Syllabus: Political Economy of Development: G8412 (Fall 2009)

Macartan Humphreys 701 IAB | mh2245@columbia.edu | Telephone: 47431 | Hours: Friday 2-4

Overview

This class provides an introduction to contemporary research on the political economy of development. The major questions to be addressed by the course are: How central is politics to economic development? How do political institutions determine policy choices? How do economic structures in turn impact on politics? Why do governments employ policies that hinder development? Why do seemingly inefficient institutions survive? What accounts for political accountability? How important are international effects relative to domestic features? One of the aims of the discussion in the class will be to test abstract theories of development using in-depth knowledge of cases, and to further our understanding of cases by applying lessons from theoretical and statistical work.

1 Big Picture

- 1.1 14 SEPT ECONOMIC GROWTH: APPROACHES AND PATTERNS
- 1.2 21 SEPT HISTORICAL LEGACIES
- 1.3 28 SEPT STATES
- 1.4 05 OCT INTERNATIONAL AID

2 Going Micro: New research on development political economy

- 2.1 12 OCT EXPERIMENTAL AND QUASI EXPERIMENTAL METHODS IN DEVELOPMENT STUDIES
- 2.2 19 OCT POLITICAL ACCOUNTABILITY AND INFORMATION
- 2.3 26 OCT REDISTRIBUTIVE POLICIES, CLIENTELISM AND CORRUPTION
- 2.4 09 Nov Ethnic Politics and Economic Development
- 2.5 16 Nov VIOLENCE
- 2.6 23 Nov Aid interventions and participation
- 2.7 30 Nov Environment and Politics

3 Topics Menu (Two of which are to be selected by the class)

- 3.1 SOME DEBATES
- 3.2 RIVAL GOALS, RIVAL PATHS
- 3.3 INEQUALITY
- 3.4 Management of Natural Resources
- 3.5 TRADE POLICY
- 3.6 BEING A DICTATOR
- 3.7 THE POLITICS OF PRIVATIZATION AND INVESTMENT
- 3.8 LEGAL REFORM
- 3.9 AGRICULTURE
- 3.10 HEALTH
- 3.11 LEADERS AND DECISION MAKING

Requirements

To do now: Fill up this form before **Wednesday 16 September**: http://spreadsheets.google.com/viewform?formkey=dE5xTnNnSEZOcHpONUJFMEhleW44c0E6MA..

1. Reading: The Syllabus lists both required reading and further reading. You will be expected to have completed all the required readings before class to the point where you can be called on to critique or defend any reading.

The reading loads are not especially heavy but some of the readings are hard. You should aim to read them carefully and reflectively. Before approaching each reading think about what the key questions are for the week and about how the questions from this week relate to what you know from previous weeks. Then skim over the reading to get a sense of the themes it covers, and, before reading further, jot down what questions you hope the reading will be able to answer for you. Next, read the introduction and conclusion. This is normally enough to get a sense of the big picture. Ask yourself: Are the claims in the text surprising? Do you believe them? Can you think of examples of places that do not seem consistent with the logic of the argument? Is the reading answering the questions you hoped it would answer? If not, is it answering more or less interesting questions than you had thought of? Next ask yourself: What types of evidence or arguments would you need to see in order to be convinced of the results? Now read through the whole text, checking as you go through how the arguments used support the claims of the author. It is rare to find a piece of writing that you agree with entirely. So, as you come across issues that you are not convinced by, write them down and bring them along to class for discussion. Also note when you are pleasantly surprised, when the author produced a convincing argument that you had not thought of. In all cases you are encouraged to download this data, replicate results and use it to probe and test the arguments you bring to class.

2. Group replication and presentations (25%). You will be expected to participate in seminars each week. In general you should come prepared to argue and defend your responses to the readings. In addition we will organize the group into a set of about four "replication teams"— RTs. One RT is assigned to each week's readings and is charged with identifying a dataset associated with the readings (or from elsewhere) and to engage in a replication and extension exercise. These exercises involve replicating the results as reported, checking results for robustness, and extending analysis where appropriate, for example to examine subsets of the data, extended models and so on. The RTs are responsible for sending the class, by the Friday before class, a zip file containing their tables, a dataset and a replication do file, preferably in STATA, and written so that other students can run analysis without further editing. The RTs will be expected to give a short presentation in class (15 minutes) and to be able to engage in real time analysis in response to class discussion. Each student should expect to engage in three to four such RT presentations. Doing this well means preparing early; if authors have not made their data available you will have to contact them for their data which can take time; moreover while most analyses will be fairly simple, it can sometimes take a while to "get to know" a dataset to the point that you can run such analyses quickly.

- **3. Develop Country Expertise (5%):** We expect that you will become our class expert for one country. Insofar as possible you should choose a country that you are not already familiar with and that exhibits features unlike countries that you are already an expert of. For each of the topics that we will look at you should read up especially on the situation for your country for that topic. In developing this expertise you will be able to get more out of the readings, and you will also be a resource for the rest of the class who will then be able to call on you for your evaluation of the situation in your country.
- **4. Referee Reports (2×15%).** You will be expected to write two referee reports on two of the readings on the syllabus. These reports should be written **before** we discuss thes papers in class. **One should be from the first section and is due by 12 October; the second is from the other sections and is due 30 November.** These are typically around 3 pages long, they should summarize in a paragraph the core contention of the paper and then critique key aspects of the results, indicating whether the paper should or should not be published and what revisions are required to improve it. The best response papers, going beyond the call of duty, replicate results and submit them to robustness tests. These reports can easily form the basis of your seminar paper.
- **5. Written Assignments (40%).** You will be expected to write a single 20-30 page research paper displaying original research and probing in depth one of the themes of the course and due on 10 December 2009. These research papers will contain (i) a theoretical argument, engaging with one of the key themes of the course, (ii) an empirical test of that argument and (iii) a discussion of policy prescriptions resulting from the argument. The empirical part does not have to be quantitative but it does have to constitute a genuine test of your argument.

