

15E031

Topics in Economic Growth and Development

Overview

The course introduces students to the study of the origins of vast inequality in income per capita across countries, regions and ethnic groups. It will analyze empirically the determinants of growth process over the course of human history and the role of deeply-rooted geographical, institutional, cultural, and genetic factors in the observed pattern of uneven development across the globe.

Course's Objectives

- a) Discuss recent research on the main determinants of comparative economic development.
- b) Introduce empirical methodologies used in applied economic research.

Evaluation

- Class participation (10%)
- Three 1-page comments to readings (25%)
- Final exam (65%)

Schedule:

Sessions #1-2:

- Introduction and Stylized Facts on Macro Development
- Overview of Neoclassical Growth Theory, Endogenous Growth Theory, and Unified Growth Theory

Sessions #3-4: Institutions

Sessions #4-5: Geography & Natural Resources

Sessions #5-6: Human Capital & Innovation

Session #7: Conflict and War

Session #8: Persistence & Historical Development

Session #9: Trade and Migration

Session #10: Inequality and Poverty

15E031

Topics in Economic Growth and Development

Materials

Lecture slides are available on the course Box shared folder. The course is largely based on the critical reading of recent research articles and book chapters. Compulsory and complimentary readings can be found on JSTOR.

Reading List

General References:

Galor, O. (2011). Unified growth theory. Princeton University Press.

Aghion, P., & Howitt, P. W. (2008). The economics of growth. MIT press.

Jones, C., & Vollrath, D. (2013). Introduction to Economic Growth. WW Norton & Co.

Romer, D. (1996). Advanced Macroeconomics. Mcgraw-Hill Companies.

Weil, D. (2012). Economic Growth (3rd edition), Routledge.

Institutions

* S. Michalopoulos and E. Papaioannou. (2013) "Pre-Colonial Ethnic Institutions and Contemporary African Development" *Econometrica* 81(1), pp. 113-152

* R. Burgess et al., (2014) „The Value of Democracy: Evidence from Road Building in Kenya“, *American Economic Review*

Acemoglu, Daron, Simon Johnson, and James A. Robinson. (2005) "Institutions as a fundamental cause of long-run growth." *Handbook of Economic Growth* 1: 385-472.

Acemoglu, D., S. Johnson and J. Robinson. (2001) "The Colonial Origins of comparative Development. An Empirical Investigation", *The American Economic Review* vol 91, pp. 1369-1401

Acemoglu, Daron, et al. (2014) "Democracy does cause growth". No. w20004. National Bureau of Economic Research

15E031

Topics in Economic Growth and Development

Daron Acemoglu, Simon Johnson, James A. Robinson, and Pierre Yared. (2008) "Income and Democracy", *The American Economic Review*, 98(3), June 2008: pp. 808-42.

Besley, Timothy, Torsten Persson, and Daniel M. Sturm. (2010) "Political competition, policy and growth: theory and evidence from the US." *The Review of Economic Studies*

La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer. (2008) "The Economic Consequences of Legal Origins." *Journal of Economic Literature*, 46(2): 285-332.

Dell M. "The Persistent Effects of Peru's Mining Mita". (2010) *Econometrica*. 78(6):1863-1903

Papaioannou, E. and Siourounis, G. (2008) "Democratisation and Growth". *The Economic Journal*, 118: 1520–1551. doi: 10.1111/j.1468-0297.2008.02189.x

Daron Acemoglu, Davide Cantoni, Simon Johnson, and James A. Robinson. (2011). "The Consequences of Radical Reform: The French Revolution". *American Economic Review*, Vol. 101, N. 7 (December 2011): pp. 3286–3307

Culture

* Enrico Spolaore and Romain Wacziarg, "The Diffusion of Development" *The Quarterly Journal of Economics* (2009) 124 (2): 469-529 doi:10.1162/qjec.2009.124.2.469

* Cantoni, D. 2014, "The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands", *Journal of the European Economic Association*, Vol. 13, N. 4

Alesina, Alberto, and Paola Giuliano. 2015. "Culture and Institutions." *Journal of Economic Literature*, 53(4): 898-944.

