

Development Economics

Summer term 2024

Prof. Dr. Jürgen Bitzer and Prof. Dr. Erkan Gören

Course Meeting Time and Place:

Monday, 10:00 – 12:00 o'clock in room A05 1-159
Starts: 8th April 2024, ends: 1st July 2024.

Seminar (block seminar): Discussion of topics and date: Monday, 8th April 2024, during the first lecture.

Content

“Why are some countries rich and others poor?” is the question at the heart of the research on economic growth and development. The module introduces the students to the current challenges of developing countries and the strategies to overcome them. The module will focus on the empirical research on developing countries, addressing the reasons for the sluggish development as well as the applied approaches to foster economic development. The course covers critical insights on the micro- and macroeconomic challenges of successful economic development policy and programs across the developing world. Due to the interdisciplinary subject of development policy, the course brings together insights from economics, geography, health sciences, political sciences, psychology, and sociology. These insights are complemented with the most recent research practice through the exposition and discussion of leading academic articles in the field.

Structure of the course and prerequisites

The lecture is mainly devoted to the empirical findings on the determinants of economic growth and follows largely the book of Todaro and Smith (2020). In the seminar current research papers on topics like poverty, conflicts, foreign aid, health, human capital and institutions in developing countries will be discussed. Each student has to present a paper from the list given below. The topics are distributed during the first lecture. The

seminar deals with actual empirical research on economic growth, which requires a sound knowledge of mathematics and econometrics.

Grading

The final grade consists of a formal presentation with written elaboration and discussion of a peer-reviewed research article in the field of development economics (selected from the reading list below) at the end of the summer term – the exact date will be communicated during the course. Each presentation should last about 20 minutes and should be accompanied by slides followed by a discussion of up to 10 minutes. All students have to upload their slides prior to the start of the oral presentations on Stud.IP. The written elaboration should be up to 20 pages (including, references, tables, etc.). In the presentation and the written elaboration, students are required to critically assess the motivation, context and background, data, methodology, findings, and contribution of the research article of their choice.

Literature for the lecture

Michael P. Todaro and Stephen C. Smith (2020): *Economic Development*, 13th Edition, Pearson: New York.

Further literature on economic growth

Acemoglu, Daron (2009): *Introduction to Modern Economic Growth*. Princeton University Press: Princeton.

de Janvry, Alain and Elisabeth Sadoulet (2021): *Development Economics: Theory and Practice*, 2nd Edition, Routledge: New York.

Söderbom, Måns, Francis Teal, Markus Eberhardt, Simon Quinn and Andrew Zeitlin (2015): *Empirical Development Economics*, Routledge: New York.

Reading list for the seminar

The Political Economy of Ethnic Cleavages

Bazzi, Samuel, and Gudgeon, Matthew (2021): The Political Boundaries of Ethnic Divisions, in: *American Economic Journal: Applied Economics*, Vol. 13, pp. 235–266.

Mueller, Hannes and Rohner, Dominic and Schönholzer, David (2022): Ethnic Violence Across Space, in: *The Economic Journal*, Vol. 132, pp. 709–740.

Desmet, Klaus and Gomes, Joseph Flavian and Ortuño-Ortín, Ignacio (2020): The Geography of Linguistic Diversity and the Provision of Public Goods, in: *Journal of Development Economics*, Vol. 143, pp. 102384.

Di Miceli, Andrea (2018): Chasing the Key Player: A Network Approach to the Myanmar Civil War, in: *Working Paper*, [click here for download](#).

International Migration

Foged, Mette, and Peri, Giovanni (2015): Immigrants' Effect on Native Workers: New Analysis on Longitudinal Data, in: *American Economic Journal: Applied Economics*, Vol. 8, pp. 1–34.

Health Economics

Lowes, Sara, and Montero, Eduardo (2021): The Legacy of Colonial Medicine in Central Africa, in: *American Economic Review*, Vol. 111, pp. 1284–1314.