Syllabus

1 Big Picture

1.1 14 Sept Economic Growth: Approaches and Patterns

- 1. Daron Acemoglu. Modern Economic Growth. Chapter 1.
- Angus Deaton (2005). "Measuring Poverty in a Growing World (or Measuring Growth in a Poor World)," Review of Economics and Statistics, 87(1), 1-19.
 http://www.mitpressjournals.org/doi/pdf/10.1162/0034653053327612
 http://www.princeton.edu/~deaton/downloads/measuring poverty growing world de aton restats 2005.pdf
- 3. Banerjee, Abhijit V., and Esther Duflo. (2008). "The Experimental Approach to Development Economics." http://www.nber.org/papers/w14467.pdf

- On the growth models: Chapter 2 (and the rest!) of Acemoglu and Barro, Robert. 1997. <u>Determinants of Economic Growth.</u> Cambridge, Mass.: MIT Press. Chapters 1-2.
- Chinua Achebe. 1989. Anthills of the Savannah. New York: Anchor.
- Kiltgaard, Robert. 1991. Tropical Gangsters: One Man's Experience With Development and Decadence in Deepest Africa.. New York: Basic Books.
- Xavier Sala-i-Martin. (2006). "The World Distribution of Income: Falling Poverty and Convergence, Period," QJE. http://www.mitpressjournals.org/doi/pdf/10.1162/qjec.2006.121.2.351
- Douglass North. 1990. <u>Institutions, Institutional Change and Economic Performance</u>. Cambridge: Cambridge University Press.
- Alberto Alesina and Roberto Perotti. 1994. "The Political Economics of Growth: A Selective Survey and Some New Results." <u>World Bank Economic Review</u>, September 1994, pages 351-371.
- Torsten Persson and Guido Tabellini. 2000. <u>Political Economics Explaining Economic Policy</u>. MIT Press. Chapter 14.
- Temple, Jonathan. 1999. "<u>The New Growth Evidence</u>." <u>Journal of Economic Literature.</u> 37(1), March, 112-156.

1.2 21 Sept Historical Legacies

- Acemoglu, Daron, Simon Johnson and James Robinson. 2001. "<u>The Colonial Origins of Comparative Development: An Empirical Investigation</u>" <u>American Economic Review</u>, vol. 91 (5) 1369-1401
- 2. Banerjee, Abhijit, and Lakshmi Iyer. "History, Institutions and Economic Performance: the Legacy of Colonial Land Tenure Systems in India." <u>American Economic Review</u> 95, no. 4 (September 2005): 1190-1213. http://www.atypon-link.com/AEAP/doi/pdf/10.1257/0002828054825574?cookieSet=1
- 3. Nunn, Nathan (2008), "The Long Term Effects of Africa's Slave Trades," <u>Quarterly Journal of Economics</u>, Vol. 123(1), pp. 139-176. http://www.mitpressjournals.org/doi/abs/10.1162/gjec.2008.123.1.139
- 4. Daniel Berger "Taxes, Institutions and Local Governance: Evidence from a Natural Experiment in Colonial Nigeria" http://homepages.nyu.edu/~db1299/Nigeria.pdf

- Walter Rodney 1973. How Europe Underdeveloped Africa.
- Englebert, Pierre. "Pre-colonial institutions, post-colonial states, and economic development in tropical Africa" Political Research Quarterly; Mar 2000; 53, 1; Research Library
- Iyer, Lakshmi. "Direct versus Indirect Colonial Rule in India: Long-term Consequences." The Review of Economics and Statistics
- Donald Davis and David Weinstein. (2002). "Bones, Bombs, and Breakpoints: The Geography of Economic Activity", American Economic Review, 92(5). http://www.columbia.edu/~drd28/BBB.pdf
- Valerie Bockstette, Chanda Areendam, and Louis Putterman. (2003). "States and Markets: The Advantage of an Early Start", Journal of Economic Growth, 7, 347-369. http://www.springerlink.com/content/xp22n851l881170l/fulltext.pdf
- Daron Acemoglu, Simon Johnson, James A. Robinson. "Reversal Of Fortune: Geography And Institutions in The Making Of The Modern World Income Distribution." <u>The Quarterly Journal of Economics</u> 117 (4) 1231 -- 1294
 http://ideas.repec.org/a/tpr/qjecon/v117y2002i4p1231-1294.html
- North, Douglass C. and Barry R. Weingast. 1989. 'Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England.' *Journal of Economic History*. 49(4): 803-832.
- Acemoglu and Robinson. Institutions as a fundamental cause of long run growth http://www.people.fas.harvard.edu/~jrobins/researchpapers/publishedpapers/jr_institutionscause.pdf

1.3 28 Sept States

- 1. Hendrik Spryut. War, trade, and state formation. in the *Oxford Handbook of Comparative Politics*
- 2. Herbst, Jeffrey. 2000. <u>States and Power in Africa: Comparative Lessons in Authority and Control</u>. Princeton, N.J.: Princeton University Press. pp 3 58
- 3. Przeworski, A. and F. Limongi (1997). "Modernization: Theories and Facts." World Politics 49(2).
- 4. Carles Boix and Susan C. Stokes Source: "Endogenous Democratization" World Politics, Vol. 55, No. 4 (Jul., 2003), pp. 517-549 http://www.jstor.org/stable/25054237

