

**ECONOMICS 172: Issues in African Economic Development**  
**Professor Edward Miguel, Department of Economics (emiguel@berkeley.edu)**  
**SPRING 2014 SYLLABUS**

Description: This course will examine leading issues in development economics, with a focus on how they relate to Sub-Saharan Africa. This course will also explore the empirical methods used to rigorously measure the impact of development and anti-poverty programs.

Prerequisites: At least one prior term of intermediate economics (i.e., Economics 100A or 100B or equivalent), and some prior coursework in statistics or econometrics.

Lectures: Tuesday and Thursday 3:30pm to 5pm, 145 Dwinelle  
Lectures will also be “screencast” by Berkeley Educational Technology Services and archived for future viewing online. Screencasting means that the presentation slides and lecturer audio are recorded. Lecture screencasts will be posted online with a one week delay, and can be accessed through the following sites: <http://webcast.berkeley.edu/>, <http://itunes.berkeley.edu/>, and <http://www.youtube.com/ucberkeley>.

Teaching Assistants / Graduate Student Instructors (GSIs):

Pierre Bachas ([bachas@berkeley.edu](mailto:bachas@berkeley.edu))

Section 101: Tuesday 11-12am, 9 Evans

Section 103: Thursday 11-12am, 87 Evans

Jonas Tungodden ([jonas@econ.berkeley.edu](mailto:jonas@econ.berkeley.edu))

Section 102: Thursday 10-11am, 179 Stanley

Section 104: Tuesday 5-6pm, 105 Latimer

Office hours: Office hours are typically held on Monday and Thursday mornings. Please email Elisa Cascardi ([ecascardi@berkeley.edu](mailto:ecascardi@berkeley.edu)) to make an appointment.

Grading: The course grade will be based on four components:

(1) Three take-home assignments, each worth 10 percent (30 percent).

-- Problem Set 1 handed out 2/4, due 2/11

-- Problem Set 2 handed out 2/27, due 3/6

-- Problem Set 3 handed out 4/10, due 4/17

(2) Midterm examination (25 percent)

-- The exam will take place during class on Tuesday March 18<sup>th</sup>, and will cover Lectures 1 to 15.

(3) Final Examination (35 percent)

-- The exam will take place during exam week, on Friday May 16<sup>th</sup> from 7-10pm.

(4) Class participation and attendance (10 percent)

-- Student remarks, comments and questions in both lecture and section will contribute 5 percent to their grade in the course.

-- Lecture attendance and participation will also be evaluated using “clickers”, and will contribute a further 5 percent to the grade. Every student is expected to obtain an “iClicker” from the Cal Bookstore. (The first generation “iClicker” is sufficient for this course.) For those students using clickers for the first time: <http://ets.berkeley.edu/help/faq-about-using-clickers-classroom>. Students are expected to bring their clickers to each lecture, and I will use them for polling the class and to assign both class attendance and participation credit. For each student, the four lectures with the lowest clicker “score” will be dropped. Clicker use will be required starting in week 2 of the class (namely, on Tuesday January 28<sup>th</sup>). To get started, you will need to register your iClicker remote online within the first two weeks of class. Then you must come to class at least once and respond to at least one question to complete the registration process. To register go to: <http://www.iclicker.com/registration>.

Assignments: The problem sets are designed to teach students how to apply various econometric methods using real data. Problem sets will require the use of STATA software, which is commonly used in economics research. We recommend that students install STATA on their computer. If you need to purchase a copy, a single-user six-month license for Small Stata (sufficient for this course) is available for Berkeley students for \$35, and an annual license for \$49: <http://www.stata.com/order/new/edu/gradplans/us-pickup/>. Students can also access STATA using the computers in the Library Data Lab (Doe Annex 189), see: <http://www.lib.berkeley.edu/wikis/datalab/>.

Grading policy: Grading disputes must be put in writing and given to the GSI in section within two weeks from the date the graded problem set or exam was returned to the class.

Special Accommodations: If you need disability-related accommodations in this class, if you have emergency medical information you wish to share with me, or if you need special arrangements in case the building must be evacuated, please inform me immediately by email or in office hours.

