

PSC/IR 255: Institutions and Underdevelopment

Spring 2013 – TR 09:40-10:55

Instructor: Avidit R. Acharya
Email: aachary3@z.rochester.edu
Office Hours: W14:30-15:30 or by appointment

Teaching Assistant: Hyesung Kim
Email: hkim82@z.rochester.edu
Office Hours: W13:00-14:30

About the course

Why are some countries and societies so much richer than others? This course focuses on the political and institutional causes of differences in economic development across countries. We will address the importance of formal and informal institutions, ethnic and class conflict, the role and organization of the state, and social structure and culture in answering this important question.

Grading

There will be one in-class midterm exam on March 7, and a final exam on Thursday, May 9 from 4pm to 6pm. The midterm will cover all of the material taught up to, and including, March 5. The final exam will focus mostly on the material covered after spring break, though it may include some of the material cover before spring break.

Students are also required to submit four reading responses. A good reading response will be approximately 1200 words, and do the following: summarize the approach and findings of a paper covered in class, and offer a thoughtful critique of the paper in view of the other material that has been taught. Two of the responses must be on different readings covered prior to spring break. The other two must be on different readings covered after spring break. All reading responses must be submitted by email to the TA prior to start of the class in which they are covered.

I will use the Socratic method in class to determine grades for class participation. Each student will be called on, randomly, up to three times in the course of the semester, and will be expected to provide an answer to a question that I ask about the readings. Each time you are called, you should expect to speak for about three minutes, and you should try to promote further class discussion with your answer. If you are not present when your name is called, then you will not receive credit for that time's participation. If you have a good reason for missing class, you should email me the day before class, explaining your circumstance. I will not cold call students who have informed me of a

good reason for why they will be absent. I will start cold calling on Jan. 22 and continue through April 30.

Your final class grade will be determined as follows:

Four Reading Responses:	10% x 4 =	40%
Class Participation:		10%
Midterm Exam:		20%
Final Exam:		30%

Pre-requisite Knowledge

Though there are no pre-requisites for this course, it is a fact that those who have a strong background in statistics will have an advantage over those who do not. Most of the readings are quite technical. While it would be unfair to expect students to understand every detail of every paper, students will be expected to achieve a basic understanding of both the substance *and* methodology of the papers. If you have not taken an advanced statistics class before (i.e. you do not know what the word “endogeneity” means) and it is possible for you to take the course at a future time, then you are encouraged to take such a statistics course before you take this course.

Course Outline

All course material will be available through Blackboard. Students are expected to do the readings prior to the class time for which they are scheduled.

- Jan. 17 Introductory Class / Brief Review of Data Analysis
- Jan. 22 Douglass North. *Institutions, Institutional Change and Economic Performance*, Cambridge University Press. Part I.
- Jan. 24 Acemoglu, D., S. Johnson and J. Robinson. (2001). “The Colonial Origins of Comparative Development: An Empirical Investigation,” *American Economic Review*, 91, 5, 1369-1401.
- Jan. 29 Banerjee, A. and L. Iyer. (2005). “History, Institutions, and Economic Performance: The Legacy of Colonial Land Tenure Systems in India,” *American Economic Review*, 95, 4, 1190-1213.
- Jan. 31 La Porta, R., F. Lopez de Silanes and A. Shleifer. (2008). “The Economic Consequences of Legal Origins,” *Journal of Economic Literature*, 46, 2, 285-332.
- Feb. 5 Duflo, E. and R. Chattopadhyaya. (2004). “Women as Policy-makers: Evidence from a Randomized Policy Experiment in India,” *Econometrica*, 72, 5, 1409-43.

- Feb. 7 Alesina, A., P. Giuliano and N. Nunn. (2012). "On the Origins of Gender Roles: Women and the Plough," *working paper*.
- Feb. 12 Michalopoulos, S. and E. Papaioannou. (2012). "Pre-colonial Ethnic Institutions and Contemporary African Development," *Econometrica*, forthcoming.
- Feb. 14 Nunn, N. and L. Wantchekon. (2011). "The Slave Trade and the Origins of Mistrust in Africa," *American Economic Review*, 101, 3221-3252.
- Feb. 19 Acemoglu, A., T. Hassan and J. Robinson. (2011). "Social Structure and Development: A Legacy of the Holocaust in Russia," *Quarterly Journal of Economics*, 126, 2, 895-946.
- Feb. 21 Jha, S. (2010). "Complementarities and Religious Tolerance: Evidence from India" *working paper*.
- Feb. 26 Dell, M. (2011). "The Persistent Effects of Peru's Mining Mita" *Econometrica*, 78, 1863-1903.
- Feb. 28 Acemoglu, D., D. Cantoni, S. Johnson, and J. Robinson (2011). "The Consequences of Radical Reform – The French Revolution" *American Economic Review*, 101, 3286-3307.
- Mar. 5 Meng, X., N. Qian and P. Yared (2011). "The Institutional Causes of China's Great Famine, 1959-1961" *working paper*.
- Mar. 7 Midterm Exam.
- Mar. 19 Greif, A. (2006). *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*, Cambridge University Press. Chapter 1.
- Mar. 21 Acharya, A. (2010). "The Maoist Insurgency in Nepal and the Political Economy of Violence," in M. Lawoti and A. Pahari (eds.) *The Maoist Insurgency in Nepal: Revolution in the Twenty First Century*, London: Routledge.
- Mar. 26 Dube, O. and J. Vargas (2012). "Commodity Price Shocks and Civil Conflict: Evidence from Colombia," *Review of Economic Studies*, forthcoming.
- Mar. 28 Fearon, J., M. Humphreys and J. Weinstein (2012). "Democratic Institutions and Collective Action Capacity: Results from a Field Experiment in Post Conflict Liberia," *working paper*.

- Apr. 2 Burgess, R., M. Hansen, B. Olken, P. Potapov and S. Sieber. (2012) "The Political Economy of Deforestation in the Tropics" *Quarterly Journal of Economics*, 127, 4, 1707-1754.
- Apr. 4 Dell, M., B. Jones and B. Olken. (2012). "Temperature Shocks and Economic Growth: Evidence from the Last Half Century" *American Economic Journal: Macroeconomics*, 4, 3, 66-95.
- Apr. 9 Nunn, N. and N. Qian. (2011). "The Potato's Contribution to Population and Urbanization: Evidence from a Historical Experiment," *Quarterly Journal of Economics*, 126, 2, 593-650.
- Apr. 11 No Class.
- Apr. 16 Greif, A. (1994). "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies," *Journal of Political Economy*, 102, 912-950.
- Apr. 18 Chaney, E. (2012). "Revolt on the Nile: Economic Shocks, Religion and Political Power," *working paper*.
- Apr. 23 Bardhan, P. (1997). "Corruption and Development: A Review of the Issues," *Journal of Economic Literature*, 35, pp. 1320-46.
- Apr. 25 Ferraz, C. and F. Finan. (2011). "Electoral Accountability and Corruption in Local Governments: Evidence from Audit Reports in Brazil," *American Economic Review*, 101, 1274-1311.
- Apr. 30 Acharya, A., J. Roemer and R. Somanathan (2012). "Caste Politics, Corruption and Distribution in India: Voter Preferences and Policy Outcomes in Uttar Pradesh" *working paper*.