

ECONOMICS 871
COURSE OUTLINE
ADVANCED DEVELOPMENT ECONOMICS 871
FIRST SEMESTER 2021

Lecturers: Prof. Servaas van der Berg (svdb@sun.ac.za; tel. 021 808 2239)
Prof Ronelle Burger (rburger@sun.ac.za; tel 021 808 3106)
Dr Marisa von Fintel (marisavonfintel@sun.ac.za), tel 021 808 2481

Internal moderator: Dr FK Siebrits

Aims and outcomes

This course is designed for students who have completed the first Development Economics graduate course in this department. It builds on the first course by:

- providing a wider set of readings, with less of a South African focus (e.g. Sen's approach to poverty)
- dealing with selected, more focused issues in development research (e.g. an institutional perspective on economic development)
- further developing technical skills for empirical development research

The desired outcomes from this course are

- a deepened understanding of the development process and different approaches to development
- an improved ability to read and interpret advanced readings in development economics
- developing empirical research skills in the development field.

This course outline is provisional in the sense that needs of individual students could be considered in perhaps deviating somewhat from the programme outlined below. Changes in the schedule may also occur to benefit from the opportunity provided by the availability of colleagues or visitors with specific expertise.

Readings and essays:

For some topics, a list of readings will be made available. For others, students will provide inputs in the form of essays, class presentations and readings.

Assessment:

- There will be no written examination. Consequently, lectures would continue until shortly before the exam period.
- Assessment will be based on class *participation* and *preparation* for class (20% of final mark), one essay (35% of final mark), and a research paper (45% of final mark). Details about the essay and research paper will be communicated to students in class. The due dates are provided below.
- Class *preparation* will be assessed according to a series of pop quizzes which students will have to write. These pop quizzes will be unannounced and will be aimed at assessing whether students read and understood the prescribed material for the lecture. A mark of zero will be awarded for all missed pop quizzes.
- Class *participation* will primarily be assessed based on the quality of the student's presentation of at least one prescribed article. The details for class presentations are set out below.

Notes on student presentations

Each student will be expected to present at least one article during the course of the semester. When preparing for the presentation, keep the following in mind:

- Presentations should not exceed 15 minutes per student
- Presentation slides should not exceed 10 slides

When preparing the presentation, keep the following questions in mind:

1. Overview:

What is the gist of the argument put forward here? In one or two slides summarize the main point of the text. You can include things like the main research question, the dataset analyzed, the sample size, the methodology, etc. The aim of this is *not* to critique the article, but to show you understand the main thrust and to summarize key features of the article.

2. Why should we care about this?

In one slide explain why you think we should (or should not!) care about this particular reading.. Is this important or not? Why? This is a high-level zoomed-out question.

3. What's new?

What does this paper have to say about the topic that is new or novel to you? Is this just a rehash of something old or is it genuinely ground-breaking or important?

4. Critique:

Find something critical to say about the reading. What are the underlying assumptions, biases or ideologies? Critique the data, the method, the sample size, etc. The aim is to turn on your critical thinking lens.

5. Take-home point:

What have you learned from this reading that you didn't know before?

6. Questions:

What questions do you now have that you did not have before?

(Many of the questions above come from Columbia University's "What makes for a successful paper and seminar?" and Corcoran (2014) "Key questions for discussion papers").

Essays

Essay dates:

- Essay – Friday, 30 April 2021 at midnight
- Research paper – Friday, 11 June 2021 at midnight

The essay and research paper should be handed in electronically on the Advance Development SUNLearn page, which will include a link to Turnitin. All essays must be handed in electronically, after the plagiarism declaration has been accepted electronically on SUNLearn.

Essay topics and requirements will be discussed in class. The first essay should be no longer than 3000 words, and could be either a literature review (i.e. no empirical analysis) or contain a basic descriptive empirical analysis. The research assignment, which is due at the end of the first semester, should be no longer than 4000 words and must contain an empirical analysis.

ECONOMICS 871
ADVANCED DEVELOPMENT ECONOMICS 871
FIRST SEMESTER 2021
PROVISIONAL READING LIST AND COURSE OUTLINE

Note that this is a *provisional* course outline that may undergo changes during the course. Some readings are recommended and will be allocated to one member of the class to discuss; other participants need only scan these.

