



## Syllabus

# Development Economics I: Macro Issues in Economic Development

(Entwicklungsökonomik I: Makrofragen wirtschaftlicher Entwicklung)

Winter semester 2022/23

(as of November 1<sup>st</sup>, 2022)

### Prof. Dr. Andreas Fuchs

Phone: 0551-39-28311

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

Website: <http://economics.uni-goettingen.de/fuchs>

Room: Oeconomicum, Room 2.211

Office hour: Tuesdays 10:00-11:00 s.t. (during lecture periods)

### Samuel Siewers, M.Sc.

Phone: 0551-39-28316

Email: [samuel.siewers@uni-goettingen.de](mailto:samuel.siewers@uni-goettingen.de)

Room: Oeconomicum, Room 2.209

Office hour: By appointment

### Felix Turbanisch, M.A.

Phone: 0551-39-28315

Email: [felix.turbanisch@uni-goettingen.de](mailto:felix.turbanisch@uni-goettingen.de)

Room: Oeconomicum, Room 2.209

Office hour: By appointment

## 1. General information

### 1.1 Course content

This course provides an overview of development economics, with particular emphasis on macro issues in economic development. The most important topics to be covered are the measurement and meaning of economic development, theoretical and empirical growth research, trade and development,

poverty, inequality, development cooperation, environmental problems, capital flows, and foreign debt. More specifically, the course covers the following topics:

1.	What is development? An introduction	Wednesday, October 26
2.	Income measures of development	Wednesday, November 2
3.	Alternative measures of development	Monday, November 7
4.	History of underdevelopment I	Wednesday, November 9
5.	History of underdevelopment II	Monday, November 14
6.	Growth theory	Wednesday, November 16
7.	Growth empirics	Monday, November 21
8.	Political institutions and development	Wednesday, November 23
9.	Development and inequality	Monday, November 28
10.	Sustainable development	Wednesday, November 30
11.	Globalization and development	Wednesday, December 7
12.	Development aid	Wednesday, December 14
13.	Debt and financial crises	Wednesday, December 21

### *1.2 Course goals*

The course will provide participants with the theoretical foundations of various approaches to economic development; equip participants with the basic techniques and concepts to analyze growth with empirical methods and to test alternative theories; allow participants to grasp the core implications of one theory versus another and to derive from that the contrasting policy implications; and provide students with an overview over some of the main debates in development economics.

### *1.3 Prerequisites*

No formal requirements, but knowledge in the following areas is highly recommended: microeconomics, macroeconomics, and econometrics at the Bachelor level. It is recommended that students take Econometrics I (M.WIWI-QMW.0004.Mp) and Quasi-Experiments in Development Economics (M.WIWI-VWL.0138.Mp) at the same time (if you have not completed these courses in a previous semester).

### 1.4 Credit points

6 ECTS-LP (lecture: 2 SWS; exercise session: 2 SWS).

### 1.5 Registration

Please register via FlexNow.

## 2. Course overview

### 2.1 Description of the teaching and learning methods

The lecture is supplemented by self-study based on provided materials and literature. The accompanying exercise session deepens the analytical concepts, applies them to practical examples, and discusses the experiences of individual countries. **The course language is English.**

This course is part of a two-course cycle on development economics (Development Economics I & II). For students in the MSc Development Economics, both courses are compulsory. For students in the MSc International Economics, it is recommended to take at least I or II if they would like to follow a specialization in development economics.

### 2.2 Meetings

**This course is planned to take place on campus. Please register on Stud.IP as soon as possible so that you will receive all information on possible changes due to the current situation (coronavirus).**

#### Lecture (*Vorlesung*):

- Each Monday, 18:00-19:30 (s.t.), Room see EXA, from October 24 until November 21
- Each Wednesday, 8:30-10:00 (s.t.), Room see EXA, from October 26 until December 21
- First lecture: Wednesday, October 26, 2022
- Last lecture: Wednesday, December 21, 2022

#### Guest lecture (*Gastvortrag*):

- SUR Dialogues with Amma Panin (U Louvain) and Felipe Valencia Caicedo (U British Columbia): Tuesday, November 8, 2022, 18:00-20:00 (s.t.), Room Theo 0.134

#### Weekly exercise sessions (*Übung*):

- Each Thursday, two alternative time slots, from October 27 to December 22

- Option 1: 16:00-18:00, Room see EXA
- Option 2: 18:00-19:30 (s.t.), Room see EXA
- Each Monday, two alternative time slots, from December 5 to December 19
  - Option 1: 16:00-18:00, Room see EXA
  - Option 2: 18:00-19:30 (s.t.), Room see EXA
- First exercise session: Thursday, October 27, 2022
- Last exercise session: Thursday, December 22, 2022

Exercise session	Content	Time	TA
1	Interpretation of regression tables	Thursday, October 27	Siewers
2	PS1	Thursday, November 3	Siewers
3	PS2	Thursday, November 10	Siewers
4	PS3	Thursday, November 17	Siewers
5	PS4	Thursday, November 24	Siewers
6	PS5	Thursday, December 1	Siewers
7	PS6	Monday, December 5	Turbanisch
8	PS7	Thursday, December 8	Turbanisch
9	PS8	Monday, December 12	Turbanisch
10	PS9	Thursday, December 15	Turbanisch
11	PS10	Monday, December 19	Turbanisch
12	PS11	Thursday, December 22	Turbanisch

Due to cuts in study quality funding (SQM), we are only able to offer two slots for the weekly exercise session and must discontinue the “crash course” prior to the second exam.

