**Africa in the World Economy**

*Professor William Easterly*

*TA Rhea Dhar*

Economic development ideas are most often applied in Africa to foreign aid policies-- Does aid work to help victims of extreme poverty, malaria, AIDS, famine, illiteracy, and war? If not, how can policymakers make it work better?  Development ideas also apply to a much broader set of public policy debates: for example -- is migration from poor to rich countries a powerful vehicle for ending world poverty, or is it a threat to rich countries?  Is free trade and liberalization of markets an engine of development or are such policies a neoliberal disaster?  Another major theme of the class is the deep historical roots of Africa’s low level of development. Do we need to understand these historical roots of poverty and war before we can discuss answers for today’s development problems?

This course will review the modern academic literature on economic development, including empirical methods relevant for the debates, as well as historical perspectives from previous generations of thinkers. The readings and lectures will mix non-technical material on the big debates with some technical theory and empirics. The discussion of academic articles will focus on their main econometric results. You will be encouraged to think critically about the empirical claims made in the articles. The aim is to capture the big public policy debates as well as what technical foundations they are based on.

**Grading:** The readings for each class date will be announced in advance. Students are expected to do the readings before each class. Class participation is strongly encouraged, either by offering questions or comments in class or by sending emails to the professor and TA. In cases where the course grade is on the borderline between letter grade categories, class participation will be used to determine the grade.

Students are expected to attend every class unless there is an excused absence granted by email from the professor. Attendance will make up 10 percent of the class grade.

Ninety percent of the grade will be based on a take-home mid-term essay exam and a take-home final essay exam (each typically answering 5 questions in about 10 pages). You will have 5 days to complete each take-home after it is distributed.

**Office hours:** available by appointment. Contact me william.easterly@nyu.edu or TA Rhea Dhar rd3095@nyu.edu for appointments or any other questions and issues you want to discuss.

**Readings assigned:**

The following books will be covered for the public intellectual debate, the first more fully and the second for only a couple of chapters. Books are available at the bookstore or on Amazon or other websites. The articles below are available electronically through the NYU Home research portals.

William Easterly, *The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor* (2014) (“Tyranny” in the syllabus below)

Jeffrey Sachs, *The End of Poverty: Economic Possibilities for Our Time*

 First class: Intro to themes (no readings)

1. **Aid and Development in Africa**

Sachs, Jeffrey D.. The End of Poverty: Economic Possibilities for Our Time. Penguin Publishing Group. Kindle Edition.

Chapter Three WHY SOME COUNTRIES FAIL TO THRIVE

Chapter Thirteen MAKING THE INVESTMENTS NEEDED TO END POVERTY

Kraay, Aart, and David McKenzie. 2014. "[Do Poverty Traps Exist? Assessing the Evidence](http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.28.3.127)." *Journal of Economic Perspectives*, 28(3): 127-48.

S. Galiani, S. Knack, C. Xu and B. Zou “The effect of aid on growth: Evidence from a quasi-experiment. *Journal of Economic Growth*, Volume 22, Issue 1, March 2017, pp. 1-33.

Nunn N, Qian N., [U.S. Food Aid and Civil Conflict,](http://scholar.harvard.edu/nunn/publications/us-food-aid-and-civil-conflict)  American Economic Review. 2014;104(6):1630-1666.

1. **Aid projects and randomized controlled trials**

Thomas Bossuroy, Markus Goldstein, Dean Karlan, Harounan Kazianga, William Parienté, Patrick Premand, Catherine Thomas, Christopher Udry, Julia Vaillant, Kelsey Wright, Pathways out of Extreme Poverty: Tackling Psychosocial and Capital Constraints with a Multi-faceted Social Protection Program in Niger, March 2021

Duflo, Esther, Pascaline Dupas and Michael Kremer The Impact of Free Secondary Education: Experimental Evidence from Ghana, Working paper, June 2021 <https://economics.mit.edu/files/16094>

Duflo, Esther. 2020. "Field Experiments and the Practice of Policy." American Economic Review, 110 (7): 1952-73. (Nobel Prize Lecture)

Vivalt, Eva. 2020. "[How Much Can We Generalize from Impact Evaluations?,”](http://evavivalt.com/wp-content/uploads/How-Much-Can-We-Generalize.pdf) Journal of the European Economics Association. 18(6): 3045–3089