Algan, Yann, and Pierre Cahuc. "Trust, Well-Being and Growth: New Evidence and Policy Implications." *Handbook of Economic Growth* (2014): 49-120.

Algan, Yann, and Pierre Cahuc. "Inherited trust and growth." *The American Economic Review* (2010): 2060-2092.

Tabellini, Guido. "Culture and institutions: economic development in the regions of Europe " *Journal of the European Economic Association*, Vol.6(2-3), 2008.

Guiso, Luigi, Paola Sapienza, and Luigi Zingales. "Does Culture Affect Economic Outcomes?" *Journal of Economic Perspectives*, Spring 2006.

15E031

Topics in Economic Growth and Development

Nunn N. Culture and the Historical Process. *Economic History of Developing Regions*. 2012;27(S1):108-126

Gorodnichenko, Yuriy, and Gerard Roland. "Culture, institutions and the Wealth of Nations". No. w16368. National Bureau of Economic Research, 2010.

Doepke, M, and F. Zilibotti. "Culture, Entrepreneurship and Growth", Chapter 1 in *Handbook of Economic Growth*, Vol. 2, 2013.

Campante, Felipe and Yanagizawa-Drott. (2015) "Does Religion Affect Economic Growth and Happiness? Evidence from Ramadan." *Quarterly Journal of Economics*. 130 (2) : 615-658.

Geography & Natural Resources

* Salvador Barrios, Luisito Bertinelli, and Eric Strobl. (2010) "Trends in Rainfall and Economic Growth in Africa: A Neglected Cause of the African Growth Tragedy", *Review of Economics and Statistics*. 92:2, 350-366

* Nunn Nathan, Qian Nancy. (2011) "The Potato's Contribution to Population and Urbanization: Evidence from a Historical Experiment." *Quarterly Journal of Economics*. 126(2):593-650

Gallup, John Luke, Jeffrey D. Sachs, and Andrew D. Mellinger. (1999) "Geography and economic development." *International Regional Science Review* 22.2, 179-232.

Alsan, Marcella. (2015) "The Effect of the Tsetse Fly on African Development." *The American Economic Review* 105.1 (2015): 382-410.

Putterman, Louis. (2008) "Agriculture, diffusion and development: ripple effects of the Neolithic Revolution." *Economica* 75.300 (2008): 729-748.

Hibbs, Douglas A., and Ola Olsson. (2005) "Biogeography and Long-Run Economic Development", *European Economic Review* 49(4): 909-93

Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. (2012) "Temperature shocks and economic growth: Evidence from the last half century." *American Economic Journal: Macroeconomics* (2012): 66-95.

Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken. (2014) "What Do We Learn from the Weather? The New Climate-Economy Literature". *Journal of Economic Literature*. 2014.

15E031

Topics in Economic Growth and Development

Sachs, Waner. (1995) "Natural Resource Abundance and Economic Growth", NBER

Mehlum, Halvor, and Moene, Kalle, and Torvik, Ragnar. (2006) "Institutions and the Resource Curse", *The Economic Journal*, 116 (January), 1–20.

Caselli, Francesco, and Guy Michaels. (2013) "Do Oil Windfalls Improve Living Standards? Evidence from Brazil." *American Economic Journal: Applied Economics*, 5(1): 208-38.

Human Capital & Innovation

* Ciccone, Antonio, and Elias Papaioannou. (2009) "Human capital, the structure of production, and growth." *The Review of Economics and Statistics* 91.1: 66-82.

* Jeremiah E. Dittmar. (2011) "Information Technology and Economic Change: The Impact of The Printing Press", *The Quarterly Journal of Economics* 126 (3): 1133-1172

Gennaioli, Nicola, et al. (2011) "Human capital and regional development". No. w17158. National Bureau of Economic Research

Becker, Sascha O., and Ludger Woessmann. (2009) "Was Weber Wrong? A Human Capital Theory of Protestant Economic History." *The Quarterly Journal of Economics* 124.2 (2009): 531-596.

