

Syllabus “Institutions and Development” ECON-4903, Fall 2016

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Office hours: Tue, Wed 11:00am-12:30pm or by appointment.

Time: Tue, Thu 9:30-10:45am
Location: Deuxième Maison (DM) 193

Teaching Assistant: Nazmul Islam
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Tutoring Hours: Fri 8:30am-1:30pm, Economics Department Tutoring Center (VH-136)

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/or Institutional Economics. The course will introduce you to some of the most recent and relevant research in the field, which you will have to discuss in class. The final product will be a 15-20 page paper (including tables and references) 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:

Presentation of existing research:	20%
Class participation:	20%
Presentation 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 one of the assigned papers in class. Your presentation should be 15-20 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 six to seven weeks for this. By the end of the 6th week you will need to hand in a 1-2 page *research proposal*. Starting in the 9th week you will start presenting your final results. The final paper is due by Dec 5th. The assignments are the following:

Research proposal (due: end of 6th 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?

Final presentation (9th-15th week):

A 20-25 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 (1-2 pages)
- Hypotheses and Methodology (2-4 pages)
- Data and Descriptive Statistics (2-3 pages)
- Regression results (3-4 pages)
- Discussion/Conclusions (1-2 pages)
- References

Possible 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:

Tuesday 08/23:

Organizational meeting, introduction and assignment of presentations.

Thursday 08/25:

Overview of Development Economics since 2001.

Week 2:

Tuesday 08/30:

Review of basic econometrics and introduction to problems of endogeneity and identification.

Thursday 09/01:

Review Cont.

Week 3:

Tuesday 09/06:

Leonardo Sepe: Comin, Diego, William Easterly, and Erick Gong, “*Was the Wealth of Nations Determined in 1000 B.C.?*”, American Economic Journal: Macroeconomics (2010)

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

Thursday 09/08:

Nicolas Holbach: Lakshmi Iyer; “*Direct vs. Indirect Colonial Rule in India: Long-Term Consequences*”; REStat (2010)

Erick Albarracin: Miriam Bruhn, Francisco A. Gallego; “*Good, Bad, and Ugly Colonial Activities: Do They Matter for Economic Development?*”; REStat (2012).

Week 4:

Tuesday 09/13:

Mohamed Bette: Elise Huillery; “*History Matters: The Long-Term Impact of Colonial Public Investments in French West Africa*”; AEJ: Applied (2009)

Don Fidelia: Donaldson, Dave, “*Railroads of the Raj: Estimating the Impact of Transportation Infrastructure*”, American Economic Review (forthcoming)

Thursday 09/15:

Alejandro Cuartas: Melissa Dell; “*The Persistent Effects of Peru’s Mining MITA*”; *Econometrica* (2010).

Mario Salazar: Nathan Nunn, Leonard Wantchekon; “*The Slave Trade and the Origins of Mistrust in Africa*”; *American Economic Review* (2011).

Week 5:

Tuesday 09/20:

Manuel Guanipa: Stelios Michalopoulos and Elias Papaioannou, “*Pre-colonial Ethnic Institutions and Contemporary African Development*”, *Econometrica* (2013)

Joe Stevens: Nicola Gennaioli, Ilia Rainer; “*The Modern Impact of Precolonial Centralization in Africa*”; *J Econ Growth* (2007)

Thursday 09/22:

Andrew Salmon: Brollo, Fernanda, Tommaso Nannicini, Roberto Perotti, and Guido Tabellini. “*The Political Resource Curse.*” *American Economic Review* (2013)

Christian Contreras: Stelios Michalopoulos, Elias Papaioannou; “*National Institutions and Subnational Development in Africa*”; *QJE*(2014)

Week 6:

Tuesday 09/27:

Arsham Ghadimi: Leonard Wantchekon, Marko Klašnja, and Natalija Novta, “*Education and Human Capital Externalities: Evidence from Colonial Benin*”, *The Quarterly Journal of Economics* (2015)

Adolfo Vargas: Daron Acemoglu, Tristan Reed, and James A. Robinson, “*Chiefs: Economic Development and Elite Control of Civil Society in Sierra Leone*”, *Journal of Political Economy* (2014)

Thursday 09/29:

Tatiana Mathias: Alberto Alesina, Paola Giuliano, Nathan Nunn; “*On the Origins of Gender Roles: Women and the Plough*”; *QJE* (2013).

Sami Salim: Alsan, Marcella. “*The Effect of the TseTse Fly on African Development.*” *American Economic Review* (2015)

RESEARCH PROPOSAL DUE END OF WEEK 6!

Week 7:

Tuesday 10/04:

Andres Arango Saldarriaga: Mara Squicciarini and Nico Voigtlaender, “*Human Capital and Industrialization: Evidence from the Age of Enlightenment*”, Quarterly Journal of Economics (2015)

Cesar Menendez: Jeremiah H. Dittmar, “*Information Technology and Economic Change: The Impact of the Printing Press*”, QJE (2011)

Thursday 10/06:

John Allende: Melissa Dell, “*Path Dependence in Development: Evidence from the Mexican Revolution*”, Working Paper 2012

Izima Kalao: Louis Putterman, David N. Weil, “*Post-1500 Population Flows and the Long Run Determinants of Economic Growth and Inequality*”, Working Paper 2008

Week 8:

Tuesday 10/11:

Praise Ayee: Stelios Michalopoulos, Elias Papaioannou; “*The Long-Run Effects of the Scramble for Africa*”, Working Paper 2011

Eric Domingo Dellamico: John F. Helliwell, Shun Wang, Jinwen Xu; “*How Durable are Social Norms? Immigrant Trust and Generosity in 132 Countries*”, Working Paper 2014

Thursday 10/13:

Julia Makarova: Robin Burgess, Remi Jedwab, Edward Miguel, Ameet Morjaria, and Gerard Padró i Miquel; “*The Value of Democracy: Evidence from Road Building in Kenya*”; American Economic Review (2015)

Wisny Joseph: Benjamin F. Jones and Benjamin A. Olken; “*Hit or Miss? The Effect of Assassinations on Institutions and War*”; American Economic Journal: Macroeconomics (2009)

Week 9:

Tuesday 10/18:

Manuel Guanipa
Tatiana Mathias

Thursday 10/20:

John Allende
Christian Contreras

Week 10:*Tuesday 10/25:*

Mario Salazar
Nicholas Holbach

Thursday 10/27:

Erick Albarracin
Alejandro Cuartas

Week 11:*Tuesday 11/01:*

Andres Arango
Praise Ayee

Thursday 11/03:

Arsham Ghadimi
Andrew Salmon

Week 12:*Tuesday 11/08:*

Cesar Menendez
Eric Dellamico

Thursday 11/10:

NO CLASS DUE TO CONFERENCE

Week 13:*Tuesday 11/15:*

Joe Stevens
Adolfo Vargas

Thursday 11/17:

Kevin Barahona
Don Fidelia

Week 14:*Tuesday 11/22:*

NO CLASS DUE TO RESEARCH TRIP

Thursday 11/24:

THANKSGIVING HOLIDAY

Week 15:*Tuesday 11/29:*

Sami Salim
Leonardo Sepe

Thursday 12/01:

Julia Marakova

Wisny Joseph

Final Paper: Due 12/02