Syllabus "Institutions and Development" ECON-408, Fall 2014

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Office hours: Wed 10-11:30am, Thur 9:30-11:00am or by appointment.

Time: Tue 7:00-9:00pm
Location: King 243

Course objectives: The purpose of this course is to familiarize you with the process of designing and completing an original, quantitative, research project in the area of Development and Institutional Economics. The course will introduce you to some of the most recent research in the field, which you will have to discuss in class. The final product will be a 15-20 page paper presenting your own research. You will be responsible for selecting your research topic and the data you will use. While the field of possible topics is wide, your paper must use data and multivariate regression methods to analyze a specific, testable question. Although you must choose the topic, I will provide guidance on the suitability and focus of possible topics as you develop your research plans.

Course requirements and grading schemes: You will be graded on your presentations of the assigned papers, the presentations of your own research, your class participation, and your final paper. While the exact number of presentations will depend on the final number of registered students, the composition of your grade will be as follows:

Presentations of existing research: 20%
Class participation: 20%
Presentations of your own research: 20%
Final paper: 40%

The grade on your final paper will not only reflect the quality of the final product, but also your diligence during the research process (such as meeting deadlines etc.).

Discussion of existing research: You will be required to present 1 or 2 of the assigned papers in class. Your presentation should be 30-40 minutes, using slides, followed by class discussion. ALL of you are expected to read the papers before class. In your presentation you need to be careful not to simply give a summary of the paper, but a critical discussion. The points you should be able to address are:
- What is the paper's principal question? Why is it relevant?
- Does the paper address the question with the appropriate methods? What are the advantages/shortcomings of the methods employed?

- How robust do you think are the results? Are there alternative interpretations of the results?
- What, if anything, would you do differently?

Developing your own research: You will need to come up very quickly with i) a research question (and one question only!), and ii) the data you will use in your analysis. You will have approximately four weeks for this. In the 5th week we will discuss your research ideas in class, in the 7th week, right before fall break, you will need to hand in a 1-2 page research proposal. Starting in the 9th week you will start presenting your preliminary results, and your final presentation will take place during the final 3 weeks. The assignments are the following:

Presentation of research idea (5th week):
You should prepare a short 10 minute presentation (if you like, you can use slides) addressing your research question, the data you will be using, and as brief discussion of your empirical strategy and the potential problems you expect to encounter.

Research proposal (7th week):
A 1-2 page summary of your research idea addressing:
- What is your question and why is it relevant.
- What is the existing literature on this question?
- What data are you going to use? What are the advantages/limitations of the data?
- What methodology will you be using? Why are you using it?

Presentation of preliminary results (9th-11th week):
A 20-30 minute presentation, followed by a discussion of your results in class. At this point you should be able to present the following:
- How is your question embedded in the existing literature? If it exists, what is the prevailing answer at this point?
- Presentation of your methodology.
- Presentation of summary statistics for your data.
- Preliminary results.

Final presentation (11th-13th week):
A 30-40 minute presentation built upon the previous one. It should roughly have the following structure:
1. *Introduction*: What is your question? Why is it interesting?
2. *Literature Review:* Brief discussion of the existing literature on the question?
3. *Methodology:* Which methods are you using and why?
4. *Data:* Which data are you using? What is its structure? What advantages/shortcomings does the data have? Presentation of summary statistics.
5. *Results:* Presentation of your research results and their interpretation.
6. *Conclusions:* How do your results contribute to the existing knowledge? Where should research go from here?

Final paper (due: End of reading period):

Your final paper should have, roughly, the following sections:
- Introduction (1-2 pages)
- Literature Review (2-4 pages)
- Hypotheses and Methodology (2-4 pages)
- Data and Descriptive Statistics (2-4 pages)
- Regression results (3-5 pages)
- Discussion/Conclusions (1-3 pages)
- References

Data sources: There are a wide variety of potential data sources. As you will need to come up with data very quickly you may want to consult the following sources:

The most comprehensive data collection, country level, as well as, micro data, can be found on the World Bank webpage: http://data.worldbank.org/

The OECD Development Cooperation Directorate offers, among other things, the most commonly used data on foreign aid:
http://www.oecd.org/department/0,2688,en_2649_33721_1_1_1_1_1,00.html

Alternatively, you can consult the somewhat less comprehensive UN data: http://data.un.org/

The best collection on foreign aid data below the country level (to the extent that it is made available at all) can be found at: http://www.aiddata.org

Household level data for a very large number of different developing countries, and in some cases for various years, are provided by the Demographic and Health Surveys. This data also has the advantage of being comparable between different countries:
http://www.measuredhs.com/Data/

In addition, and depending on your language skills, many countries provide their own census or national survey micro data free of charge. The data from the ethnographic atlas are also publicly available.

Course Outline

Week 1:   Organizational meeting, introduction and assignment of presentations.

Week 2:   Daron Acemoglu, Simon Johnson, James A. Robinson; *"The Colonial Origins of Comparative Development: An Empirical Investigation"*; AER (2001).

Rafael La Porta, Florencio Lopez de Silanes, Andrei Shleifer, Robert Vishny; *"The Quality of Government"*; Journal of Law, Economics and Organization (1999).

Week 3:   Lakshmi Iyer; *"Direct vs. Indirect Colonial Rule in India: Long-Term Consequences"*; REStat (2010)

William Easterly, Ross Levine; *"Tropics, germs, and crops: how endowments influence economic development";* Journal of Monetary Economics (2003).

Week 4:   Elise Huillery; "History Matters: The Long-Term Impact of Colonial Public Investments in French West Africa"; AEJ: Applied (2009)

Nicola Gennaioli, Ilia Rainer; *"The Modern Impact of Precolonial Centralization in Africa"*; J Econ Growth (2007)

Week 5:   Presentation of research ideas.

Week 6:   Nathan Nunn, Leonard Wantchekon; *"The Slave Trade and the Origins of Mistrust in Africa"*; American Economic Review (2011).

Nathan Nunn; *"Slavery, Inequality, and Economic Development in the Americas: An Examination of the Engermann-Sokoloff Hypothesis",* unpublished manuscript.

Week 7:   Melissa Dell; *"The Persistent Effects of Peru's Mining MITA"*; Econometrica (2010).

Alberto Alesina, Paola Guiliano, Nathan Nunn; *"On the Origins of Gender Roles: Women and the Plough"*; QJE (2013).

Due: Research proposal

FALL RECESS

Week 8:   Miriam Bruhn, Francisco A. Gallego; *"Good, Bad, and Ugly Colonial Activities: Do They Matter for Economic Development?"*; REStat (2012).

Stelios Michalopoulos, Elias Papaioannou; *"National Institutions and Subnational Development in Africa"*; QJE(2014)

Week 9:   Presentations of preliminary results

Week 10:   Presentations of preliminary results

Week 11:   Presentations of preliminary results

Week 12:   Final presentations

Week 13:   Final presentations

Week 14:   Final presentations

Due: Final Paper