- Catherine Boone. Political Topographies of the African State. Chapters 1 and 2.
- Przeworski, Adam, Michael E. Alvarez, Jose Antonio Cheibub and Fernando Limongi. 2000.
 Democracy and Development. Political Institutions and Well-Being in the World, 1950-1990.
 Cambridge, U.K.: Cambridge University Press.
- Geddes, Barbara. 1999. 'What Do We Know About Democratization After Twenty Years?' Annual Review of Political Science. 2: 115-144.
- Acemoglu, Daron and James A. Robinson. 2000. 'Why did the West Extend the Franchise?'
 Democracy, Inequality, and Growth in Historical Perspective.' Quarterly Journal of
 Economics. 115(4): 1167-1199.
- Lizzeri, Alessandro and Nicola Persico. 2004. 'Why the Elites Extend the Suffrage?
 Democracy and the Scope of Government, with an Application to Britain's "Age of Reform".'
 QJE. 119(2): 707-765. (E)
- O'Donnell, Guillermo and Philippe C. Schmitter. 1986. Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies. Baltimore, MD: The Johns Hopkins University Press
- Myerson, Roger. 1993. "Incentives to Cultivate Favored Minorities under Alternative Electoral Systems." <u>American Political Science Review</u>, 87.
- North, Douglas C. and Barry R. Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutional Governing Public Choice in Seventeenth-Century England" <u>Journal of Economic History</u>, 49, 803 832
 http://links.jstor.org/sici?sici=00220507%28198912%2949%3A4%3C803%3ACACTEO%3E2.0
 .CO%3B2-9
- Haggard, Stephen and Robert R. Kaufman (1992), "Economic Adjustment and the Prospects for Democracy" in Haggard, Stephen and Robert R. Kaufman. <u>The Politics of Economic</u> <u>Adjustment</u>, Princeton: Princeton University Press.
- Timothy Besley and Stephen Coate, 1997, "An economic model of representative democracy." Quarterly Journal of Economics 112: 85-114.
- Torsten Persson and Guido Tabellini. 2000. <u>Political Economics: Explaining Economic Policy</u>. MIT Press. Chapters 3, 8 and 9.

1.4 05 Oct International Aid

- Abouharb, M. Rodwan, and David Cingranelli. 2006. "The Human Rights Effects of World Bank Structural Adjustment Lending, 1981-2000." *International Studies Quarterly* (June) 50: 233-262. http://www3.interscience.wiley.com/journal/118569715/abstract
- 2. Dambisa Moyo, 2009, Dead Aid Chapters 1 4.
- 3. William Easterly and Tobias Pfutze, "Where Does the Money Go? Best and Worst Practices in Foreign Aid" Journal of Economic Perspectives, Vol. 22, No.2, Spring 2008. http://www.nyu.edu/fas/institute/dri/Easterly/File/Where Does Money Go.pdf
- 4. James Vreeland and Adam Przeworski."The Effect of IMF Programs on Economic Growth "The Journal of Development Economics Vol. 62", No. 2, pp. 385-421, 2000. http://www.sciencedirect.com/science? ob=JournalURL& cdi=5936& auth=y& acct=C 000000152& version=1& urlVersion=0& userid=4423&md5=68e7318d89a5ee4c0b7af d2ee32adf79

Further Reading

- Ellen Johnson-Sirleaf and N. Oppenheimer (2008). Aid Is Good, Business Is Better. IHT.
- Alesina, A. and D. Dollar (2000). "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth*, 5, 33-64.
- Jean Paul Azam and Jean-Jacques Laffont. 2001. "Contracting for Aid" ARQADE Working Paper.
- Mosley, Paul (1988) "On Persuading a Leopard to Change His Spots: Optimal Strategies for Donors and Recipients of Conditional Development Aid" In *Toward a Political Economy of Development: A Rational Choice Perspective*, edited by Robert H. Bates, pp. 47-79. Berkeley, Los Angeles: University of California Press.
- Bill Easterly. 2003. "Can Foreign Aid Buy Growth" <u>Journal of Economic Perspectives</u>, 17 (3): 23-48. http://www.nyu.edu/fas/institute/dri/Easterly/File/EasterlyJEP03.pdf
- Michael Clemens, Steven Radelet, Rikhil Bhavnani. 2004. "Counting chickens when they hatch: The short-term effect of aid on growth" CGD Working Paper 44 http://www.cgdev.org/Publications/?PubID=130
- Barbara Stallings, "International Influence on Economic Policy: Debt, Stabilization, and Structural Reform." pp. 41-88
- Abouharb, M. Rodwan, and David Cingranelli. 2005. "When the World Bank Says Yes:
 Determinants of Structural Adjustment Lending," In Gustav Ranis, James Raymond Vreeland, and Stephen Kosack (eds.) Globalization And The Nation State: The Impact of The IMF and The World Bank. Routledge. Pp 204-230.

http://www.yale.edu/macmillan/globalization/abouhard.pdf

2 Going Micro: New research on development political economy

2.1 12 Oct Experimental and quasi experimental methods in Development Studies

- Duflo, Esther, Rachel Glennerster, and Michael Kremer, "Using Randomization in Development Economics Research: A Toolkit", http://econwww.mit.edu/files/806 http://www.nber.org/papers/t0333
- Deaton, A (2009) Instruments of development: Randomization in the tropics, and the search for the elusive keys to economic development, NBER Working Paper 14690. http://papers.nber.org/papers/w14690
- 3. Guido W. Imbens Better LATE Than Nothing: Some Comments on Deaton (2009) and Heckman and Urzua (2009) http://www.economics.harvard.edu/faculty/imbens/files/bltn_09apr10.pdf
- 4. Macartan Humphreys and Jeremy Weinstein. 2009. <u>"Field Experiments and the Political Economy of Development"</u> Annual Review of Political Science
- 5. "The Illusion of Learning from Observational Research." Alan S. Gerber, Donald P. Green, and Edward H. Kaplan. from *Problems and Methods in the Study of Politics, e*dited by Ian Shapiro, Rogers M. Smith, Tarek E. Masoud Cambridge University Press, 2004. http://www.yale.edu/isps/publications/Illusion.pdf

Note: RTs are to discuss their presentation with Macartan for this week.

