**Africa in the World Economy**

*Spring 2017*

*By William Easterly, Professor of Economics (Joint with Africa House, Co-director of Development Research Institute at NYU)*

**This class asks: Why is Africa poor? What must we do to end poverty in Africa? Who is we?**

There is no textbook for the class, only the articles and chapter extracts below. IMPORTANT: YOU ARE NOT REQUIRED TO READ ALL THE ARTICLES. They are provided mainly as academic citations to support the slides. You are required only to know what is presented in class lectures on the slides. I will distribute copies of slides before each lecture.

The methods of the class are a combination of verbal statements of the intuition behind theories and evidence, mathematical theory, and formal statistical evidence. For the exams, you will not be required to use formal math or statistics, presenting the verbal intuition will be enough to get a good grade.

Office hours will be available by appointment, please email me at William.Easterly@NYU.edu.

The grade for the class will be determined by a mid-term exam and a final exam. Each of these will consist of a take-home exam of 4-5 essay questions to be answered in about 10 pages, due 5 days after the exam is distributed. Class participation will affect the grade as a tie-breaker when you are the on the line between two possible grades. You may also participate by emailing questions to me before, during, or after the class (to [William.Easterly@NYU.edu](mailto:William.Easterly@NYU.edu)).

**Introduction: African stereotypes and reality**

Slides only

**The theory of economic development and the history of the development idea in Africa**

CHAPTER FOUR: RACE, WAR, AND THE FATE OF AFRICA, in

Easterly, William (2014-03-04). The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor (p. 81ff). Basic Books. Kindle Edition.

CHAPTER ONE: A GLOBAL FAMILY PORTRAIT, and CHAPTER FOUR: WHY SOME COUNTRIES FAIL TO THRIVE in

Sachs, Jeffrey D.. The End of Poverty: Economic Possibilities for Our Time Penguin Publishing Group. Kindle Edition. 2005.

Gollin, Douglas. 2014. "[The Lewis Model: A 60-Year Retrospective](http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.28.3.71)." *Journal of Economic Perspectives,* 28(3): 71-88.

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.

**Pre-colonial history and African development**

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

[*http://williameasterly.files.wordpress.com/2010/08/60\_easterly\_comin\_gong\_wealthofnations\_prp.pdf*](http://williameasterly.files.wordpress.com/2010/08/60_easterly_comin_gong_wealthofnations_prp.pdf)

Stelios Michalopoulos, The Origins of Ethnolinguistic Diversity, *American Economic Review* 2012, 102(4): 1508–1539

Stelios Michalopoulos and Elias Papaioannou, [Pre-colonial Ethnic Institutions and Contemporary African Development](https://docs.google.com/file/d/0B4s_WKe-US99endRYi1hdUJCajg/edit), *Econometrica*, 2013, 81(1): 113–152

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.

**The slave trade and colonialism**

CHAPTER SEVEN INSTITUTIONS: WE OPPRESS THEM IF WE CAN, in Easterly, William (2014-03-04). The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor (p. 155ff). Basic Books. Kindle Edition.

Nunn, Nathan, “The Long-Term Effects of Africa’s Slave Trades,” *Quarterly Journal of Economics*, 123 (2008), 139–176.

<http://www.economics.harvard.edu/faculty/nunn/files/empirical_slavery.pdf>

Nunn N, Wantchekon L. [The Slave Trade and the Origins of Mistrust in Africa](http://scholar.harvard.edu/nunn/publications/slave-trade-and-origins-mistrust-africa). American Economic Review. 2011;101(7):3221-3252.

Sacerdote, Bruce. “Slavery and the Intergenerational Transmission of Human Capital."*The Review of Economics and Statistics*, Vol. 87, Issue 2 - May, 2005. <http://www.dartmouth.edu/~bsacerdo/wpapers/Slavery3.pdf>

Nathan Nunn, "Historical Legacies: A Model Linking Africa's Past to its Current Underdevelopment," **Journal of Development Economics,** Vol. 83, No. 1, May 2007, pp. 157-175, http://www.economics.harvard.edu/faculty/nunn/files/legacy\_jde.pdf

Stelios Michalopoulos and Elias Papaioannou (2016), [The Long-Run Effects of the Scramble for Africa](https://drive.google.com/file/d/0B4s_WKe-US99LV9XVTNVNzFxYW8/view), American Economic Review, forthcoming

**Markets and misallocation to explain development differences**

CHAPTER ELEVEN MARKETS: THE ASSOCIATION OF PROBLEM-SOLVERS

Easterly, William. The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor (starting p. 239). Basic Books. Kindle Edition.

