

## **ECON 360: Economics of Developing Areas**

### **I. Contact Information:**

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### **II. Course Overview:**

#### **Description:**

Why are some societies poor and some rich? This is the question that has motivated the study of economics ever since Adam Smith published An Inquiry into the Nature of Causes of the Wealth of Nations in 1776. This class is a continuation of that inquiry. Towards that goal, we will review the history of economic growth, the failures and successes of aid in development, and the recent literature on the nature and causes of development.

#### **Grading:**

4 Quizzes: 20%

Midterm: 25%

Book Report:25%

Final Exam:30%

#### **Grades:**

A=100%-94%

A-=93%-90%

B+=89%-87%

B=86%-82%

B-=81%-80%

C+=79%-77%

C=76%-72%

C-=71%-69%

D=68%-60%

F=59%-0

Exams will be made available at the beginning of exam week until the end of the week. It will be an essay and short answer exam.

### III. Readings

All **required** reading will be provided on blackboard week by week. The reading listed below is both **required** and supplementary. **Required** reading is in **bold**. Assigned reading may be added to or subtracted from this list as the semester goes on.

IV. Book Report: At the end of the semester, you will complete a book report between 12-15 pages long on one of the following titles:

*The Great Escape: Health, Wealth, and the Origins of Inequality:* by Angus Deaton

*The Tyranny of Experts:* by William Easterly

*Poor Economics:* by Abhijit Banerjee and Esther Duflo

*A Farewell to Alms:* by Gregory Clark

*Violence and Social Orders:* by Douglass North

### Lecture Topics:

#### I. **Growth:**

**Clark, G. 2007. "A farewell to alms: A brief economic history of the world". (Introduction)**

Jones (2015), "Facts of Economic Growth"

#### II. **Foreign Aid:**

Burnside & Dollar. 2000. "Aid, Policies, and Growth."

**Dutta et al. 2013. "The Amplification Effect: Foreign Aid's Impact on Political Institutions".**

Djankov et al. 2008. "The Curse of Aid".

Skarbek and Leeson. 2009. "What Can Aid Do?".

**Easterly. 2009. "Can the West Save Africa?,"**

### **III. Private Property Rights:**

**Demsetz, H. 1967. 'Towards a theory of property rights'.**

Murphy et al. 1991. 'The Allocation of Talent: Implications for Growth.'

**Williamson and Kerekes. 2011. 'Securing private property: formal versus informal institutions.'**

Acemoglu & Johnson. 'Unbundling Institutions.'

### **IV. Institutions:**

North, Douglass. 1991. 'Institutions'

Rodrik et al. 2004. 'Institutions rule'

**Williamson. 2000. "The New Institutional Economics,"**

Glaeser et al. 2004. 'Do institutions cause growth?'

**Nunn and Wantchekon. 2011. 'The slave trade and the origins of mistrust in Africa'**

### **V. Government:**

Acemoglu et al. 2018. 'Democracy does cause growth.'

**North, Wallis, Weingast, 2006. "A Conceptual Framework for Interpreting Recorded Human History,"**

Bardhan, P. 1997. 'Corruption and Development'

Burgess and Stern. 1993. "Taxation and Development,"

### **VI. Culture:**

**Guiso, Sapienza, & Zingales (2006), "Does Culture Affect Economic Outcomes?"**

Clark, G. 2007. "A farewell to alms: A brief economic history of the world".(excerpts)

Alesina and Giuliano. 2015. "Culture and Institutions,"

**Michalopoulos and Papaioannou. 2013. 'Pre-colonial ethnic institutions and contemporary African development'**

## **VII. Deep Roots:**

**Putterman, Louis, and David N. Weil. "Post-1500 population flows and the long-run determinants of economic growth and inequality."**

Fulford, Scott, Ivan Petkov, and Fabio Schiantarelli: "Does it matter where you came from? Ancestry composition and economic performance of US counties, 1850-2010."

**Comin, Diego, William Easterly, and Erick Gong: "Was the wealth of nations determined in 1000 BC?."**

## **VIII. Colonialism:**

**Acemoglu et al. 2001. 'The colonial origins of comparative development'**

Frankema (2010), "Raising revenue in the British empire, 1870–1940: how 'extractive' were colonial taxes?"

**Heldring & Robinson (2012), "Colonialism and Economic Development in Africa"**

Easterly & Levine (2016), "The European origins of economic development"

## **IX. First World(Capitalist) Development History:**

Allen (2011), "Why the industrial revolution was British: commerce, induced invention, and the scientific revolution

Clark, G. 2007. "A farewell to alms: A brief economic history of the world".(excerpts)

Pincus, S. C., & Robinson, J. A. (2011). What really happened during the Glorious Revolution?

Mokyr and Nye, 2007. "Distributional Coalitions, the Industrial Revolution, and the Origins of Economic Growth in Britain"

## **X. Chinas Development History:**

**Xu. 2011. "The Fundamental Institutions of China's Reform and Development.**

## **XI. Secular Cycles:**

**Peter Turchin. Secular Cycles. (Excerpt).**

## IV. Policy Addenda

Important Dates:

See <https://registrar.gmu.edu/calendars/fall-2019/> for Add/Drop deadlines.

### **Global Understanding Core:**

The goal of the global understanding category is to help students see the world from multiple perspectives, reflect upon their positions in a global society, and be prepared for future engagement as global citizens. While it may include a historical perspective, global understanding courses focus primarily on a contemporary understanding of one's place in a global society.

Courses in this category must meet a minimum of three of the following learning outcomes:

1. Identify and articulate one's own values and how those values influence their interactions and relationships with others, both locally and globally.
2. Demonstrate understanding of how the patterns and processes of globalization make visible the interconnections and differences among and within contemporary global societies.
3. Demonstrate the development of intercultural competencies.
4. Explore individual and collective responsibilities within a global society through analytical, practical, or creative responses to problems or issues, using resources appropriate to the field.

**Disability Resource Center:**

If you are a student with a disability and you need academic accommodations, please see me ASAP and contact the Office of Disability Resources at 703.993.2474. All academic accommodations must be arranged through that office.

**Honor Code:**

George Mason University has an Honor Code, which requires all members of this community to maintain the highest standards of academic honesty and integrity. Cheating, plagiarism, lying, and stealing are all prohibited. All violations of the Honor Code will be reported to the Honor Committee.

**Sexual Harassment:**

George Mason University is committed to providing a learning, living and working environment that is free from discrimination and a campus that is free of sexual misconduct and other acts of interpersonal violence in order to promote community well-being and student success. We encourage students who believe that they have been sexually harassed, assaulted or subjected to sexual misconduct to seek assistance and support. University Policy 1202: Sexual Harassment and Misconduct speaks to the specifics of Mason's process, the resources, and the options available to students.