Bils, Mark, and Peter J. Klenow. (2000) "Does Schooling Cause Growth?" *American Economic Review*, 90(5): 1160-1183.

Squicciarini, Mara and Voigtländer, Nico. (2015) "Human Capital and Industrialization: Evidence from the Age of Enlightenment" *Quarterly Journal of Economics*, 130(4): 1825-1883.

Barro, R. J. (2001) "Human capital and growth" *American Economic Review*, 91(2), 12–17.

Becker, Sascha O., Erik Hornung, and Ludger Woessmann. (2011) "Education and Catch-Up in the Industrial Revolution." *American Economic Journal: Macroeconomics*, 3(3): 92-126.

Conflict and War

* Thorsten Rogall and David Yanagizawa-Drott. (2014) "The Legacy of Political Mass Killings: Evidence from the Rwandan Genocide", mimeo

* Miguel, Edward, and Gerard Roland. 2011. "The Long-run Impact of Bombing Vietnam." *Journal of Development Economics*, 96 (1): 1-15.

15E031

Topics in Economic Growth and Development

Blattman, Christopher, and Edward Miguel. 2010. "Civil War." *Journal of Economic Literature*, 48(1): 3-57

Abadie, Alberto, and Javier Gardeazabal. 2003. "The Economic Costs of Conflict: A Case Study of the Basque Country." *American Economic Review*, 93(1): 113-132.

Acemoglu, Daron, Tarek A. Hassan, and James A. Robinson. (2011) "Social structure and development: A Legacy of the Holocaust in Russia." *Quarterly Journal of Economics* 126(2): 895-946.

Akbulut-Yuksel, Mevlude, and Mutlu Yuksel. 2015. "The Long-Term Direct and External Effects of Jewish Expulsions in Nazi Germany." *American Economic Journal: Economic Policy*, 7(3): 58-85.

Rohner, Dominic, Mathias Thoenig, and Fabrizio Zilibotti. (2013). "Seeds of distrust: conflict in Uganda", *Journal of Economic Growth*, 18 (3): 217-252.

Michalopoulos, Stelios and Elias Papaioannou. (2016, forthcoming). "The Long-Run Effects of the Scramble for Africa", *American Economic Review*.

Blattman, Christopher and Jeannie Annan. (2010). "The Consequences of Child Soldiering". *The Review of Economics and Statistics*, 92 (4): 882-898.

Persistence & Historical Development

* Pascali, Luigi. (2016) "Banks and Development: Jewish Communities in the Italian Renaissance and Current Economic Performance", *The Review of Economics and Statistics*

* Nunn, Nathan. (2008) "The Long Term Effects of Africa's Slave Trades". *Quarterly Journal of Economics*. 2008;123(1):139-176.

Nunn, Nathan. (2014) "Historical Development". In: Aghion P, Durlauf S *Handbook of Economic Growth*. Vol. 2. *Handbook of Economic Growth*. North-Holland; 2014. pp. 347-402.

Bleakley, Hoyt and Jeffrey Lin. (2012) "Portage: Path Dependence and Increasing Returns in U.S. History," *Quarterly Journal of Economics*, 127 (2): 587-644.

Spolaore, Enrico, and Romain Wacziarg. (2013) "How Deep Are the Roots of Economic Development?" *Journal of Economic Literature*, 51(2): 325-69.

Davis, Donald and David Weinstein. (2002). "Bones, Bombs, and Break Points: The Geography of Economic Activity," *American Economic Review*, 92 (5): 1269-1289.

15E031

Topics in Economic Growth and Development

Buggle, Johannes (2017). "Irrigation, Collectivism, and Technological Divergence", mimeo.

