

## **Economic Development of Africa - WS10/11**

**Lecture: Wednesday, 08.00 – 10.00, Theologicum - T0.132**

**Tutorial (bi-weekly): Friday, 10.00 – 12.00, VG. 3102**

Lecturer: Dr Kenneth Harttgen

Office: Oec 2.207

Consultation: Mi: 10-12

Phone: 39-8175

[k.harttgen@wiwi.uni-goettingen.de](mailto:k.harttgen@wiwi.uni-goettingen.de)

Tutorial: Ma, Int. Economics Nicole Grunewald

Office: Oec 2.163

Consultation: On appointment

Phone: 39-4015

[ngrunew@uni-goettingen.de](mailto:ngrunew@uni-goettingen.de)

### **Course description:**

This course will focus on development issues in Sub Saharan Africa. In particular, the course will seek to identify major factors accounting for Africa's high poverty and poor growth performance. The course will start with a detailed description of Africa's current state, and will then analyze the economic impact of the slave trade and the colonial period. In the second part, the focus will be on selected topics which are assumed to be of particular relevance for Africa's underdevelopment: conflict, corruption, rural development, and health hazards. Detailed case studies of success stories and failures will complete the course.

The course is open to Master students in economics and interested students from other faculties. Students who wish to attend are required to have successfully completed "Wachstum und Entwicklung" and preferably "Entwicklungsökonomie II". It is also possible to attend both lectures (Economic development of Africa and Entwicklungsökonomie II) concurrently.

Lectures and tutorials will be held in English.

### **Student assessment:**

Students are required to submit a term paper (about 10 pages, in English) by 24 Jan 2011. The topic of the paper can either be chosen from a list handed out in the first class or students can suggest their own topic. The paper will not require outside research but should be based on the reading list. All reading material can be downloaded from StudIP. There will also be a one hour exam on 16 Feb 2011 (Theo T0.136). The paper and the exam count for 50% of the grade. In total, six credit points can be earned.

## Course outline and reading list:

### 1. Sub-Saharan Africa: Describing the status quo

#### Compulsory readings:

- Collier, Gunning (1999): Explaining African economic performance, *Journal of Economic Literature*, Vol. 37 (1), 64-111.
- Sachs, Warner (1997): Sources of slow growth in African economies, *Journal of African Economies*, Vol. 6(3), 335-376.
- Easterly, Levine (1997): Africa's growth tragedy: policies and ethnic divisions, *Quarterly Journal of Economics*, Vol. 112 (4), 1203-1250.

#### Additional material:

- Bloom, Sachs (1998): Geography, demography and economic growth in Africa, *Brooking papers on economic activity*, Vol. 2, 207-295.
- World Bank (2007): African Development Indicators  
[http://siteresources.worldbank.org/AFRICAEXT/Resources/english\\_essay\\_adi2007.pdf](http://siteresources.worldbank.org/AFRICAEXT/Resources/english_essay_adi2007.pdf)
- Cooper (2002): *Africa since 1940*. The past of the present, ch. 1 (p. 1-19)
- World Bank (2000): *Can Africa claim the 21<sup>st</sup> century?*, ch. 1  
<http://siteresources.worldbank.org/INTAFRICA/Resources/complete.pdf>

### 2. The Atlantic slave trade and its impact on economic development

#### Compulsory readings:

- Nunn (2008): The long-run effects of Africa's slave trades, *Quarterly Journal of Economics*, Vol. 123 (1), 139-176.
- Nunn and Wantchekon (2009): The Slave Trade and the Origins of Mistrust in Africa. NBER Working paper No. 14783.

#### Additional material:

- Iliffe (1995): *Africans: The history of a continent*, ch. 7
- Findlay (1990): *The triangular trade and the Atlantic economy of the eighteenth century: a simple general-equilibrium model*.
- Eltis (1987): *Economic growth and the ending of the transatlantic slave trade*.
- Evans, Richardson (1995): Hunting for rents: The economics of slaving in pre-colonial Africa, *Economic History Review*, Vol. 48(4), 665-686.
- Maddison (2005): Measuring and interpreting World Economic Performance 1500-2001, review of Income and Wealth, 51 (1).

### 3. The colonial era and decolonization

#### Compulsory readings:

- Acemoglu, Johnson, Robinson (2001): The colonial origins of comparative development, *American Economic Review*, Vol. 91 (5), 1369-1401.
- Bertocchi, Canova (2002): Did colonialization matter for economic growth? An empirical exploration into the historical causes of Africa's underdevelopment, *European Economic Review*, Vol. 46, 1850-1871.