#### Communication:

Instead of emails, we will use the two communication fora on Stud.IP (one for content-related and one for organizational questions).

### 2.3 Examination and grading of the module

Final exam (duration: 90 minutes) [6C]

- First exam date: Wednesday, January 18, 2023, 8:00-10:00, [Room see EXA](#)
- Second exam date: Wednesday, April 5, 2023, 8:00-10:00, [Room see EXA](#)

**IMPORTANT:** In order to be admitted to the exam, the following prerequisites must be completed: Submission of six exercise sheets (of sufficient quality) out of ten. Please note that no submission is possible in the first and last exercise session.

### 2.4 Course materials

- Todaro, Michael P., and Stephen C. Smith (2015). *Economic Development*, 12th Edition. Harlow: Person Education.
- Perkins, Dwight H., Steven Radelet, David D. Lindauer, and Steven A. Block (2012) *Economics of Development*, 7th Edition. New York & London: W.W. Norton.
- The required and recommended readings on each topic will be announced in the reading list.
- All lecture slides and exercise questions will be published on Stud.IP.

**Note: Dates and contents subject to change!**

*Chapter 3                    Alternative measures of development*

Bruederle, Anna, and Roland Hodler. 2018. Nighttime Lights as a Proxy for Human Development at the Local Level. *PloS one* 13(9): e0202231.

*Chapter 4                    History of underdevelopment I*

Maddison, Angus (2010). *The World Economy: A Millennial Perspective*. Reprint. OECD Development Centre Studies. Paris: OECD. Introduction and Summary.

Easterly, William, and Ross Levine (2003). Tropics, Germs, and Crops: How Endowments Influence Economic Development. *Journal of Monetary Economics* 50(1): 3-39.

*Chapter 5                    History of underdevelopment II*

Nunn, Nathan (2008). The Long-term Effects of Africa's Slave Trades. *Quarterly Journal of Economics* 123(1): 139-176.

Maloney, William F., and Felipe Valencia Caicedo (2016). The Persistence of (Subnational) Fortune. *Economic Journal* 126(598): 2363-2401.

*Chapter 6                    Growth theory*

*Chapter 7                    Growth empirics*

Zhu (2012). Understanding China's Growth: Past, Present, and Future. *Journal of Economic Perspectives* 26(4): 103-124.

*Chapter 8                    The role of the state in economic development*

Funke, Manuel, Moritz Schularick, and Christoph Trebesch. 2020. Populist Leaders and the Economy. Kiel Working Paper 2169. Kiel, Germany: Kiel Institute for the World Economy.

*Chapter 9                    Development and inequality*

Chancel, Lucas, and Thomas Piketty (2021). Global Income Inequality, 1820-2020: The Persistence and Mutation of Extreme Inequality. World Inequality Lab – Working Paper N° 2021/19.

Klasen, Stephan (2020). From 'MeToo' to Boko Haram: A Survey of Levels and Trends of Gender Inequality in the World. *World Development* 128 (2020): 104862.

*Chapter 10 Sustainable development*

Nordhaus, William (2019). Climate Change: The Ultimate Challenge for Economics. *American Economic Review* 109(6): 1991-2014.

Dell, Melissa, Benjamin F. Jones, and Benjamin A. Olken (2012). Temperature Shocks and Economic Growth: Evidence from the Last Half Century. *American Economic Journal: Macroeconomics* 4(3): 66-95.

*Chapter 11 Globalization and development*

Lang, Valentin F., and Marina Mendes Tavares (2018). The Distribution of Gains from Globalization. IMF Working Paper 18/54. Washington, DC: International Monetary Fund.

*Chapter 12 Development aid*

Dreher, Axel, Andreas Fuchs, Roland Hodler, Bradley C. Parks, Paul A. Raschky, and Michael J. Tierney (2019). African Leaders and the Geography of China's Foreign Assistance. *Journal of Development Economics* 140: 44-71.

*Chapter 13 Debt and financial crises*

Reinhart, Carmen M., and Christoph Trebesch (2016). Sovereign Debt Relief and its Aftermath. *Journal of the European Economic Association* 14(1): 215-251.