Comin, Diego, William Easterly, and Erick Gong. (2010). "Was the Wealth of Nations Determined in 1000 BC?" *American Economic Journal: Macroeconomics*, 2(3): 65-97.

Voigtländer, Nico and Voth, Joachim. (2012) "Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany", *Quarterly Journal of Economics*, 127(3): 1339-1392.

Trade and Migration

* Pascali, Luigi (2015) "The Wind of Change: Maritime Technology, Trade and Economic Development", mimeo.

* Juhász, Réka (2015) "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade", mimeo.

Frankel, J. A., & Romer, D.. (1999). Does Trade Cause Growth?. *The American Economic Review*, 89(3), 379–399.

Rodríguez, F., & Rodrik, D.. (2000). Trade Policy and Economic Growth: A Skeptic's Guide to the Cross-National Evidence. *NBER Macroeconomics Annual*, 15, 261–325.

Dollar, David and Aart Kraay. (2004). "Trade, Growth, and Poverty", *The Economic Journal*, 114 (1) : F22-F49.

Buch, Claudia M, & Farid Toubal. (2009). Openness and growth: The long shadow of the Berlin Wall. *Journal of Macroeconomics*, 31(3), 409-422.

Docquier, F., & Rapoport, H.. (2012). Globalization, Brain Drain, and Development. *Journal of Economic Literature*, 50(3), 681–730.

Beine, M., Docquier, F., & Rapoport, H.. (2008). Brain Drain and Human Capital Formation in Developing Countries: Winners and Losers. *The Economic Journal*, 118(528), 631–652.

Desai, Mihir A., Devesh Kapur, John McHale, and Keith Rogers. (2009) "The fiscal impact of high-skilled emigration: Flows of Indians to the U.S.". *Journal of Development Economics*, 88(1), 32-44.

Moser, Petra, Alessandra Voena, and Fabian Waldinger. 2014. "German Jewish Émigrés and US Invention." *American Economic Review*, 104(10): 3222-55.

15E031

Topics in Economic Growth and Development

Inequality and Poverty

* Gustavo A. Marrero, Juan G. Rodríguez. (2013). "Inequality of opportunity and growth", *Journal of Development Economics*, 104: 107-122

* Alesina, Alberto, Stelios Michalopoulos, and Elias Papaioannou (2016, forthcoming), "Ethnic Inequality", *Journal of Political Economy*

Alesina, Alberto and Dani Rodrik. (1994). "Distributive Politics and Economic Growth." *The Quarterly Journal of Economics*, 109(2), 465–490.

Persson, T., & Tabellini, G.. (1994). Is Inequality Harmful for Growth?. *The American Economic Review*, 84(3), 600–621.

Aghion, Philippe, Eve Caroli, and Cecilia Garcia-Penalosa. (1999). "Inequality and Economic Growth: The Perspective of the New Growth Theories." *Journal of Economic Literature*, 37(4): 1615-1660.

World Bank. (2005) *World Development Report 2006: Equity and Development*. Washington, D.C.

Azariadis, Costas and John Stachurski. (2005) "Poverty Traps" in *Handbook of Economic Growth*, Volume 1A. ed. by Philippe Aghion and Steven N. Durlauf

Kraay, Aart and Claudio Raddatz. (2007). "Poverty traps, aid, and growth." *Journal of Development Economics*, 82 (2): 315-347.

Banerjee, A.V., and E. Duflo. (2003). "Inequality and Growth: What Can the Data Say?" *Journal of Economic Growth*, Vol.8(3), pp.267–99.

Easterly, W., 2007, "Inequality Does Cause Underdevelopment: Insights from a New Instrument," *Journal of Development Economics*, Vol. 84(2), pp. 755–76.

Galor, O., & Moav, O.. (2004). From Physical to Human Capital Accumulation: Inequality and the Process of Development. *The Review of Economic Studies*, 71(4), 1001–1026.

Duflo, Esther. (2012). "Women Empowerment and Economic Development." *Journal of Economic Literature*, 50(4): 1051-79.