Further Reading

• Levitt, Steve and John List. 2008. "Field Experiments in Economics: the Past, the Present and the Future", NBER Working Paper No. W14356)

2.2 19 Oct Political accountability and Information

- Bjorkman, Martina and Jakob Svensson (forthcoming), "Power to the People: Evidence from a Randomized Field Experiment of Community-Based Monitoring in Uganda", Quarterly Journal of Economics.
- 2. Tim Besley and Robin Burgess. (2002). "The Political Economy of Government Responsiveness: Theory and Evidence from India", *QJE*, 117(4). http://www.mitpressjournals.org/doi/pdf/10.1162/00335530232093506
- 3. Claudio Ferraz and Fred Finan. (2008). "Exposing Corruption politicians: The Effects of Brazil's Publicly Released Audits on Electoral Outcomes", QJE, 123(2), 703-745. http://www.mitpressjournals.org/doi/pdfplus/10.1162/qjec.2008.123.2.703
- 4. Tahir Andrabi, Jishnu Das and Asim Ijaz Khwaja. "Report Cards: The Impact of Providing School and Child Test-scores on Educational Markets" http://ksghome.harvard.edu/~akhwaja/papers/RC 08May09full.pdf

- José Tavaresa and Romain Wacziarg How democracy affects growth. European Economic Review, Volume 45, Issue 8, August 2001, Pages 1341-1378 http://linkinghub.elsevier.com/retrieve/pii/S0014292100000933
- Przeworski, Adam, and Fernando Limongi. "Political Regimes and Economic Growth." <u>Journal of Economic Perspectives</u> 7 (Summer 1993): 51-69.
 http://links.jstor.org/sici?sici=08953309%28199322%297%3A3%3C51%3APRAEG%3E2.0.CO%3B2-L [RTs can seek this data or, better, seek updated data]
- Acemoglu, Daron and James Robinson (2002), Chapters 1 and 2 <u>Economic Origins of</u> Dictatorship and Democracy.
- Timothy Besley, Rohini Pande, Vijayendra Rao"Just Rewards? Local Politics and Public Resource" Allocation in South India¤ http://econ.lse.ac.uk/staff/tbesley/papers/justrewards.pdf
- Dixit, Avinash, Gene M. Grossman and Faruk Gul. 2000. 'The Dynamics of Political Compromise.' *Journal of Political Economy*. 108(3): 531-568.
- Macartan Humphreys and Jeremy Weinstein. "Policing Politicians."
 http://www.columbia.edu/~mh2245/Scorecard/scorecard-paper-2008.pdf

2.3 26 Oct Redistributive Policies, Clientelism and Corruption

- 1. Avinash Dixit and John Londregan, "Redistributive Politics and Economic Efficiency." <u>American Political Science Review</u> 89 (December 1995): 856-866.
- 2. Leonard Wantchekon, "Clientelism and Voting Behavior: A Field Experiment in Benin." http://www.nyu.edu/gsas/dept/politics/faculty/wantchekon/research/client.pdf
- Daron Acemoglu and James Robinson, "Inefficient Redistribution." <u>American Political Science Review</u> 95 (September 2001): 649-661.
 http://journals.cambridge.org/bin/bladerunner?REQUNIQ=1094862648&REQSESS=3252 875&117000REQEVENT=&REQINT1=92478&REQAUTH=0
- 4. Fisman, Raymond (2001), "Estimating the Value of Political Connections." <u>American Economic Review</u> 91 (4), pp. 1095-1102. http://www-1.gsb.columbia.edu/faculty/rfisman/estimating the value.pdf
- 5. Olken and Barron. The Simple Economics of Extortion: Evidence from Trucking in Aceh http://www.nber.org/papers/w13145.pdf

- Ben Olken (2007). "Monitoring Corruption: Evidence from a Field Experiment in Indonesia", JPE, 115(2), 200-249. http://www.journals.uchicago.edu/doi/pdf/10.1086/517935
- Edward Miguel, Marco Manacorda, and Andrea Vigorito Government Transfers and Political Support http://elsa.berkeley.edu/~emiguel/pdfs/miguel-uruguay.pdf
- Asim Khwaja, and Atif Mian. (2005). "Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market", QJE, 120(4). http://ksghome.harvard.edu/~akhwaja/papers/KM PoliticalLendingApr05.pdf
- Daniel Triesman. 2000. <u>"The Causes of Corruption: A Cross-National Study." Journal of Public Economics</u>. 76 (3). <u>www.sscnet.ucla.edu/polisci/faculty/treisman/pages/causes.PDF</u>
- Li, H., L.C. Xu and H-F. Zou. "Corruption, Income Distribution, and Growth." <u>Economics and</u> Politics. 12(2000), 155-182.
- Alberto Ades; Rafael Di Tella "Rents, Competition, and Corruption," <u>The American Economic Review</u>, Vol. 89, No. 4. (Sep., 1999), pp. 982-993. http://links.jstor.org/sici?sici=0002-8282%28199909%2989%3A4%3C982%3ARCAC%3E2.0.CO%3B2-W
- Dal Bo, Ernesto. 2007. 'Bribing Voters' American Journal of Political Science. 51(4): 789-803.
- Alberto Alesina and Dani Rodrik. 1994. "<u>Distributive Politics and Economic Growth</u>."
 Quarterly Journal of Economics 109: 465-490.
- Bardan, Pranab. "Distributive Conflicts, Collective Action and Institutional Economics" in Meier, Gerald and Joseph Stiglitz. 2001. <u>Frontiers of Development Economics</u>. Washington: The World Bank..
- David Austen-Smith. 2000. "Redistributing Income under Proportional Representation."
 Journal of Political Economy 108: 1235-1269.
- Andrei Shleifer and Robert W. Vishny (1998) The Grabbing Hand: Government Pathologies and their Cures, Harvard University Press, Cambridge MA.
- Kevin M. Murphy, Andrei Shleifer and Robert W. Vishny. 1993. "Why Is Rent-Seeking So Costly to Growth?" <u>American Economic Review Papers and Proceedings</u> 83 (May): 409-414.

