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Fall term 2015

**“Comparative Economic Development:
A political economy perspective”**

Dr. Kai Gehring

Office hour: please arrange per e-mail

Email: mail@kai-gehring.net

Time of Lecture: We 10:15-12:00, ab 23.09. (BIN-1-D.25)

Date of exam: Wednesday 16.12.2015

Mode of examination:

20% active participation,

55% written assignments

- 20% (max) for handing in ten summaries (0/1/2 points each)
- 20% Expose – Outline of own project
- 15% GIS assignment (mid of semester)

25% presentation end of semester

Note:

Teaching will be in English. Each week, students will have to select one of the provided papers and draft a two page summary. Starting from the second lecture, students will be asked on a random basis to summarize and explain their chosen paper to their fellow students in the lecture. There will be an assignment using ArcGIS to acquire the necessary skills to use geographical data, which are very common in this field of research. At the last lecture of the semester, students present the research outline for their BA thesis.

This Syllabus is preliminary and subject to change.¹

¹ This course is broadly based on the course Comparative Economic Development by Nathan Nunn and James Robinson at Harvard University. Thanks for the inspiration and ideas.

Content

The seminar examines the historical origins of differences in the economic and social development of societies. Participants discuss recent research in the field and present their own work in progress. The aim is to introduce students to the historical background and facts, as well as to state of the art econometric techniques and methods used to analyze historical data empirically. An introduction and assignment using geographical data with ArcGIS is planned.

After completing the course, students will be able to compare and to comment complex research papers, and to assess the advantages and disadvantages of the different approaches.

Structure

The number before the paper refers to the number students choose in the OLAT system. This syllabus and the paper list will be adjusted and completed during the semester.

23.09.2015 1 Introduction and Econometric methods

1. Acemoglu, Daron, Simon Johnson, James A. Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91: 1369-1401.
2. Dell, Melissa. 2010. The Persistent Effects of Peru's Mining Mita," *Econometrica*, 78 (6): 1863-1903.
3. Henrich, Joseph, Robert Boyd, Sam Bowles, Colin Camerer, Herbert Gintis, Richard McElreath and Ernst Fehr. 2001. "In search of Homo Economicus: Experiments in 15 Small-Scale Societies," *American Economic Review*, 91(2):73-79.

30.09.2015 2 Institutions in Europe and Atlantic Trade

1. Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2005. "The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth," *American Economic Review*, 95: 546-579.
2. Bosker, Maarten, Eltjo Buringh and Jan Luiten van Zanden. 2012. "The Rise and Decline of European Parliaments, 1188-1789," *Economic History Review*, 69(3), 835-861.
3. Greif, Avner. 1994. "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies," *Journal of Political Economy*, 102 (5): 912-950.
Murat Iyigun, 2008. "Luther and Suleyman," *Quarterly Journal of Economics*, 123 (4): 1465-1494.
Jha, Saumitra. 2012. "Financial Innovations and Political Development: Evidence from Revolutionary England," Mimeo, Stanford University.

07.10.2015 3 The Rise of Europe: Innovation, Technology and Knowledge

1. Dittmar, Jeremiah. 2011. "Information Technology and Economic Change: The Impact of the Printing Press," *Quarterly Journal of Economics*, 126 (3): 1133-1172.
 2. Hornung, Erik (2014). "Immigration and the diffusion of technology: The Huguenot diaspora in Prussia," *American Economic Review*, 104(1), 84-122.
 3. Nunn, Nathan and Nancy Qian. 2011. "The Potato's Contribution to Population and Urbanization: Evidence from a Historical Experiment," *Quarterly Journal of Economics*, 126 (2): 593-650.
 4. Jia, Ruixue. 2014. "Weather Shocks, Sweet Potatoes and Peasant Revolts in Historical China," *Economic Journal*, 124 (575): 92-118.
- Nunn, Nathan and Nancy Qian. 2010. "The Columbian Exchange: A History of Disease, Food, and Ideas," *Journal of Economic Perspectives*, 24 (2): 163-188.

14.10.2015 4 Impact of Conflict, Culture, Trust, and Income

1. Acemoglu, Daron, Davide Cantoni, Simon Johnson, and James A. Robinson. 2011. "The Consequences of Radical Reform: The French Revolution," *American Economic Review*, 101 (7): 3286-3307.
 2. 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.
 3. Dell Melissa. 2015. "Trafficking Networks and the Mexican Drug War," *American Economic Review* (forthcoming)
 4. Tabellini, Guido. 2010. "Culture and Institutions: Economic Development in the Regions of Europe", *Journal of the European Economic Association*, 8 (4): 677-716.
- Becker, Sascha O., et al. 2014. "The Empire Is Dead, Long Live the Empire! Long-Run Persistence of Trust and Corruption in the Bureaucracy." *The Economic Journal*.
- Tabellini, Guido. 2008. "The Scope of Cooperation: Values and Incentives," *Quarterly Journal of Economics*, 123 (3): 905-950.
- Greif, Avner and Guido Tabellini. 2012. "The Clan and the City: Sustaining Cooperation in China and Europe," Mimeo, Stanford University.

