Course Description

This course focuses on the links between politics and economic development. It will discuss how institutional factors shape poverty and economic growth, and how economic factors influence institutions and political instability. We will study, among others: the legacy of historical institutions on economic performance; the role of political leaders and the determinants of democratization; the causes and consequences of civil wars; the impacts of international aid. The goal of the course is to introduce key theoretical concepts and develop the policy analysis skills needed to understand and assess key arguments advanced in the broad field of political economy of development. Because both research and policy making is increasingly using micro-data, the course will be oriented toward recent empirical evidence and empirical methods. These methods will be introduced and critically discussed throughout the course, through the study of cutting-edge research papers.

Syllabus

Textbooks / Pre-requisite

The course does not follow any existing textbook and is open to students with a little background in economics and econometrics. However, as it is strongly applied-oriented, and based on the reading and presentation of empirical papers, some understanding of statistical methods is much appreciated.

Grading

The grading will be based on (a) a paper + in-class discussion (40%, in small groups – depending on the number of students enrolled) (b) a final, closed-book exam (60%, individual). Students’ presentation will take place at the end of each topic.
TENTATIVE OUTLINE

Note: this syllabus is subject to changes; in particular, the list of readings will be updated before the start of the course.

Readings: the main readings for each lecture are marked with a (*). Papers that can be chosen for the presentation are marked with a (P).

Lecture 1 (February 20 -18:15) Room S7

Introduction and statistical tools

I will introduce the topics covered in the course, discuss some recent statistics and provide a broad overview of the empirical methods used in the field of political economy of development.

Lectures 2-3 (February 21-10:15, March 5 – 18:15) Room S7

History and Persistence

Does history matter for development? If so, how and why? In this lecture, we will discuss a strand of the economic literature that argues that historical events have persistent effects on economic development. A focus will be given to the role of institutions. We will discuss the African case specifically, in particular the contemporaneous legacies of colonial and precolonial institutions.

Readings
- N. Nunn, “The Long-Term Effects of Africa’s Slave Trade”, Quarterly Journal of Economics
Lectures 4-5 (March 6 – 10:15, March 19 – 18:15) Room S7

Institutional change and dictatorships

Why are some countries democratic, not others? What drives institutional change? In these lectures we will study the drivers of democratization. We will discuss the Acemoglu-Robinson argument that democratization is for the elite in power a way to commit to future redistributive policies in presence of a revolution threat. In the second part of the lecture, we will look at the role of leaders for economic performance.

Readings

Lectures 6-7 (March 20 – 10:15, April 2 – 18:15) Room S7

Causes of conflicts

Since world war II, a third of the world’s countries have been affected by civil conflicts. Wars are seen by economists as reflecting bargaining failures. But what cause bargaining to fail? Are wars always rational? In these lectures, we will discuss the determinants of wars, with a particular focus on civil conflicts and on their economic determinants.

Readings
- C. Blattman and E. Miguel (2010), “Civil war”, Journal of Economic Literature
Lecture 8 (April 3 – 10:15) Room S7

Consequences of conflicts

Conflict potentially have multiple impacts, on economic activity, but also on trust, health, investment and many other dimensions of our economies. Here we will discuss these consequences, and what can be done to limit the negative consequences of war.

Readings

- (*) C. Blattman and E. Miguel (2010), “Civil war”, Journal of Economic Literature
- (P) J. Cilliers, O. Dube and B. Siddiqi (2016), “Reconciling after civil conflict increases social capital but decreases individual well-being”, Science
- (P) M. Guidolin and E. La Ferrara (2007) “Diamonds are forever, wars are not: is conflict bad for private firms?”, American Economic Review

Lectures 9-10 (April 23 - 18:15-April 24 – 10:15) Room S7

Political economy of natural resources

Countries “blessed” with high endowments of natural resources are often characterized by poor economic performance – the so called “natural resource curse”. Why do natural resources seem so detrimental? Research has shown that the answer to this question seems to be on the political rather than the economic side.

Readings

- (*) F. van der Ploeg (2011), “Natural resources: curse or blessing?”, Journal of Economic Literature
- M. Ross (2015), “What have we learned about the resource curse?”, Annual Review of Political Science
Lecture 11 (May 7 – 18:15) Room S7

Corruption

How do we measure corruption? What are the impacts of corruption? How can we fight it?

Readings

Lecture 12 (May 8 – 10:15) Room S8

Development aid

We will study the politics of foreign aid and discuss the various impacts of aid.

Readings

Lecture 13 (May 15 - 10:15) Room S8
Catch-up, Q&A and presentations
Lecture 14 (May 29 - 10:15) Room S7
Final Exam