2 Nov University Holiday: Final paper designs should be handed in by today

2.4 09 Nov Ethnic politics and economic development

- 1. W. Easterly and R. Levine, 'Africa's Growth Tragedy: Policies and Ethnic Divisions'; Quarterly Journal of Economics, 112, 4 (1997), 1203-50.
- 2. Hammond and Axelrod. 2006. "The Evolution of Ethnocentrism." *Journal of Conflict Resolution* 50(6): 926-936. http://www-personal.umich.edu/~axe/research/Hammond%20and%20Axelrod%20JCR%2006.pdf
- 3. Habyarimana, James, Macartan Humphreys, Daniel Posner, and Jeremy Weinstein. (2007). "Why Does Ethnic Diversity Undermine Public Goods Provision? An Experimental Approach", APSR, 101(4), 709-725. http://www.columbia.edu/~mh2245/papers1/HHPW.pdf
- 4. Edward Miguel. (2004). "Tribe or Nation? Nation-building and Public Goods in Kenya versus Tanzania", World Politics, 56, 327-362. http://www.econ.berkeley.edu/~emiguel/miguel_nation.pdf

- Robert H. Bates, "Ethnicity in Contemporary Africa" Program in Eastern African Studies, Working Paper XIV, Maxwell School, Syracuse University, 1973.
- Dan Posner, 2003. "The Political Salience of Cultural Difference: Why Chewas and Tumbukas are Allies in Zambia and Adversaries in Malawi." UCLA: Working Paper.
 http://www.globalization-africa.org/papers_detail.php?Paper_ID=20
- Alesina, Alberto, Reza Baqir and William Easterly (1999). "Public Goods and Ethnic Divisions." <u>Quarterly Journal of Economics</u>, vol. 114(4), p. 1243-1284.
 http://www.worldbank.org/html/dec/Publications/Workpapers/wps2000series/wps2108/wps2108.pdf

2.5 16 Nov Violence

- 1. Blattman, Christopher and Edward Miguel. (2009). "Civil War", http://www.econ.berkeley.edu/~emiguel/pdfs/miguel_civilwar.pdf
- 2. Miguel, E., S. Satyanath and E. Sergenti (2004), "Economic Shocks and Civil Conflict: An Instrumental Variables Approach," Journal of Political Economy, 112(4), 725-753.
- 3. Collier, Paul. 1999a. "On the Economic Consequences of Civil War." Oxford Economic Papers. 51, pp. 168-83.
- 4. Håvard Hegre, Gudrun Østby, and Clionadh Raleigh Poverty and Civil War Events: A Disaggregated Study of Liberia Journal of Conflict Resolution 2009 53: 598-623. http://jcr.sagepub.com/cgi/reprint/53/4/598
- JD Fearon, DD Laitin. 2003. Ethnicity, insurgency, and civil war. American Political Science Review, 2003. http://journals.cambridge.org/abstract S0003055403000534

- Bates, Robert H., Avner Greif and Smita Singh. "Organizing Violence." Journal of Conflict Resolution 46(5), October 2002, 599-628.
 <a href="http://www.ingenta.com/isis/browsing/AllIssues?journal=infobike://sage/j222&displayLogin=true&source=EasyLink&redirectTo=/browsing/AllIssues%3fjournal=infobike://sage/j222
- Volkov, V. 1999. "Violent entrepreneurship in post-communist Russia." <u>Europe-Asia Studies</u> 51: 741-754. <u>www.stanford.edu/group/Russia20/volumepdf/Volkov.pdf</u>
- James Fearon and David Laitin. 2003. "Ethnicity, Insurgency and Civil Wars" <u>American</u> Political Science Review.
- Nicholas Sambanis, 2004 Poverty and the Organization of Political Violence: A Review and Some Conjectures http://www.brook.edu/es/commentary/journals/tradeforum/papers/200405 sambanis.pdf
- Jean-Paul Azam. 2000. "Looting and Conflict Between Ethno-Regional Groups." Working Paper. ARQADE/World Bank.
- Collier, Paul and Anke Hoeffler. 2000b. "Aid, Policy and Peace." Working Paper. World Bank.

2.6 23 Nov Aid interventions and participation

- Khwaja, Asim Ijaz <u>Can Good Projects Succeed in Bad Communities?</u> Forthcoming, <u>Journal of Public Economics</u>.
 - http://ksghome.harvard.edu/~akhwaja/papers/Balt30Sept08Final merge.pdf
- 2. Khwaja, Asim Ijaz. 2004. <u>Is Increasing Community Participation Always a Good Thing?</u>
 <u>Journal of the European Economic Association</u>, Apr-May (2-3):427-436.
 http://ksghome.harvard.edu/~akhwaja/papers/JEEAfinal.pdf
- 3. Ben Olken. February 2007 Political Institutions and Local Public Goods: Evidence from a Field Experiment in Indonesia http://www.povertyactionlab.org/papers/18 Miguel Networks and Technology.pdf
- 4. Humphreys, Masters, and Sandbu. 2006. "The Role of Leaders in Democratic Deliberations: Results from a Field Experiment in São Tomé and Príncipe." World Politics 58(4). http://www.columbia.edu/~mh2245/papers1/wp2007/

Further Reading

James Fearon, Macartan Humphreys and Jeremy Weinstein. 2009 "Can Development Aid Contribute to Social Cohesion After Civil War? Evidence from a Field Experiment in Post-Conflict Liberia" American Economic Review http://www.columbia.edu/~mh2245/papers1/aer2009.pdf