21.10.2015 5 Drivers of Change I - Democracy, Education.

1. Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2014). Democracy does cause growth (No. w20004). *National Bureau of Economic Research*.
2. Aidt, Toke S., and Raphaël Franck. "Democratization under the threat of Revolution: evidence from the great reform act of 1832." *Econometrica* 83.2 (2015): 505-547.

3. Demsetz, Harold. 1967. "Toward a Theory of Property Rights," *American Economic Review*, 57(2), 347-359.
- Acemoglu, Daron and James A. Robinson. 2008. "Persistence of Power, Elites and Institutions," *American Economic Review*, 98: 267-293.
- White, Lynn. 1966. "Stirrup, Mounted Shock Combat, Feudalism and Chivalry," *Medieval Technology and Social Change*, Chapter 1. New York: Oxford University Press.
- Roberts, Michael. 1956. "The Military Revolution, 1560-1660," reprinted with some amendments in his *Essays in Swedish History* (London, 1967).

28.10.2015 6 Drivers of Change II: Geography, Climate, Military

1. Alsan, Marcella. 2013. "The Effect of the TseTse Fly on African Development," *American Economic Review*, 2013.
2. David Clingingsmith, David, Asim Ijaz Khwaja and Michael Kremer. 2009. "Estimating the Impact of the Hajj: Religion and Tolerance in Islam's Global Gathering," *Quarterly Journal of Economics*, 124 (3): 1133-1170.
3. Jha, Saumitra and Steven Wilkinson. 2012. "Does Combat Experience Foster Organizational Skill: Evidence from Ethnic Cleansing During the Partition of South Asia," *American Political Science Review*, 106 (4): 883-907.
4. Nunn, Nathan and Diego Puga. 2012. "Ruggedness: The Blessing of Bad Geography in Africa," *Review of Economics and Statistics*, 94 (1): 20-36.
- Chaney, Eric. 2013. "Revolt on the Nile: Economic Shocks, Religion, and Political Power," *Econometrica*, 81(5): 2033-2053.
- Hruschka, Daniel J. and Joseph Henrich. 2013. "Institutions, Parasites and the Persistence of In-Group Preferences," *PLOS ONE*, 8 (5).
- Olsson, Ola and Christopher Paik. 2012. "A Western Reversal since the Neolithic? The Long-Run Impact of Early Agriculture," Mimeo.
- Diamond, Jared. 1997. *Guns, Germs and Steel*. New York: WW Norton.

04.11.2015 7 Role of the state

1. Acemoglu, Daron, Camilo Garcia-Jimeno, James A. Robinson. 2015. "State Capacity and Economic Development: A Network Approach," *American Economic Review* (forthcoming).
2. Fenske, James. 2014. "Ecology, Trade and States in Pre-Colonial Africa," *Journal of the European Economic Association*, 12(3), 612-640.
3. Bockstette, Valerie, Areendam Chanda and Louis Putterman (2002) "States and Markets: The Advantage of an Early Start," *Journal of Economic Growth*, 7: 347-69.
4. Tilly, Charles. 1985. "War Making and State Making as Organized Crime," in *Bringing the State Back* eds. Peter Evans, Dietrich Rueschemeyer, and Theda Skocpol. Cambridge: Cambridge University Press.

18.11.2015 8 Africa I: Slave Trade

1. Nunn, Nathan. 2008. The Long Term Effects of Africa's Slave Trades," *Quarterly Journal of Economics*, 123 (1): 139{176.
2. Nunn, Nathan and Leonard Wantchekon. 2011. The Slave Trade and the Origins of Mistrust in Africa," *American Economic Review*, 101 (7): 3221-3252.

25.11.2015 9 Africa II: Colonial Rule in Africa: Ethnicities and National Borders

1. Michalopoulos, Stelios and Elias Pappaioannou. 2013. Pre-colonial Ethnic Institutions and Contemporary African Development," *Econometrica*, 81 (1): 113{152.
2. Michalopoulos, Stelios and Elias Pappaioannou. 2014. National Insitutions and Subnational Development in Africa," *Quarterly Journal of Economics*, 129 (1): 151{213.

Other readings:

Michalopoulos, Stelios and Elias Pappaioannou. 2015. The Long-Run Effects of the Scramble for Africa," NBER Working Paper 17620. *AER R&R*

Wantchekon, Leonard, Marko Klašnja, and Natalija Novta. "Education and Human Capital Externalities: Evidence from Colonial Benin." *Quarterly Journal of Economics* 130.2 (2015): 703-757.

Wantchekon, Leonard and Omar Garcia-Ponce 2012. The Institutional Legacy of African Independence Movements.

11.11.2015 10 Social Institutions and Religion

1. Dippel, Christian. 2011. Forced Coexistence and Economic Development: Evidence from Native American Reservations," *Econometrica*, forthcoming
2. Grosjean, Pauline. 2011. A History of Violence: The Culture of Honor as a Determinant of Homicide in the US South," *Journal of the European Economic Association*, forthcoming.
3. Cantoni, Davide. "The economic effects of the Protestant Reformation: Testing the Weber hypothesis in the German Lands." *Journal of the European Economic Association* (2014).