Fogli, Alessandra, and Veldkamp, Laura (2021): Germs, Social Networks, and Growth, in: *Review of Economic Studies*, Vol. 88, pp. 1074–1100.

Gomes, Joseph Flavian (2020): The Health Costs of Ethnic Distance: Evidence from Sub-Saharan Africa, in: *Journal of Economic Growth*, Vol. 25, pp. 195–226.

Halliday, Timothy J., and Lynham, John, and de Paula, Áureo (2019): VOG: Using Volcanic Eruptions to Estimate the Health Costs of Particulates, in: *Economic Journal*, Vol. 129, pp. 1782–1816.

Conflicts

Chiovelli, Giorgio, and Michalopoulos, Stelios, and Papaioannou, Elias (2019): Landmines and Spatial Development, in: *NBER working paper 24758*, Vol. 25, pp. 195–226.

McGuirk, Eoin, and Burke, Marshall (2020): The Economic Origins of Conflict in Africa, in: *Journal of Political Economy*, Vol. 128, pp. 3940–3997.

Rogall, Thorsten (2021): Mobilizing the Masses for Genocide, in: *American Economic Review*, Vol. 111, pp. 41–72.

Foreign Aid

Crost, Benjamin, and Felter, Joseph, and Johnston, Patrick (2014): Aid Under Fire: Development Projects and Civil Conflict, in: *American Economic Review*, Vol. 104, pp. 1833–1856.

Duflo, Esther, and Rema, Hanna, and Ryan, Stephen P. (2012): Incentives Work: Getting Teachers to Come to School, in: *American Economic Review*, Vol. 102, pp. 1241–1278.

The Environment and Development

Burzyński, Michał, and Deuster, Christoph, and Docquier, Frédéric, and de Melo, Jaime (2022): Climate Change, Inequality, and Human Migration, forthcoming in: *Journal of*

the European Economic Association.

Cavalcanti, Tiago and Da Mata, Daniel and Toscani, Frederik (2019): Winning the Oil Lottery: The Impact of Natural Resource Extraction on Growth, in: *Journal of Economic Growth*, Vol. 24, pp. 79–115.

Nation-Building Policies

Alesina, A., Giuliano, P., and Reich, B. (2021). Nation-Building and Education, in: *The Economic Journal*, Vol. 131, pp. 2273–2303.

Blouin, A. and Mukand, S. W. (2019): Erasing Ethnicity? Propaganda, Nation Building, and Identity in Rwanda, in: *Journal of Political Economy*, Vol. 127, pp. 1008–1062.

Dell, M. and Querubin, P. (2017): Nation Building Through Foreign Intervention: Evidence from Discontinuities in Military Strategies, in: *The Quarterly Journal of Economics*, Vol. 133, pp. 701–764.

Depetris-Chauvin, E., Durante, R., and Campante, F. (2020): Building Nations through Shared Experiences: Evidence from African Football. in: *American Economic Review*, Vol. 110, pp. 1572–1602.

Assouad, Lydia (2021): Charismatic Leaders and Nation-Building, in: *Working Paper*, [click here for download](#).

Alan, Sule and Duysak, Enes and Kubilay, Elif and Mumcu, Ipek (2021): Social Exclusion and Ethnic Segregation in Schools: The Role of Teacher’s Ethnic Prejudice, in: *Review of Economics and Statistics*, forthcoming.

Expulsion and Population Exchange

Arbatlı, Cemal Eren and Gokmen, Gunes (2022): Human Capital Transfers and Sub-National Development: Armenian and Greek Legacy in Post-Expulsion Turkey, in: *Journal of Economic Growth*, Vol. 28, pp. 1–43.

Grosfeld, Irena and Sakalli, Seyhun Orcan and Zhuravskaya, Ekaterina (2020): Middleman Minorities and Ethnic Violence: Anti-Jewish Pogroms in the Russian Empire, in: *The Review of Economic Studies*, Vol. 87, pp. 289–342.