#### Additional material:

- McArthur, Sachs (2000): Institutions and geography: Comments on Acemoglu, Johnson and Robinson (2000), NBER WP 8114.
- Alam (1994): Colonialism, decolonisation, and growth rates: Theory and empirical evidence, *Cambridge Journal of Economics*, Vol. 18, 235-257.
- Feyrer, Sacerdote (2006): Colonialism and modern income – Islands as natural experiments, NBER WP 12546.
- Cooper (2002): *Africa since 1940: The past of the present*, ch. 3, 5.
- Iliffe (1995): *Africans: The history of a continent*, ch. 9, 10, 11.

### 4. The role of the state

#### Compulsory readings:

- Englebert (2000): Solving the mystery of the Africa dummy, *World Development*, Vol. 28 (10), 1821-1835.
- World Bank (2000): *Can Africa claim the 21<sup>st</sup> century?*, ch. 2  
<http://siteresources.worldbank.org/INTAFRICA/Resources/complete.pdf>
- Lundahl, Ndulu (1996): *New directions in development economics*, ch. 11

#### Additional material:

- Cooper (2002): *Africa since 1940: The past of the present*, ch. 7
- Easterly, Levine (1997): Africa's growth tragedy: Policies and ethnic divisions, *Quarterly Journal of Economics*, Vol. 112 (4), 1203-1250.
- Easterly (2002): *The elusive quest for growth: Economists' adventures and misadventures in the Tropics*, ch. 13
- Miguel (2004): Tribe or nation? Nation building and public goods in Kenya versus Tanzania, *World Politics*, Vol 56 (3), 327-362.

### 5. Conflict and development

#### Compulsory readings:

- Collier, Hoeffler (1998): On economic causes of civil war, *Oxford Economic Papers*, Vol. 50 (4), 563-573.

- Collier (1999): On the economic consequences of civil war, *Oxford Economic Papers*, Vol. 51 (1), 168-183.
- Collier, Hoeffler (2004): Greed and grievance in civil war, *Oxford Economic Papers*, Vol. 56 (4), 563-595.

Additional material:

- Ross (2004): What do we know about natural resources and civil war? *Journal of Peace Research*, Vol. 41 (3), 337-356.
- Elbadawi, Sambanis (2000): Why are there so many civil wars in Africa? Understanding and preventing violent conflict, *Journal of African Economies*, Vol. 9 (3), 244-269.
- Daley (2006): Challenges to peace: conflict resolution in the Great Lakes region of Africa, *Third World Quarterly*, Vol. 27 (2), 303-319.
- World Bank (2003): Breaking the conflict trap, ch. 1
- Miguel (??):

## **6. Corruption**

Compulsory readings:

- Shleifer, Vishny (1993): Corruption, *Quarterly Journal of Economics*, Vol. 108 (3), 599-617.
- Mauro (1995): Corruption and growth, *Quarterly Journal of Economics*, Vol. 110 (3), 681-712.
- Baliemoune-Lutz, Ndikumana (2007): Corruption and growth in African countries: Exploring the Investment Channel, mimeo.

Additional material:

- Easterly (2002): *The elusive quest for growth: Economists' adventures and misadventures in the Tropics*, ch. 12
- Gyimah-Brempong (2002): Corruption, economic growth, and income inequality in Africa, *Economics of Governance*, Vol.3 (3), 183-209.
- Lambsdorff (2006): Consequences and Causes of Corruption — What do We Know from a Cross-Section of Countries?, *University of Passau Discussion Paper*, V-34-05.
- Svensson (2005): Eight questions about corruption, *Journal of Economic Perspectives*, Vol. 19(3), 19-42.
- Treisman (2000): The causes of corruption: A cross-national study, *Journal of Public Economics*, Vol. 76, 399-457.

## **7. SAP and alternatives**

Compulsory readings:

- Mosley (1996): The Failure of Aid and Adjustment Policies in Sub-Saharan Africa: Counter-examples and policies proposals, *Journal of African Economies*, Vol. 5 (3), 406-443.
- Dollar, Svensson (2000): What Explains the Success or Failure of Structural Adjustment Programmes?, *Economic Journal*, Vol. 110 (466), 894-917.
- Levinsohn (2002): The World Bank's Poverty Reduction Strategy Paper Approach: Good Marketing or Good Policy, mimeo.