Others on social and cultural factors:

Gneezy, Uri, Kenneth L. Leonard, and John A. List. "Gender Differences in Competition: Evidence from a Matrilineal and a Patriarchal Society" *Econometrica* 77.5 (2009): 1637-1664.

Alesina, Alberto, Paola Giuliano, and Nathan Nunn. "On the Origins of Gender Roles: Women and the Plough." *Quarterly Journal of Economics* 128.2 (2013): 469-530.

Becker, Sascha and Ludger Woessman. 2009. Was Weber Wrong? A Human Capital Theory of Protestant Economic History," *Quarterly Journal of Economics*, 124(2): 531-596.

02.12.2015 11 India

1. Gaikwad, Nikhar. (2015) "East India Companies and Long-Term Economic Change in India." Working Paper
2. Iyer, Lakshmi. 2010. Direct versus Indirect Colonial Rule in India: Long-term Consequences," *Review of Economics and Statistics*, 92 (4): 693-713.

Additional literature:

Banerjee, Abhijit and Lakshmi Iyer. 2005. History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India," *American Economic Review*, 95: 1190-1213.

Jha, Saumtria. 2013. Trade, Institutions and Religious Tolerance: Evidence from India," *American Political Science Review*, 107 (4): forthcoming

09.12.2015 12 Presentations

16.12.2015 13 Presentations

Additional literature

Latin America:

Feir, Donna. 2013. "The Long-Term Effects of Forcible Assimilation Policy: The Case of Indian Boarding Schools," Mimeo, University of Victoria.

Nunn, Nathan. 2008. "Slavery, Inequality, and Economic Development in the Americas: An Examination of the Engerman-Sokoloff Hypothesis," E. Helpman (ed.), *Institutions and Economic Performance*. Harvard University Press, pp. 148-180.

Africa:

Gneezy, Uri, Kenneth L. Leonard and John A. List. 2009. "Gender Differences in Competition: Evidence from a Matrilineal and a Patrilineal Society," *Econometrica*, 77(5), 1637-1666.

Middle East:

Blaydes, Lisa and Eric Chaney. 2013. "The Feudal Revolution and Europe's Rise: Political Divergence of the Christian West and Muslim World before 1500 CE," *American Political Science Review*, 107(1): 16-34.

Michalopoulos, Stelios, Alireza Naghavi and Giovanni Prarolo. 2010. "Trade and Geography in the Origins and Spread of Islam," NBER working paper 18438.

Timur Kuran. 2011. *The Long Divergence: How Islamic Law held back the Middle East*. Princeton: Princeton University Press.

Data sources:

Maps

http://www.aag.org/cs/projects_and_programs/historical_gis_clearinghouse/hgis_projects_programs

<http://www.icr.ethz.ch/data>

Africa

<http://worldmap.harvard.edu/africamap/>

General

<http://www.gistory.de/category/links/historisches/online-hgis-systeme/>

http://www.aag.org/cs/projects_and_programs/historical_gis_clearinghouse/hgis_projects_programs

World

<http://worldmap.harvard.edu/>

US

<https://www.nhgis.org/>

China

<http://www.fas.harvard.edu/~chgis/>

Roman empire:

<http://darmc.harvard.edu/icb/icb.do>

Surveys:

Microdata

Demographic and Health Surveys (DHS): Developing countries, often geocoded

Afrobarometer : Africa, 6 rounds, partly geocoded

Collections of data, ordered by source, time, topic:

University of Michigan ICPSR: Amazing collection sorted by country, topic, both current and historical!

<http://www.icpsr.umich.edu/index.html>

University of Groningen: All kinds of data, also many historical !

<http://www.rug.nl/research/ggdc/>

Overview of many great data sources worldwide, also historical

<http://www.iisg.nl/hpw/link.php#world>

GESIS:

<http://www.gesis.org/das-institut/kompetenzzentren/european-data-laboratory/data-resources/data-for-comparative-research/>

<http://www.gesis.org/en/services/data-analysis/survey-data/european-values-study/>

iPEHD – the Ifo Prussian Economic History Database (Digitized data with many variables on Prussia 1816-1901)

<http://www.cesifo-group.de/ifoHome/facts/iPEHD-Ifo-Prussian-Economic-History-Database.html>

Europe: Official data

<http://CESSDA.net/eng/Data-Catalogue>

Africa, sorted by type of data:

<http://africa.gov.harvard.edu/links/politlnk.htm>

Institutional comparisons within Europe:

<http://www.cesifo-group.de/ifoHome/facts/DICE.html>

World Value Surveys

Country level variables:

World Development Indicators | Data - The World Bank (country- year level, very wide availability).

<http://data.worldbank.org/data-catalog/world-development-indicators>

City and country-time level (available on request , I have this da).