2.7 30 Nov Environment and politics

- 1. Thomas Dietz, Elinor Ostrom, Paul C. Stern, The Struggle to Govern the Commons. Science. http://www.richsobel.com/pdfs/GovernTheCommons.pdf
- Arun Agrawal and Ashwini Chhatre. "State Involvement and Forest Co-Governance: Evidence from the Indian Himalayas Journal." Studies in Comparative International Development. Volume 42, Numbers 1-2 / June, 2007 67-86. http://www.springerlink.com.monstera.cc.columbia.edu:2048/content/k4wu0078l02g05j6/
- 3. Jamie Elizabeth Jacobs Community Participation, the Environment, and Democracy: Brazil in Comparative Perspective *Latin American Politics and Society*, Vol. 44, No. 4 (Winter, 2002), pp. 59-88 http://www.jstor.org.monstera.cc.columbia.edu:2048/stable/3176995
- Richard A. Schroeder. 1999. Geographies of environmental intervention in Africa.
 Progress in Human Geography 23,3 (1999) pp. 359-3 78.
 http://phg.sagepub.com.monstera.cc.columbia.edu:2048/cgi/content/abstract/23/3/359
- 5. TBD

- Meredith Giordano, Mark Giordano, and Aaron Wolf, The geography of water conflict and cooperation: internal pressures and international manifestations? The Geographical Journal, 168:4, December 2002, 293-213
- Elinor Ostrom, Joanna Burger, Christopher B. Field, Richard B. Norgaard, David Policansky, Revisiting the Commons: Local Lessons, Global Challenges?, *Science*, 284 (April 1999), 278-282

3 Topics Menu (Two of which are to be selected by the class)

Note 14 December class will be rescheduled, probably for 11 December

3.1 Some Debates

- 1. Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development" NBER WP 9305, October 2002. http://ideas.repec.org/p/nbr/nberwo/9305.html
- 2. Sachs, Jeffrey. 2003, "Institutions Don't Rule: Direct Effects of Geography on Per Capita Income." NBER Working Paper 9490 (Cambridge, Massachusetts: National Bureau of Economic Research). http://www.nber.org/papers/9490
- 3. Easterly, William, and Ross Levine, 2002, "Tropics, Germs and Crops: How Endowments Influence Economic Development." NBER Working Paper 9106 (Cambridge, Massachusetts: National Bureau of Economic Research). http://www.nber.org/papers/W9106
- 4. Démurger, Sylvie, and others, 2002, "Geography, Economic Policy, and Regional Development in China." Asian Economic Papers, Vol. 1 (Winter), pp. 146–97.

3.2 Rival Goals, Rival Paths

- Robert H. Bates, John H. Coatsworth, Jeffrey G. Williamson. 2009. "Lost decades: Lessons from post independence Latin America for Today's Africa" http://www.economics.harvard.edu/faculty/williamson/files/w12610.pdf
- 2. T. N. Srinivasan "China and India: Economic Performance, Competition and Cooperation An Update"
 - http://www.econ.yale.edu/~srinivas/C&I%20Economic%20Performance%20Update.pdf
- 3. Krugman, Paul. "The Myth of Asia's Miracle." <u>Foreign Affairs</u> 73, (Nov/Dec 1994): 62-78. http://web.mit.edu/krugman/www/myth.html
- 4. Amartya Sen. 1999. <u>Development as Freedom</u>, New York: Anchor Books. Chapters 1 and 2.

- UNDP. "Calculating the Human Development Indices." Technical Notes to the 2004 HDR. http://hdr.undp.org/docs/statistics/indices/technote 1.pdf
- Deepak Lal. 1996. "From Planning to Regulation: Toward a New Dirigisme?" <u>The Cato Journal</u> 17(2) http://www.cato.org/pubs/journal/cj17n2-6.html
- Albert Hirschman. 1968. "Political Economy of Import Substituting Industrialization in Latin America." <u>Quarterly Journal of Economics</u> 82:1 (February) 1-32 http://links.jstor.org/sici?sici=0033-5533%28196802%2982%3A1%3C1%3ATPEOII%3E2.0.CO%3B2-1
- Deepak Lal. 1985. "The Misconceptions of 'Development Economics." <u>Finance and Development</u> (June):10-13.

- Williamson, John. 2000. "What Should the World Bank Think about the Washington Consensus?" <u>The World Bank Research Observer</u> 15, 2 (Aug): 251-64.
 www.worldbank.org/research/journals/wbro/obsaug00/pdf/(6)Williamson.pdf
- Shahid, Yusuf, et. al. "Innovative East Asia: The Future of Growth." Chap. 4 in <u>The Transition</u> to <u>Innovative Economies in East Asia</u> Washington: World Bank, 2003.
- Stephan Haggard, <u>Pathways from the Periphery</u>, Chapters 1-2
- Gary Gerefi, "Rethinking Development Theory: Insights from East Asia and Latin America." in <u>Comparative National Development</u> edited by A Douglas Kincaid and Alejandro Portes, pp. 26-56.

3.3 Inequality

- 1. Acemoglu, Daron and James A. Robinson. 2006. *Economic Origins of Dictatorship and Democracy*. Cambridge, U.K.: Cambridge University Press: chapters 8-9.
- Abhijit Banerjee and Esther Duflo. (2003). "Inequality and Growth: What Can the Data Say?" Journal of Economic Growth, 8(3), 267-299. http://www.springerlink.com/content/h112582107706717/fulltext.pdf
- 3. Alesina, Alberto and Dani Rodrik. 1994. 'Distributive Politics and Economic Growth.' <u>QJE</u>. 109(2): 465-490.
- 4. Persson, Torsten and Guido Tabellini. 1994. 'Is Inequality Harmful for Growth?' <u>AER</u>. 84(3): 600-621.
- 5. Benabou, Roland., 1996. "Inequality and Growth." in NBER Working Paper 5658. http://www.wws.princeton.edu/rbenabou/w5658.pdf