Angus Deaton, [Instruments, randomization, and learning about development](http://www.princeton.edu/~deaton/downloads/deaton%20instruments%20randomization%20learning%20about%20development%20jel%202010.pdf), Journal of Economic Literature, 48 (June 2010), pp. 424-455

Deaton, Angus. 2020. “[Randomization in the tropics revisited: a theme and eleven variations. In *Randomized controlled trials in the field of development: a critical perspective* (Florent Bédécarrats, Isabelle Guérin, François Roubaud, editors). Oxford University Press, Revised](https://scholar.princeton.edu/deaton/publications/randomization-tropics-revisited-theme-and-eleven-variations-randomized)”

<http://www.princeton.edu/~deaton/downloads/Deaton%20Randomization%20revisited%20v7%202020.pdf>

1. **Do History and Geography Matter?**

Enrico Spolaore and Romain Wacziarg, “How Deep Are the Roots of Economic Development?” Journal of Economic Literature 51, no. 2 (2013): 325– 69.

Comin, Diego, William Easterly, and Erick Gong, “Was the Wealth of Nations Determined in 1000 B.C.?”, American Economic Journal: Macroeconomics 2 (July 2010): 65–97

Alsan, Marcella. 2015. "[The Effect of the TseTse Fly on African Development](http://healthpolicy.fsi.stanford.edu/sites/default/files/tsetse.pdf)." *American Economic Review*, 105(1): 382-410.

Nunn N, Alesina A, Giuliano P. [On the Origins of Gender Roles: Women and the Plough](http://scholar.harvard.edu/nunn/publications/origins-gender-roles-women-and-plough). Quarterly Journal of Economics. 2013;128(2):469-530.

Berman, Nicolas, Mathieu Couttenier, Dominic Rohner, and Mathias Thoenig. 2017. "This Mine Is Mine! How Minerals Fuel Conflicts in Africa." American Economic Review, 107 (6): 1564-1610.

1. **Oppression and Development**

Tyranny, Chapters 7 and 8

1. The Slave Trade

Nathan Nunn, “The Long-Term Effects of Africa’s Slave Trades,” Quarterly Journal of Economics 123, no. 1 (February 2008): 139– 76.

Nathan Nunn and Leonard Wantchekon, “The Slave Trade and the Origins of Mistrust in Africa,” American Economic Review 101, no. 7 (December 2011): 3221– 52.

1. Colonialism

April 13

Stelios Michalopoulos and Elias Papaioannou (2016), [The Long-Run Effects of the Scramble for Africa](https://drive.google.com/file/d/0B4s_WKe-US99UEJOWnBNcGJjSUE/view), [AMERICAN ECONOMIC REVIEW, VOL. 106, NO. 7, JULY 2016](https://www.aeaweb.org/issues/419), (pp. 1802-48)

Arthur Blouin, Culture and Contracts: The Historical Legacy of Forced Labour, The Economic Journal, 2021;, ueab031, https://doi.org/10.1093/ej/ueab031

1. **Markets and Development**

April 18

Chapter 11, Tyranny

April 20

**Adamopoulos, Tasso, and Diego Restuccia. 2014. "The Size Distribution of Farms and International Productivity Differences." *American Economic Review*, 104(6): 1667-97.**

April 25

W. Easterly, “In Search of Reforms for Growth: New Stylized Facts on Policy and Growth Outcomes,” NBER Working Paper, 2019

1. **Technology and Development**

April 27

Tyranny, Chapter 12

May 2

Charles I. Jones and Paul M. Romer, “The New Kaldor Facts: Ideas, Institutions, Population, and Human Capital.” American Economic Journal: Macroeconomics 2, no. 1 (2010): 224– 45.

May 4

Filipe Campante, David Yanagizawa-Drott; Long-Range Growth: Economic Development in the Global Network of Air Links, The Quarterly Journal of Economics, Volume 133, Issue 3, 1 August 2018, Pages 1395–458, https://doi.org/10.1093/qje/qjx050

1. Are there Benevolent Autocrats for Development?

May 9

Persson, Torsten and Guido Tabellini, “Democratic Capital: The Nexus of Political and Economic Change”, American Economic Journal: Macroeconomics, 2010.

Chapter 13, Tyranny

**Take-home final handed out at end of class May 9**