All readings will be uploaded onto the SUNLearn page prior to the lecture, and students should therefore check the course page regularly. The allocation of articles to be presented by students will take place in the lecture in the week prior to the presentation.

Session	Date	Presenter	Topic
Introduction and Background			
Session 1	4-Mar-21	Servaas van der Berg	Introduction
Session 2	11-Mar-21	Marisa von Fintel	Historical Perspectives on Economic Development (I)
Session 3	18-Mar-21	Marisa von Fintel	Historical Perspectives on Economic Development (II)
	25-Mar-21		RECESS
Session 4	1-Apr-21	Servaas van der Berg	Income Inequality and Poverty
Selected Topics in Development Economics			
Session 5	8-Apr-21	Servaas van der Berg	Education and Development
Session 6	15-Apr-21	Ronelle Burger	Promoting and Improving Health in Poor Countries
Session 7	22-Apr-21	Ronelle Burger	The Economics of Aid and Giving
Session 8	29-Apr-21	Ronelle Burger	Nutrition and Development
	6-May-21		RECESS
Session 9	13-May-21	Marisa von Fintel	Understanding Labour Markets in Developing Countries
Session 10	20-May-21	Marisa von Fintel	Conflict and Development
Session 11	27-May-21	Guest Lecturer / Marisa von Fintel	Development and the Climate
Session 12	3-Jun-21	Ronelle Burger	RCTs
The Future of Development Economics			
Session 13	10-Jun-21	Guest Lecturer / Marisa von Fintel	The Future of Development Economics

Session 1: 4 March 2021
Introduction (presented by Servaas van der Berg)

Overview and introduction to the course.

Session 2: 11 March 2021

Historical perspectives on economic development I (presented by Marisa von Fintel)

In this lecture, we will discuss various seminal pieces in the literature (or works by influential authors) which examine how economic development occurred throughout history. The aim will be to present the trends, rather than ask why these trends occurred (this is the focus of the next section). In addition, we will take a step back and ask how economic development should be defined.

- Easterlin, Richard. 2000. The worldwide standard of living since 1800. *Journal of Economic Perspectives* 14(1), Winter: 7-20
- Maddison, Angus. 2008. The West and the Rest in the World Economy: 1000- 2030, *World Economics* 9(4) Oct-Dec.
- Sen, Amartya. 2001. *Development as freedom*. Oxford: Oxford University Press: Introduction and Chapter 1: pp. 3-34.
- Piketty, Thomas, 2015. Putting Distribution Back at the Center of Economics: Reflections on *Capital in the Twenty-First Century*, *Journal of Economic Perspectives*, 29(1) Winter 2015: 67-88.
- Introduced by xxx:* North, Douglass C. 1993. Economic performance through time. (Nobel Prize Lecture.) *American Economic Review* 84(3): 359-367

Session 3: 18 March 2021

Historical perspectives on economic development II (presented by Marisa von Fintel)

This lecture is a follow-up from session 2, and will cover more specific material around the question of why certain countries are less developed than others, with a specific focus on the African continent. The first article by Patel et al provides a summary of where the literature is at regarding growth convergence between countries. The second by Ashraf and Galor will be used to summarise the prevailing hypotheses for slow growth in Africa over time: geography, institutions, colonialism and ethno-linguistic fractionalisation. The remainder of the readings will then be used to speak to some of these hypotheses: Collier and Gunning (geographic), Acemoglu, Johnson and Robinson (institutional and colonial), and Nathan Nunn (colonial).

- Patel, D., Sandefur, J., Subramaniam, A. 2021. The New Era of Unconditional Convergence, *Centre for Global Development Working Paper* 566.
- Ashraf, Q. and Galor, O. 2013. The “Out of Africa” Hypothesis, Human Genetic Diversity, and Comparative Economic Development, *American Economic Review*, 103(1):1-46
- Collier, Paul, and Gunning, Jan Willem. 1999. Why has Africa grown slowly? *The Journal of Economic Perspectives*, 13(3) – Summer 1999:3-22.
- Acemoglu, Daron, Johnson, Simon, and Robinson, James A. 2001. The Colonial Origins of Comparative Development: An Empirical Investigation, *The American Economic Review*, 91(5): 1369-1401

Introduced by xxx: Nunn, N. 2008. The long-term effects of Africa’s Slave Trades, *The Quarterly Journal of Economics*, February: 139-176.