Charles I. Jones, "[Misallocation, Economic Growth, and Input-Output Economics](http://web.stanford.edu/~chadj/papers.html#io)" in *Advances in Economics and Econometrics*, Tenth World Congress, Volume II, Cambridge University Press, 2013.

La Porta, Rafael, and Andrei Shleifer. 2014. "Informality and Development." *Journal of Economic Perspectives*, 28(3): 109-26.

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

**Douglas Gollin, David Lagakos, and Michael E. Waugh,** [**The Agricultural Productivity Gap**](https://files.nyu.edu/mw134/public/uploads/56836/apg.pdf)**, *The Quarterly Journal of Economics* (2014) 129 (2): 939-993**

**Culture and development in Africa**

Stelios Michalopoulos and Elias Papaioannou, [National Institutions and Subnational Development in Africa](https://docs.google.com/file/d/0B4s_WKe-US99WTctZjlaUXJ5ZlE/edit?usp=sharing), Quarterly Journal of Economics, 2014, 129 (1): 151-213

Gorodnichenko, Yuriy, and Gerard Roland. CULTURE, INSTITUTIONS AND THE WEALTH OF NATIONS, 2015, forthcoming, *Review of Economics and Statistics*

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.

**Democracy and development in Africa**

Tabellini, Guido, “The Scope of Cooperation: Values and Incentives,” *Quarterly Journal of Economics*, Vol. 123, 2008, pp. 905–950.

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

CHAPTER THIRTEEN LEADERS: HOW WE ARE SEDUCED BY BENEVOLENT AUTOCRATS in Easterly, William (2014-03-04). The Tyranny of Experts: Economists, Dictators, and the Forgotten Rights of the Poor (p. 307). Basic Books. Kindle Edition.

**African Development and US Foreign Policy**

Berger, Daniel, William Easterly, Nathan Nunn, Shanker Satyanath. [Commercial Imperialism? Political Influence During the Cold War](http://williameasterly.files.wordpress.com/2012/09/cia_us_trade_april_2012.pdf). American Economic Review(2012).

Qian, Nancy and David Yanagizawa,  “The Strategic Determinants of U.S. Human Rights Reporting: Evidence from the Cold War” Journal of European Economic Association, Vol. 2 No. 2-3, 2009 May-June.

Qian, Nancy and David Yanagizawa,  “Government Distortion in Independently Owned Media: Evidence from U.S. Cold War News Coverage of Human Rights ,” Working Paper (2013) [PDF](http://aida.wss.yale.edu/~nq3/NANCYS_Yale_Website/resources/papers/HRMedia_20130306.pdf)

**Aid to end African Poverty**

Qian N. “[Making Progress on Foreign Aid](http://aida.wss.yale.edu/~nq3/NANCYS_Yale_Website/resources/papers/Aid_20140816_FINAL.pdf)” (2015) *Annual Review of Economics*, Vol 7. 277-308

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.

Easterly, William and Claudia Williamson, Rhetoric versus Reality: The Best and Worst of Aid Agency Practices, *World Development*, 2011

Liya Palagashvili and Claudia R. Williamson, Ranking Foreign Aid Agency Best Practices: New Donors, New Findings, working paper, 2016

**Evidence from Randomized Controlled Trials on Aid and Development interventions in Africa**

**Vivalt, Eva. 2015. "How Much Can We Generalize from Impact Evaluations? Are They Worthwhile,” Working Paper, Stanford, November 30, 2015.** [**http://evavivalt.com/wp-content/uploads/2014/12/Vivalt-JMP-latest.pdf**](http://evavivalt.com/wp-content/uploads/2014/12/Vivalt-JMP-latest.pdf)

**Young, Alwyn. Channelling Fisher: Randomization Tests and the Statistical Insignificance of Seemingly Significant Experimental Results, LSE, October 2015** [**http://personal.lse.ac.uk/YoungA/ChannellingFisher.pdf**](http://personal.lse.ac.uk/YoungA/ChannellingFisher.pdf)

### Katherine Casey, Rachel Glennerster, and Edward Miguel, [Reshaping Institutions: Evidence on Aid Impacts Using a Pre-Analysis Plan](http://elsa.berkeley.edu/%7Eemiguel/pdfs/miguel_gbf.pdf), Quarterly Journal of Economics, 2012, 127(4), 1755-1812

**Abhijit Banerjee and Esther Duflo,** [**Under the Thumb of History? Political Institutions and the Scope for Action**](http://economics.mit.edu/files/9658)**, *Annual Review of Economics,* Vol. 6, August 2014**

Deaton, Angus, and Nancy Cartwright. 2016. “[Understanding and Misunderstanding Randomized Controlled Trials](http://scholar.princeton.edu/deaton/publications/understanding-and-misunderstanding-randomized-controlled-trials).” NBER Working Paper, no. 22595.