Additional material:

- Easterly (2002): *The elusive quest for growth: Economists' adventures and misadventures in the Tropics*, ch. 6
- Mosley, Harrigan, Toye (1991): *Aid and power*, ch. 1, 2
- Mkandawire, Soludo (1999): *Our continent, our future*, ch. 2, 3
- World Bank (2005): The PRSP initiative: Findings from 10 country case studies of World Bank and IMF support: <http://imf-ieo.org/eval/complete/pdf/04132005/report.pdf>
- Cheru (2006): Building and supporting PRSPs in Africa: What has worked well so far? What needs changing? *Third World Quarterly*, Vol. 27 (2), 355-376.
- Cling (2002): The PRSP initiative: Old wine in new bottles? Mimeographed.

## **8. Rural development**

Compulsory readings:

- Singh, Squire, Strauss (1986): A Survey of Agricultural Household Models: Recent Findings and Policy Implications, *World Bank Economic Review*, Vol. 1 (1), 149-179.
- Taylor, Adelman (2003): Agricultural household models: Genesis, evolution, and extensions, *Review of Economics of the Household*, Vol. 1 (1).

Additional material:

- Thiele (2003): The bias against agriculture in Sub-Saharan Africa: has it survived 20 years of structural adjustment programs?, *Quarterly Journal of International Agriculture*, Vol. 42 (1), 5-20.
- Bates, Block (2009): Political economy of agricultural trade interventions in Africa, Agricultural Distortions Working Paper 87.
- World Bank (2000): Can Africa claim the 21st century?, ch. 6  
<http://siteresources.worldbank.org/INTAFRICA/Resources/complete.pdf>
- World Bank (2008): Agriculture for development, WDR 2008  
<http://siteresources.worldbank.org/INTWDR2008/Resources/2795087-1192111580172/WDROver2008-ENG.pdf>

## **9. The biggest health hazards: HIV/Aids and malaria**

Compulsory readings:

- Sachs, Malaney (2002): The economic and social burden of malaria, *Nature*, Vol. 415 (7), 680-685.

- Kremer (1996): Integrating behavioral choice into epidemiological models of AIDS, *Quarterly Journal of Economics*, Vol. 111 (2), 549-573.

#### Additional material:

- Haacker (2002): The economic consequences of HIV/Aids in Southern Africa. IMF WP 02/38.
- Oster (2007): Routes of Infection: Exports and HIV Incidence in Sub-Saharan Africa, NBER WP 13610.
- Oster (2009): HIV and sexual behavior change: Why not Africa? Mimeographed.
- WHO/UNICEF (2003): The Africa Malaria Report 2003, p.9-23  
<http://www.rollbackmalaria.org/amd2003/amr2003/pdf/amr2003.pdf>
- UNAIDS (2008): 2008 Report on the global AIDS epidemic, ch.2  
<http://www.unaids.org/en/KnowledgeCentre/HIVData/GlobalReport/2008/>
- Young (2004): The gift of the dying: The tragedy of Aids and the welfare of future African generations, NBER Working Paper 10991.
- Bell, Devarajan, Gersbach (2003): Long-run economic costs of Aids: Theory and application to South Africa, mimeographed.
- Juhn et al. (2009): HIV and fertility in Africa: First evidence from population based surveys, IZA DP 4473.
- Beegle, de Walque (2009): Demographic and Socioeconomic Patterns of HIV/AIDS Prevalence in Africa, World Bank Policy Research Working Paper 5076.

### **10. Africa and the MDG**

#### Compulsory readings:

- Clemens, Kenny, Moss (2007): The Trouble with the MDGs: Confronting Expectations of Aid and Development Success, *World Development*, Vol. 35 (5), 735-751.
- Besley, Burgess (2003): *Journal of Economic Perspectives*

#### Additional material:

- UNECA (2005): The Millennium Development Goals in Africa: Progress and Challenges. [http://www.uneca.org/mdgs/MDGs\\_in\\_Africa.pdf](http://www.uneca.org/mdgs/MDGs_in_Africa.pdf)
- <http://www.mdgafrica.org/>
- Easterly (2007): How the MDG are unfair to Africa, *Brooking Global Economy and Development*, WP 14.

### **11. Case studies: Ghana, Uganda, Botswana, Zimbabwe (time permitting)**

- Rodrik (ed) (2003): *In search of prosperity: Analytical narratives on economic growth*, ch. 4.
- Devarajan, Dollar, Holmgren (2001): Aid and reform in Africa, p. 45-163.
- OECD (2003): African economic outlook. Zimbabwe.  
<http://www.oecd.org/dataoecd/2/55/11978664.pdf>

- Palmer (1990): Land reform in Zimbabwe, 1980 – 1990, *African Affairs*, Vol. 89 (355), 163-181.
- Davies, Sanders, Shaw (1992): *Liberalisation for development: Zimbabwe's adjustment without the fund*, In: Cornia, van der Hoeven, Mkandawire (eds), *Africa's recovery in the 1990s*.