- Aghion, Philippe, Caroli, Eve and Garcia-Penalosa, Cecilia (1999). Inequality and economic growth: the perspective of the new growth theories. <u>Journal of Economic Literature</u>, 37(4), December, 1615-1660. http://ideas.repec.org/a/aea/jeclit/v37y1999i4p1615-1660.html
- Barro, Robert., "Inequality and Growth in a Panel of Countries." Journal of Economic Growth, 5(2000), 5-32. post.economics.harvard.edu/ faculty/barro/papers/p inequalitygrw.pdf
- Easterly, William. "The Political Economy of Growth Without Development: A Case Study of Pakistan" in Dani Rodrik. 2003. <u>In Search of Prosperity: Analytic Narratives on Economic Growth</u>. Princeton: Princeton University Press.
- Angus Deaton, 2003. "Health, Inequality, and Economic Development"
 Journal of Economic Literature, March 2003, v. 41, iss. 1, pp 113-158
- Forbes, K.J. 2000. "A Reassessment of the Relationship Between Inequality and Growth."
 American Economic Review, 90(2000), 869-887.
- Persson, T. and G. Tabellini, "Is Inequality Harmful for Growth?" American Economic Review, 84(1994), 600-621.
- Alberto Alesina and Roberto Perotti. 1996. "Income Distribution, Political Instability, and Investment." European Economic Review.
- Roberto Perotti. 1996. "Growth, Income Distribution, and Democracy: What the Data Say." Journal of Economic Growth 1: 149-187.

• Xavier Sala-i-Martin. "The World Distribution of Income." www.nber.org/papers/w8933.pdf http://www.columbia.edu/~xs23/papers/WorldDistribution.htm

3.4 Management of Natural Resources

- Ricky Lam and Leonard Wantchekon, 2003. "Political Dutch Disease." NYU Working Paper: http://www.nyu.edu/gsas/dept/politics/faculty/wantchekon/research/lr-04-10.pdf
- 2. Humphreys Sachs and Stiglitz Introduction and Conclusion to *Escaping the Resource Curse*
 - http://www.columbia.edu/~mh2245/papers1/erc01.pdf http://www.columbia.edu/~mh2245/papers1/erc12.pdf
- 3. Xavier Sala-i-Martin and Arvind Subramanian. 2003. "Addressing the Natural Resource Curse: An Illustration from Nigeria" June 2003. Arvind Subramanian, NBER Working Paper No. w9804 http://papers.nber.org/papers/W9804
- 4. Michael Ross. 2003. "What do we know about natural resources and civil wars?" <u>Journal of Peace Research. www.polisci.ucla.edu/faculty/ross/whatdoweknow.pdf</u>

3.5 Trade Policy

- 1. Gene Grossman and Elhanan Helpman. 1994. "Protection for Sale." <u>American Economic</u> Review 84: 833-850.
- 2. Robert H. Bates. 1984. <u>Markets and States in Tropical Africa</u>. University of California Press.
- 3. Fernandez, Raquel and Dani Rodrik. 1991. "Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty." AER 81 No. 5.

Further Reading

- Sahn, David, Paul Dorosh and Stephen Younger <u>Structural Adjustment Reconsidered</u> (Cambridge: Cambridge University Press 1997), Chapter 3.
- David Leblang. 2000. "To Devalue or Not to Devalue? The Political Economy of Exchange Rate Policy." http://www.courses.fas.harvard.edu/~gov2160/syllabus/Leblang.pdf
- Alícia Adserà and Carles Boix. "<u>The Political Economy of Trade and Economic Integration: A</u>
 Review Essay." Working Paper. University of Chicago.
- Kishore Gawande and Usree Bandyopadhyay, "Is Protection for Sale? Evidence on the Grossman-Helpman Theory of Endogenous Protection." Review of Economics and Statistics 82 (2000): 139-152.
- Alt, James, Jeffry Frieden, Michael Gilligan, Dani Rodrik and Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry." Comparative Political Studies, 29: 689-717.

3.6 Being a Dictator

1. Myerson, Roger B. 2008. 'The Autocrat's Credibility Problem and Foundations of the Constitutional State.' *American Political Science Review*. 102(1): 125-139.

- 2. Lust-Okar, Ellen. 2004. 'Divided They Rule: The Management and Manipulation of Political Opposition.' *Comparative Politics*. 36(2): 159-179.
- 3. Besley, Timothy and Masayuki Kudamatsu. 2007. 'Making Autocracy Work.' London School of Economics http://econ.lse.ac.uk/staff/tbesley/papers/maw.pdf
- 4. Gandhi, Jennifer and Adam Przeworski. 2006. 'Cooperation, Cooptation, and Rebellion under Dictatorship.' *Economics and Politics*. 18(1): 1-26.

Further Reading

- Acemoglu, Daron, Georgy Egorov and Konstantin Sonin. 2007. 'Coalition Formation in Nondemocracies.' MIT mimeo. (E. forthcoming in the Review of Economic Studies.)
- Boix, Carles and Milan Svolik. 2008. 'The Foundations of Limited Authoritarian Government: Institutions and Power-sharing in Dictatorship.' University of Illinois at Urbana-Champaign Mimeo.
- Acemoglu, Daron, James A. Robinson and Thierry Verdier. 2004. 'Kleptocracy and Divideand-Rule: A Model of Personal Rule.' Alfred Marshall Lecture, *Journal of* the European Economic Association, April-May 2(2-3): 162-192.
- Egorov, Georgy and Konstantin Sonin. 2006. 'Dictators and their Viziers: Endogenizing the Loyalty-Competence Trade-off.' http://ssrn.com/abstract=630503

3.7 The Politics of Privatization and Investment

- 1. Stiglitz, Joseph. 1997. "The Role of Governments in the Economies of Developing Countries" in Edmond Malinvaud et al, 1997. <u>Development Strategy and the Management of the Market Economy</u>, Volume 1. Oxford: Clarendon Press.
- 2. Roemer, John. 1994. A Future for Socialism? Cambridge: Harvard University Press.
- 3. Pablo T. Spiller 1995. "Regulatory commitment and utilities' privatization: implications for future comparative research." in Jeffrey S. Banks, Eric Allen Hanushek 1995. Modern Political Economy. Cambridge, Cambridge University Press.
- 4. Robinson, James A. and Ragnar Torvik. 2005. 'White Elephants.' *Journal of Public Economics* 89(2-3): 197-210.