Session 4: 1 April 2021
Income inequality and poverty (presented by Servaas van der Berg)

- Alvaredo, Facundo & Gasparini, Leonardo. 2013.: *Recent Trends in Inequality and Poverty in Developing Countries*. Documento de Trabajo, No. 151, Universidad Nacional de La Plata, Centro de Estudios Distributivos, Laborales y Sociales (CEDLAS), La Plata. Available: <http://hdl.handle.net/10419/127675>
- Leibbrandt, M, Woolard, I, Finn, A & Argent, J, 2010. *Trends in South African income distribution and poverty since the fall of Apartheid*. OECD Social, Employment and Migration Working Papers No. 101. OECD: Paris

Session 5: 8 April 2021
Education and development (presented by Servaas van der Berg)

Bashir, Sajitha, Marlaine Lockheed, Elizabeth Ninan, and Jee-Peng Tan. 2018. *Facing Forward: Schooling for learning in Africa*. Washington, DC: World Bank: Chapter 2.

Note that this reading is quite long, and that you need to set aside substantial time for it. It addresses inter alia the issue of educational quality. It is also worth considering what this would imply for the use of Mincerian earnings functions in such contexts, and also to the African dummy in growth regressions.

- Introduced by xxx:* World Bank. 2018. *The Human Capital Project*. World Bank: Washington, DC.
- Introduced by xxx:* World Hanushek, Eric A. & Ludger Woessmann. 2008. The role of cognitive skills in economic development. *Journal of Economic Literature* 46(3): 607-68
- Introduced by xxx:* Akmal, Maryam & Lant Pritchett 2019. *Learning equity requires more than equality: Learning goals and achievement gaps between the rich and the poor in five developing countries*. Working Papers 504, Washington, DC: Center for Global Development
- Introduced by xxx:* Metcalfe, Robert, Simon Burgess & Steven Proud. 2019. Students' effort and educational achievement: Using the timing of the World Cup to vary the value of leisure. *Journal of Public Economics* 172: 111–126
- Introduced by xxx:* Hanushek, Eric A. & Ludger Woessmann. 2009. *Do better schools lead to more growth? Cognitive skills, economic outcomes, and causation?* NBER Working Paper 14633. National Bureau of Economic Research: Cambridge, Mass.

Session 6: 15 April 2021
Promoting and improving health in poor countries (presented by Ronelle Burger)

We consider the complexities of providing affordable access to high quality health care in severely resource constrained settings, focusing on the challenges of primary health care in African countries.

- Kruk, M, et al. 2018. High-quality health systems in the Sustainable Development Goals era: time for a revolution. The Lancet Global Health Commission on High quality health systems in the SDG era.
- Das, J., Hammer, J, Leonard, K. 2008. The quality of medical advice in low-income countries. *Journal of Economic Perspectives*, Vol. 22 (2): pp. 93 – 114.
- Introduced by xxxx:* Mills, A. et al. 2004. The performance of different models of primary care provision in Southern Africa. *Social Science & Medicine*, Vol. 59: 931 – 943.
- Introduced by xxxx;* Leonard, K.L. Masatu, M.C. 2017. Changing health care provider performance through measurement. *Social science and medicine*, Vol. 181: pp. 54-65

Session 7: 22 April 2021
The Economics of Aid and Giving (presented by Ronelle Burger)

The aim of this session is to understand the complexity around acts of altruism better and to examine the ways in which good intentions and generosity can, paradoxically, pervert the aims of development and poverty alleviation. We consider three forms of giving: social grants to individuals or households, grants to NPOs and international aid flows to countries. Although operating on different levels, there are many striking parallels in the literature on these forms of giving and they face the same risk of crowding out own effort. I have revised the reading list and have attached the new readings. Easterly (2002) and Gugerty & Kremer (2008) were in the earlier list.

Easterly, W. 2002. The cartel of good intentions: The problem of bureaucracy in foreign aid. *Policy Reform*, 2002, 5(4): 223–250.