Learning goals: As part of Berkeley’s Undergraduate Student Learning Initiative (USLI), the Economics Department has developed learning goals for the Economics major. See <http://econ.berkeley.edu/undergrad/home/learning-goals>. The specific learning goals which this course aims to achieve are:

*I. Critical Thinking Skills*

CT2. Apply economic analysis to evaluate specific policy proposals.

CT3. Compare arguments that have different conclusions to a specific issue or problem.

CT4. Understand the role of assumptions in arguments.

*II. Quantitative Reasoning Skills*

QT1. Understand how to use empirical evidence to evaluate an economic argument.

QT2. Interpret statistical results.

QT3. Conduct appropriate statistical analysis of data, and explain the statistical issues involved.

QT4. Obtain and/or collect relevant data using specific quantitative research methods.

### III. Problem-Solving Skills

PS1. Solve problems that have clear solutions.

PS2. Propose solutions for problems that do not have clear answers, and indicate under what conditions they may be viable solutions.

### IV. Specialized Knowledge and Application of Skills

SP1. Develop deeper critical and quantitative thinking skills and apply problem-solving skills to complex problems.

### V. Communication Skills

CS1. Communicate effectively in written and graphical form about specific economic issues.

CS2. Formulate a well-organized written argument that states assumptions and hypotheses, which are supported by evidence.

### VI. Lifelong Learning Skills

LL2. Know how to locate and use primary data sources

LL3. Understand and evaluate current economic events and new economic ideas.

Honor Code: The student community at U.C. Berkeley has adopted the following Honor Code: *"As a member of the U.C. Berkeley community, I act with honesty, integrity, and respect for others."* The hope and expectation is that you will adhere to this code.

Required readings: All syllabus readings will be posted on the bCourse page, other than those from the required books (below). Reading packets of photocopied articles can be picked up at Copy Central on Bancroft Ave.

Required books: Students should purchase the following books:

Fisman, Raymond and Edward Miguel (2008) *Economic Gangsters: Corruption, Violence and the Poverty of Nations*. Princeton University Press.

Miguel, Edward (2009) *Africa's Turn?* MIT Press.

Glennerster, Rachel, and Kudzai Takavarasha. (2013). *Running Randomized Evaluations: A Practical Guide*. Princeton University Press.

\* Optional for those who want a broader discussion of development economics:

Roland, Gerard. (2014). *Development Economics*. Pearson.

\* Optional for those who want a more technical discussion of the econometrics:

Angrist, Joshua, and Jorn-Steffen Pischke. (2008). *Mostly Harmless Econometrics: An Empiricist's Companion*. Princeton University Press.

## **COURSE SYLLABUS**

### **Lectures 1-2: Patterns of Global and African economic development (1/21, 1/23)**

United Nations Development Program (UNDP). (2013). *Human Development Report 2013*, Tables 1 and 14, pp. 139-147 and 194-198.

*Economic Gangsters*, Chapter 1, pp. 1-21.

*Africa's Turn?* pp. 1-46.

**Lectures 3-4: Theories of economic growth (1/28, 1/30)**

[Tools: Economic growth theory; Ordinary least squares (OLS) regression]

*Development Economics*, Chapter 4, pp. 82-112.

Easterly, William (2001). "Chapter 3: Solow's Surprise: Investment is Not the Key to Growth" in *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*, pp. 47-69.

*Development Economics*, Econometric Appendix, pp. 561-579.

**Lectures 5-9: Geography, health and development (2/4, 2/6, 2/11, 2/13, 2/18)**

[Tools: Randomized controlled trials; externalities]

Bloom, David, and Jeffrey Sachs. (1998). "Geography, Demography, and Economic Growth in Africa," *Brookings Papers on Economic Activity*, 2, 207-295.

*Economic Gangsters*, chapter 8, pp. 186-206.

*Running Randomized Evaluations*, Chapters 1-2, pp. 1-65.

\* Optional for those who want a more technical discussion of the econometrics:

Miguel, Edward, and Michael Kremer. (2004). "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", *Econometrica*, 72(1), 159-217.

**Lectures 10-12: The economics of HIV/AIDS (2/20, 2/25, 2/27)**

[Tools: Difference-in-differences (DD) analysis; expected utility maximization]

UNAIDS. (2013). *UNAIDS Report on the Global AIDS Epidemic 2013*, pp. 1-28.