Buggle, Johannes and Mayer, Thierry and Sakalli, Seyhun Orcan and Thoenig, Mathias (2023): The Refugee’s Dilemma: Evidence from Jewish Migration out of Nazi Germany, in: *The Quarterly Journal of Economics*, Vol. 138, pp. 1273–1345.

Human Capital

Becker, Sascha O., and Grosfeld, Irena, and Grosjean, Pauline, and Voigtländer, Nico, and Zhuravskaya, Ekaterina (2020): Forced Migration and Human Capital: Evidence

from Post-WWII Population Transfers, in: *American Economic Review*, Vol. 110, pp. 1430–1463.

Jedwab, Remi, and Meier zu Selhausen, Felix, and Moradi, Alexander (2021): Christianization Without Economic Development: Evidence from Missions in Ghana, in: *Journal of Economic Behavior and Organization*, Vol. 190, pp. 573–596.

Urban Economics

Ambrus, Attila, and Field, Erica, and Gonzalez, Robert (2020): Loss in the Time of Cholera: Long- Run Impact of a Disease Epidemic on the Urban Landscape, in: *American Economic Review*, Vol. 110, pp. 475–525.

Accessibility

Flückiger, Matthias and Hornung, Erik and Larch, Mario and Ludwig, Markus and Mees, Allard (2022): Roman Transport Network Connectivity and Economic Integration, in *The Review of Economic Studies*, Vol. 89, pp. 774–810.

Jedwab, Rémi, and Storeygard, Adam (2022): The Average and Heterogeneous Effects of Transportation Investments: Evidence from Sub-Saharan Africa 1960-2010, in: *Journal of the European Economic Association*, Vol. 20, pp. 1–38.

Storeygard, Adam (2016): Farther on down the Road: Transport Costs, Trade and Urban Growth in Sub-Saharan Africa, in: *Review of Economic Studies*, Vol. 83, pp. 1263–1295.

Long-run Effects of WWII Destruction

Akbulut-Yuksel, Mevlude (2014): Children of War: The Long-Run Effects of Large-Scale Physical Destruction and Warfare on Children, in: *Journal of Human Resources*, Vol. 49, pp. 634–662.

Akbulut-Yuksel, Mevlude and Okoye, Dozie and Yuksel, Mutlu (2020): Social Changes in Impressionable Years and Adult Political Attitudes: Evidence from Jewish Expulsions in Nazi Germany, in: *Economic Inquiry*, Vol. 58, pp. 184–208.

Adena, Maja, and Enikolopov, Ruben, and Petrova, Maria, and Voth, Hans-Joachim (2021): Bombs, Broadcasts and Resistance: Allied Intervention and Domestic Opposition to the Nazi Regime during World War II, in: *Working Paper*, [click here for download](#).

Bianchi, Nicola, and Giorcelli, Michela (2023): Reconstruction Aid, Public Infrastructure, and Economic Development: The Case of the Marshall Plan in Italy, in: *The Journal of Economic History*, Vol. 83, pp. 501–537.

Heldring, Leander and Robinson, James A. and Whitfill, Parker (2022): The Second World War, Inequality and the Social Contract in Britain, in: *Economica*, Vol. 89, pp. S137–S159.

Quantitative Spatial Economics

Ahlfeldt, Gabriel and Redding, Stephen J. and Sturm, Daniel M. and Wolf, Nikolaus (2015): The Economics of Density: Evidence from the Berlin Wall, in *Econometrica*, Vol. 83, pp. 2127–2189.

Carvalho, Vasco M. and Nirei, Makoto and Saito, Yukiko U. and Tahbaz-Salehi, Alireza (2021): Supply Chain Disruptions: Evidence from the Great East Japan Earthquake, in *The Quarterly Journal of Economics*, Vol. 136, pp. 1255–1321