

Economic Seminar: Economic Development

(Seminario de Economía II (H) – LCCECO 202402)

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Wednesdays: 2:30-3:50 pm
8 Week Seminar Course
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Course Description:

This course investigates why some nations are rich while others are poor. We will take a comparative institutional approach to development. This method compares political and economic institutions not by their theoretical intentions, but by their effects in the real world. The papers we read about will mostly be evidence-based rather than theoretical. While theoretical claims are important and worthy of discussion (we'll do some!), this approach allows us to assess the world through a perhaps clearer lens.

More importantly, this is a discussion-based seminar. Reading and engaging the texts will be fundamental for the seminar's success.

Grading:

- 8 discussion question sets (1 question per reading, 8.75 points per week, 70 total)
- Presentation (10 points)
- Participation (20 points)

Reading and Discussion Questions.

Each session will have assigned readings you must read and submit a discussion question. **You must submit one discussion question for each reading.** This is to (i) assess that you did the readings, and (ii) to motivate our discussions with the insights that most interest you.

Participation.

20 points from the class will be based on “participation.” This is based on you asking questions, providing feedback throughout the course (both to me and your fellow students), and giving your thoughts. These are the easiest points to earn this semester!

Presentation:

You will each give one short presentation this semester. The presentation will be a broad overview of one of the papers assigned during the semester. The plan is to each week have two of you present. On the first day of class we will decide who will cover which papers. On the papers that are not assigned, I will give a short presentation on them.

The presentations will be 8-10 minutes each. Your job is to provide a brief summary. Note that this means you will need to decide *which* parts of the paper you think are the most relevant since there isn't enough time to cover everything. If it is an empirical paper, I do not expect you to know the methods, but simply be able to talk about the motivation and the general findings. Please send me

the slides of the paper by Tuesday 11:59 PM the night before you present. This way, I will have time to look at the slides beforehand and be able to fairly grade you on the slides and your presentation. This is worth 10 points of your grade.

PDFs of each of the papers will be provided to you on the course page.

Week 1. August 28 - Course Overview & The Wealth of Nations

Rodrik, D., Subramanian, A., & Trebbi, F. (2004). Institutions rule: the primacy of institutions over geography and integration in economic development. *Journal of Economic Growth*, 9, 131-165.

Week 2. September 4 - Capitalism Delivers

Leeson, P. T. (2010). Two cheers for capitalism?. *Society*, 47, 227-233.

Grier, K. B., & Grier, R. M. (2021). The Washington Consensus works: Causal effects of reform, 1970-2015. *Journal of Comparative Economics*, 49(1), 59-72.

Lawson, R. (2022). Economic freedom in the literature: What is it good (bad) for?. *Economic freedom of the world: 2022 annual report*, 187-199.

Week 3. September 11 - The Failed Promises of Socialism

Toews, G., Vézina, P.-L. (2020) Enemies of the People. QPE Working Paper 2020-20. King's College London.

Bastos, J.P., Geloso, V., Bologna-Pavlik, J. (2024) The Forsaken Road: Reassessing Living Standards Following the Cuban Revolution and the American Embargo. Working Paper.

Week 4. September 18 - The Long Shadow of History

Becker, S. O., Boeckh, K., Hainz, C., & Woessmann, L. (2016). The empire is dead, long live the empire! Long-run persistence of trust and corruption in the bureaucracy. *The Economic Journal*, 126(590), 40-74.

Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *American Economic Review*, 91(5), 1369-1401.

Dell, M. (2010). The persistent effects of Peru's mining mita. *Econometrica*, 78(6), 1863-1903.

September 25 - NO CLASS

Week 5. October 2 - The Problem of the Leviathan

Olson, M. (1993). Dictatorship, democracy, and development. *American Political Science Review*, 87(3), 567-576.

North, D. C., & Weingast, B. R. (1989). Public choice in seventeenth-century England. *The Journal of Economic History*, 49(4).

Truitt, T. (2023) The Secret of the Singaporean Success. Working Paper.

Week 6. October 9 - Corruption

Svensson, J. (2005). Eight Questions about Corruption. *The Journal of Economic Perspectives*, 19(3), 19–42. <http://www.jstor.org/stable/4134971>

Fisman, R., & Miguel, E. (2007). Corruption, norms, and legal enforcement: Evidence from diplomatic parking tickets. *Journal of Political Economy*, 115(6), 1020-1048.

Week 7. October 16 – Foreign Aid

Easterly, W. (2003). Can foreign aid buy growth?. *Journal of Economic Perspectives*, 17(3), 23-48.

Skarbek, D. B., & Leeson, P. T. (2009). What can aid do? *Cato Journal*, 29, 391.

Week 8. October 23 – Immigration

Clemens, M. A. (2011). Economics and emigration: Trillion-dollar bills on the sidewalk?. *Journal of Economic Perspectives*, 25(3), 83-10

Borjas, G. J. (2015). Immigration and globalization: A review essay. *Journal of Economic Literature*, 53(4), 961-974.

Powell, B., Clark, J. R., & Nowrasteh, A. (2017). Does mass immigration destroy institutions? 1990s Israel as a natural experiment. *Journal of Economic Behavior & Organization*, 141, 83-95.