- John Waterbury. The Heart of the Matter? Public Enterprise and the Adjustment Process" in Haggard, Stephen and Robert R. Kaufman. <u>The Politics of Economic Adjustment</u>, Princeton: Princeton University Press.
- Bernardo Bortolotti and Paolo Pinotti. 2003. The Political Economy of Privatization FEEM Working Paper. http://www.feem.it/NR/rdonlyres/8EE08695-A066-46E2-835F-F0498D3BFA54/732/4503.pdf
- Barzel, Yoram. 1990. <u>Economic Analysis of Property Rights</u>. Cambridge: Cambridge University Press.
- Oliver C. Campbell White and Anita Bhatia. 1998. <u>Privatization in Africa</u>. Directions in Development series, World Bank, Washington, D.C.
- Coase, Ronald. 1960. "The Problem of Social Cost." <u>Journal of Law and Economics</u>

3.8 Legal Reform

- 1. La Porta, Rafael, Florencio Lopez-de-Silanes, Andrei Shleifer, and Robert W. Vishny. "Law and Finance." <u>Journal of Political Economy</u>, 106, 6 (December 1998): 1113-1155.
- Daniel Berkowitz, Karina Pistor, Jean-Francois Richard 2001. "Economic Development, Legality, and the Transplant Effect" William Davidson Institute Working Papers Series http://ideas.repec.org/p/wdi/papers/2001-410.html
- 3. Alford, William.2000. "The More Law, the More . . .? Measuring Legal Reform in the People's Republic of China." Center for Research on Economic Development and Policy Reform: WP: 59, Stanford. (August) http://credpr.stanford.edu/publications/abstracts.html#58
- 4. Ann Seidman and Robert B. Seidman. "Drafting Legislation for Development: Lessons from a Chinese Project" 44 A.J.Comp. L. 101 (1996)

3.9 Agriculture

- 1. Baland, Jean-Marie and James A. Robinson (2008), "Land and Power: Theory and Evidence from Chile," <u>American Economic Association</u>, pp. 1737-65.
- Engerman, Stanley L. and Kenneth L. Sokoloff. 1997. 'Factor Endowments, Inequality, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States' in Stephen Haber. ed. *How* Latin America Fell Behind: Essays on the Economic Histories of Brazil and *Mexico*, 1800-1914. Stanford, CA: Stanford University Press.
- 3. Eswaran, M. and A. Kotwal. 1986. "Access to Capital and Agrarian Production Organization." <u>Economic Journal</u>, 96, 482-98.

Further Reading

- Philip T. Hoffman. 1988. "Institutions and Agriculture in Old Regime France." Politics and Society 16, 2-3:246-64.
- Robert H. Bates. "Some Conventional Orthodoxies in the Study of Agrarian Change." California Institute of Technology, Social Science Working Paper 458, December 1983.
- Ashutosh Varshney, "Ideas, Interest and Institutions in Policy Change: Transformation of India's Agricultural Strategy in the mid-1990s." Policy Sciences (22): 289-323
- J. A. Yelling, Common Field and Enclosure in England, 1450-1850 (London: Archon, 1977).
- C. Peter Timmer, "The Turnip, the New Husbandry, and the English Agricultural Revolution." Quarterly Journal of Economics 83 (1969):375-396.

3.10 Health

- 1. Rebecca Thornton. (2008). "The Demand for, and Impact of, Learning HIV Status", AER, 98(5), 1829-1863.
 - http://wwwpersonal.umich.edu/~rebeccal/Thornton%20HIV%20Testing.pdf
- 2. Lieberman book

- Hazem Adam Ghobarah, Paul Huth, Bruce Russett.2 004. "Comparative Public Health: The Political Economy of Human Misery and Well-Being." <u>International Studies</u> <u>Quarterly</u>. 48: 1
- 4. Alex de Waal. 2003. "How will HIV/ AIDS transform African Governance?" in: Africa Affairs 102: 1-23.

Further Reading

- Jones, Jennifer. 2004. "The End is Nigh: The Varied Responses of African States to AIDS"
 Paper presented at the annual meeting of American Political Science Association Hilton
 Chicago and the Palmer House Hilton, Chicago, IL.
 <a href="mailto:archive.allacademic.com/publication/getfile.php?file=docs/apsa_proceeding/2004-08-31/28655/apsa_proceeding_28655.PDF&PHPSESSID=6d3655a746c0e0d59ae7fc8ec3d09a3e
- Samantha Power. 2003. "The AIDS Rebel." in: The New Yorker, 19 May 2003.
- Mark Schoofs. 1999. Aids: The Agony of Africa. www.villagevoice.com/specials/africa

3.11 Leaders and Decision making

- 1. Chattopadhyay, Raghabendra and Esther Duflo (2004), "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India," <u>Econometrica</u> 72(5): 1409-1443.
- 2. Pande, Rohini, "Can Mandated Political Representation Provide Disadvantaged Minorities Policy Influence? Theory and Evidence from India," <u>American Economic Review</u>, September 2003, 93(4): pp. 1132-1151.
- 3. Jones, Ben and Ben Olken, "Do Leaders Matter? National Leadership and Growth since World War II" Vol. 120(3) pp. 835-864.

Further Reading

• Jones, Ben and Ben Olken, "Hit or Miss? The Effect of Assassinations on Institutions and War", http://www.nber.org/~bolken/assassinations.pdf