grade by half a letter (eg if your final grade is a B and you are an active participant for the majority of the semester, you will receive a B+).

Classroom Policy:

No electronic devices during class time (unless necessary for accessibility purposes). Questions and discussion during class are encouraged, but it is imperative that we respect our classmates' views and time.

III. Readings:

Assigned Books:

Abhijit Banerjee and Esther Duflo. *Poor Economics*. 2011. [PE]

Cohen and Easterly. *What Works in Development?* 2009. [WWID]

William Easterly. *The Elusive Quest for Growth*. 2001. [TEQG]
Morton Jerven. *Africa: Why Economists Get It Wrong*. 2015.
Peter T. Leeson. *Anarchy Unbound*. 2014.

This list is preliminary and readings may be added throughout the semester. Links to non-book readings will be posted on Blackboard.

I. Introduction to Development

TEQG Ch 1

Clark, G. 2007. A farewell to alms: A brief economic history of the world. (Introduction)

Phelps, Edmund. 2013. Mass flourishing. (Introduction)

Sen, Amartya. 1999. Development as freedom. (Introduction)

II. Aid and Development: The theories that failed

TEQG Ch 2-7

WWID Ch 1

Rodrik, D. 2006. 'Goodbye Washington Consensus, Hello Washington Confusion?'

Easterly, W. 2009. 'Can the West save Africa?'

III. Thinking Big: 'Big Push' and the Millennium Villages

EconTalk debate, Nina Munk and Jeffrey Sachs

Mitchell et al. 2018. 'The Millenium Villages project: a retrospective, observational, endline evaluation'

IV. Thinking Small: The Economic Lives of the Poor

PE Ch 1, Ch 6-9, Conclusion

WWID Ch 7

Bauer, PT. 2000. 'From subsistence to exchange'

V. Thinking bigger: Institutions and History

North, Douglass. 1991. 'Institutions'

Acemoglu et al. 2001. 'The colonial origins of comparative development'

Rodrik et al. 2004. 'Institutions rule'

Glaeser et al. 2004. 'Do institutions cause growth?'

Nunn and Wantchekon. 2011. 'The slave trade and the origins of mistrust in Africa'

Interlude: How much do we really know?

WWID Ch 2

Jerven, Morton. 2015. *Africa: Why economists get it wrong*

Rodrik, D. 2010. 'Diagnostics before prescription.'

VI. Property Rights

Demsetz, H. 1967. 'Towards a theory of property rights'

Williamson and Kerekes. 2011. 'Securing private property: formal versus informal institutions.'

VII. The State and Development

Acemoglu et al. 2018. 'Democracy does cause growth.'
Bardhan, P. 2016. 'State and Development: The need for a reappraisal of the current literature.'
Leeson, P. 2014. *Anarchy Unbound*. Ch 1, 8-11
Scott, James C. *Seeing Like a State*. Ch 1, 2

VIII. Violence

Blattman & Miguel. 2010. 'Civil War'
Leeson, P. 2014. *Anarchy Unbound*. Ch 4
North et al. 2006. 'A conceptual framework for interpreting recorded human history.'

IX. Ethnic fractionalization

TEQG Ch 13
Leeson, P. 2005 'Endogenizing fractionalization'
Michalopolous and Papaioannou. 2013. 'Pre-colonial ethnic institutions and contemporary African development'

X. Corruption

PE Ch 10
TEQG Ch 12
Bardhan, P. 1997. 'Corruption and Development'

XI. Agriculture, Urbanization, & Structural Transformation

Blattman and Dercon. 2016. 'Occupational choice in early industrializing societies.'
Jedwab and Vollrath. 2015. 'Urbanization without growth in historical perspective.'

XII. Complexity and Culture

WWID Ch 6
Greif, A. 1994. 'Cultural beliefs and the organization of society.'
Guiso et al. 2006. 'Does culture affect economic outcomes?'
Hayek, F. 1945. 'The Use of Knowledge in Society.'

IV. Policy Addenda

Important Dates:

See <https://registrar.gmu.edu/calendars/fall-2019/> for Add/Drop deadlines.

Global Understanding Core:

The goal of the **global understanding** category is to help students see the world from multiple perspectives, reflect upon their positions in a global society, and be prepared for future engagement as global citizens. While it may include a historical perspective, global understanding courses focus primarily on a contemporary understanding of one's place in a global society.

Courses in this category must meet a minimum of three of the following learning outcomes:

1. Identify and articulate one's own values and how those values influence their interactions and relationships with others, both locally and globally.
2. Demonstrate understanding of how the patterns and processes of globalization make visible the interconnections and differences among and within contemporary global societies.
3. Demonstrate the development of intercultural competencies.
4. Explore individual and collective responsibilities within a global society through analytical, practical, or creative responses to problems or issues, using resources appropriate to the field.

Disability Resource Center:

If you are a student with a disability and you need academic accommodations, please see me ASAP and contact the Office of Disability Resources at 703.993.2474. All academic accommodations must be arranged through that office.

Honor Code:

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Honor Code will be reported to the Honor Committee.

Sexual Harassment:

George Mason University is committed to providing a learning, living and working environment that is free from discrimination and a campus that is free of sexual misconduct and other acts of interpersonal violence in order to promote community well-being and student success. We encourage students who believe that they have been sexually harassed, assaulted or subjected to sexual misconduct to seek assistance and support. University Policy 1202: Sexual Harassment and Misconduct speaks to the specifics of Mason's process, the resources, and the options available to students.

Grading Scale:

A	93-100
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D	60-69
F	0-59