Haushofer, J. & Shapiro, J. 2016. The Short-term Impact of Unconditional Cash Transfers to the Poor: Experimental Evidence from Kenya. *The Quarterly Journal of Economics* (2016), 1973–2042. doi:10.1093/qje/qjw025.

Easterly, William. "The Handouts that Feed Poverty." *Los Angeles Times*, Op-ed, April 30th 2006.

Sachs, Jeffrey D. "Foreign Aid Skeptics Thrive on Pessimism." *Los Angeles Times*, Op-ed, May 7th 2006.

Singer, Peter. "The Drowning Child and the Expanding Circle." *The New Internationalist*, April 1997.

Presented by XXX: Gugerty, M.K. & Kremer, M. 2008. Outside Funding and the Dynamics of Participation in Community Associations. *American Journal of Political Science*, Vol 52 (3): pp 585-602.

Presented by XXX: Karlan, D. & Wood, D.H. 2017. The effect of effectiveness: Donor response to aid effectiveness in a direct mail fundraising experiment. *Journal of Behavioral and Experimental Economics*, 66 (2017) 1–8.

Session 8: 29 April 2021
Nutrition and Development (presented by Ronelle Burger)

Content to be confirmed

Session 9: 13 May 2021:
Understanding labour markets in developing economies (presented by Marisa von Fintel)

This session will provide some insight into how labour markets in developing economies operate, and how these are distinct from labour markets in developed economies (and why one-size-fits-all policies do not work). The session will also explore the ways in which the South African labour market operates differently to other labour markets, even those within Africa.

La Porta, R. and Shleifer, A. 2014. *Informality and Development*, *Journal of Economic Perspectives*, 28(3): 109-126.

Fields, G. 2011. *Labour market analysis for developing countries*, *Labour Economics*, 18:S16-S22.

Gindling, T.H. and Newhouse, D. 2014. *Self-Employment in the Developing World*, *World Development*, 56: 313-331.

Introduced by xxx: Kingdon, G.G. and Knight, J. 2004. *Unemployment in South Africa: The Nature of the Beast*, *World Development*, 32(3):391-408.

Session 10: 20 May 2021
Conflict and Development (presented by Marisa von Fintel)

In this session, the discussion will be around various traumatic events and the causes and costs of these events – including civil wars and conflicts, violent protests and gender-based violence.

Collier, P., Hoeffler, A. 2004. *Greed and Grievance in Civil War*, Oxford Economic Papers, 56(4): 563 -595 (*This article is already slightly dated, but it is a classic*)

Blattman, C. and Miguel, E. 2010. *Civil War*, Journal of Economic Literature, 48:1: 3-57.

Burke, M., Hsiang, S., and Miguel, E. 2015. *Climate and Conflict*, Annual Review of Economics, 7:577-617.

Hoeffler, A. 2017. *What are the costs of violence?* Politics, Philosophy & Economics, 16(4): 422-445.

Introduced by xxx: Miguel, E. 2005. *Poverty and Witch Killing*, The Review of Economic Studies, 72: 1153 – 1172

Introduced by xxx: Annan, J., Blattman, C., Mazurana, D., Carlson, K. 2011. *Civil War, Reintegration, and Gender in Northern Uganda*, Journal of Conflict Resolution, 1-32.

Session 11: 27 May 2021
Development and the Climate (presented by guest lecturer, facilitated by Marisa von Fintel)

This session will be aimed at discussing the ways in which the environment, and climate change in particular, have had an impact on economic development, with a specific focus on Africa. It will also consider possible steps to be taken to mitigate this impact in the future. As this lecture will be given by a guest lecturer, readings will be confirmed closer to the time.

Session 12: 3 June 2021
Randomised Control Trials (presented by Ronelle Burger)

Content to be confirmed

Session 13: 10 June 2021
The future of Development Economics (presented by guest lecturer, facilitated by Marisa von Fintel)

This session is aimed at providing a critical reflection of the current state of development economics – considering the flaws of the current way of thinking about policies to stimulate development, as well as academic research motivating these policies. It will also ask in which ways it could be improved on in the future. As this lecture will be given by a guest lecturer, further readings will be confirmed closer to the time.

Nunn, N. 2019. *Rethinking economic development*, Canadian Journal of Economics, 52(4):1349-1373.