Fox, Matthew, et al. (2004). "The Impact of HIV/AIDS on Labour Productivity in Kenya", *Tropical Medicine and International Health*, 9(3), 318-324.

Thornton, Rebecca. (2008). "The Demand for and Impact of Learning HIV Status: Evidence from a Field Experiment", *American Economic Review*, 98(5), 1829-63.

**Lectures 13-15: Investing in human capital (3/4, 3/6, 3/11)**

[Tools: Regression discontinuity (RD)]

Kremer, Michael, Edward Miguel, and Rebecca Thornton. (2009). "Incentives to Learn: Merit Scholarships that Pay Kids to Do Well", *Review of Economics and Statistics*, 91(3), 437-456.

Friedman, Willa, Michael Kremer, Edward Miguel, and Rebecca Thornton. (2013). "Education as Liberation?", unpublished working paper.

Lucas, Adrienne, and Isaac Mbiti. (2013). "Effects of School Quality on Student Achievement: Discontinuity Evidence from Kenya", forthcoming, *American Economic Journal: Applied Economics*.

**Lectures 16-19: Economic and climate shocks in rural households (3/13, 3/20, 4/1, 4/3 – Guest lecture 4/3)**

[Tools: Field data collection; Instrumental variables (IV); spatial data]

Udry, Christopher. (1990). "Credit Markets in Northern Nigeria: Credit as Insurance in a Rural Economy," *World Bank Economic Review*, 4(3), 251-269.

*Economic Gangsters*, chapters 5-6, pp. 111-158.

Burke, Marshall, Erick Gong, and Kelly Jones. (2013). "Income Shocks and HIV in Africa", forthcoming, *Economic Journal*.

\* Optional for those who want a more technical discussion of the econometrics:

Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. (2004). "Economic Shocks and Civil Conflict: An Instrumental Variables Approach", *Journal of Political Economy*, 112(4), 725-753.

**Lectures 20-22: Public goods, corruption and ethnic divisions (4/8, 4/10, 4/15)**

[Tools: Forensic data techniques]

Reinikka, Ritva, and Jakob Svensson. (2004). "Local Capture: Evidence from a Central Government Transfer Program in Uganda", *Quarterly Journal of Economics*, 119 (2), 679-706.

*Economic Gangsters*, chapter 4, pp. 76-110.

Burgess, Robin, Remi Jedwab, Edward Miguel, Ameet Morjaria, Gerard Padro-i-Miquel. (2013). "The Value of Democracy: Evidence from Road Building in Kenya", unpublished working paper.

Miguel, Edward. (2004). "Tribe or Nation? Nation-building and Public Goods in Kenya versus Tanzania", *World Politics*, 56(3), 327-362.

**Lectures 23-24: Historical Legacies of Slavery and Colonialism (4/17, 4/22)**

[Tools: Assembling historical data]

Nunn, Nathan. (2010). "Shackled to the Past: The Causes and Consequences of Africa's Slave Trade", in Jared Diamond and James A. Robinson (eds.) *Natural Experiments of History*, Cambridge University Press, pp. 142-184.

Bates, Robert. (1981). *Markets and States in Tropical Africa*, Chapters 1-2, pp. 1-44.

**Lectures 25-27: Current Successes and Future Challenges (4/24, 4/29, 5/1 – CEGA Evidence to Action Symposium 5/1)**

[Tools: Pre-analysis plans]

Easterly, William. (2001). “Chapter 6: The Loans that Were, the Growth that Wasn’t” in *The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics*, pp. 101-20.

Casey, Katherine, Rachel Glennerster, Edward Miguel. (2012). “Reshaping Institutions: Evidence on Aid Impacts Using a Pre-Analysis Plan”, *Quarterly Journal of Economics*, 127(4), 1755-1812.

Aker, Jenny. (2010). “Information from Markets Near and Far: Mobile Phones and Agricultural Markets in Niger”, *American Economic Journal: Applied Economics*, 2, 46-59.

*Africa’s Turn?*, pp. 49-137

Thurow, Roger. (2012). *The Last Hunger Season: A Year in an African Farm Community on the Brink of Change*, chapter 1, pp. 1-48.



Map of Africa, today