

## Summer Term 2018

### Bachelor Seminar "Development Economics"

Prof. Christian Bjørnskov

Office hour: please arrange via email (office: 01.012a)

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Web: [www.uni-heidelberg.de/fakultaeten/wiso/awi/professuren/intwipol/index\\_en.html](http://www.uni-heidelberg.de/fakultaeten/wiso/awi/professuren/intwipol/index_en.html)

First Meeting: Wednesday, May 23, 2018, 15:30-16:30 in 01.034 at AWI  
This is where topics will be chosen / allocated.

Seminar: Friday, July 13, 9 a.m. - 6 p.m., in 02.036 on the 2<sup>nd</sup> floor (AWI)  
Saturday, July 14, 10 a.m.-6 p.m., in 02.040 on the 2<sup>nd</sup> floor (AWI)

Deadline for enrolment: Friday, June 1, per e-mail to Christian Bjørnskov

Deadline for papers: Friday, December 19, 2014, 23:59

Please send an electronic version of your seminar paper (in pdf) to Christian Bjørnskov

Please note that if you fail to meet the deadline, you will fail the course!

After the deadline you will receive one of the papers written by another student as a paper for discussion. Please prepare a short critical review of this paper for the seminar meeting.

Grading will be based on: Your seminar paper (60 percent)  
Your presentation and Q&A session (15+10 minutes, 30 percent)  
Your discussion of another paper (5 minutes, 10 percent)  
Your participation during discussions (at the margin)  
(You will only be graded when present during all presentations!)

Language: Papers have to be written in German or English.  
Seminar meetings and all presentations will take place in English.

## Evaluation (TBA)

### Suggested Topics

#### I. Foreign aid and social outcomes

##### Suggested readings

Abouharb, Rodwan and David Cingranelli, 2009, IMF programs and human rights, 1981–2003, *Review of International Organizations* 4: 47-72.

Bjørnskov, Christian. 2010. Do Elites Benefit from Democracy and Foreign Aid in Developing Countries? *Journal of Development Economics*, 92, 115-124.

Knack, Stephen, 2004. Does foreign aid promote democracy? *International Studies Quarterly* 48: 251-266.

Licht, Amanda A. 2010. Coming into money: The impact of foreign aid on leader survival. *Journal of Conflict Resolution* 54: 58–87.

Remmer, Karen. 2004. Does foreign aid promote the expansion of government? *American Journal of Political Science* 48: 77-92.

#### II. What does international trade do?

##### Suggested readings

Frankel, Jeffrey A. and David Romer. 1999. Does Trade Cause Growth? *American Economic Review* 89: 379-399.

Gray, Julia and Jonathan B. Slapin, 2012. How effective are preferential trade agreements? Ask the experts, *Review of International Organizations* 7, 3: 309-333.

Rose, Andrew K., 2004a. Do We Really Know That the WTO Increases Trade? *American Economic Review* 94, 1: 98-114.

Rose, Andrew K., 2004b. Do WTO Members have More Liberal Trade Policy? *Journal of International Economics* 63, 2: 209-235.

Subramanian, Arvind and Shang-Jin Wei, 2007. The WTO Promotes Trade, Strongly But Unevenly, *Journal of International Economics* 72, 1: 151-175.

### **III. Colonial institutions and modern development**

#### Suggested readings

Acemoglu, Daron, Simon Johnson and James A. Robinson. 2001. The Colonial Origins of Comparative Development: An Empirical Investigation. *American Economic Review* 91: 1369-1401.

Jørgensen, Christina Mangaard and Christian Bjørnskov. 2015. Did Africa's First Choices Matter? Persistent Growth Effects of Leaders at Independence. IFN working paper 1090.

Jones, Benjamin F. and Benjamin A. Olken. 2005. Do Leaders Matter? National Leadership and Growth since World War II. *Quarterly Journal of Economics* 120: 835-864.

Maseland, Robbert K.J. Is Colonialism History? The Declining Impact of Colonial Legacies on African Institutional and Economic Development. *Journal of Institutional Economics*, forthcoming.

### **IV. Are democratic developing countries different?**

#### Suggested readings

Chong, Alberto. 2004. Inequality, democracy, and persistence: Is there a political Kuznets curve? *Economics & Politics* 16: 189-212.

Martinez, Luis R. 2018. How Much Should We Trust the Dictator's GDP Estimates? Working paper, University of Chicago.

Rodrik, Dani. 2016. Is Liberal Democracy Feasible in Developing Countries? *Studies in Comparative International Development* 51:50-59.

Timmons, Jeffrey F. 2010. Does democracy reduce inequality? *British Journal of Political Science* 40: 741-757.

### **IV. Who pays bribes in Africa – and why?**

#### Suggested readings

Aidt, Toke. 2003. Economic Analysis of Corruption: A Survey. *The Economic Journal* 113: F632–F652.

Bjørnskov, Christian and Mogens Kamp Justesen. 2014. Exploiting the Poor: Bureaucratic Corruption and Poverty in Africa. *World Development*, 58, 106-115.

Hunt, Jennifer. 2007. How Corruption Hits People when they are Down. *Journal of Development Economics* 84: 574-589.

Hunt, Jennifer and Sonia Laszlo. 2012. Is Bribery Really Regressive? Bribery's Costs, Benefits, and Mechanisms. *World Development* 40: 355–372.

## **V. The World Bank**

### Suggested readings

Abouharb, M. Rodwan and David L. Cingranelli, 2006, The Human Rights Effects of World Bank Structural Adjustment, 1981–2000, *International Studies Quarterly* 50, 2: 233-262.

Dreher, Axel and Jan-Egbert Sturm, 2012, Do the IMF and the World Bank Influence Voting in the UN General Assembly? *Public Choice*, 151, 1: 363-397.

Easterly, William, 2005, What did structural adjustment adjust? The association of policies and growth with repeated IMF and World Bank adjustment loans, *Journal of Development Economics* 76, 1-22.

Fleck, R.K., and Christopher Kilby, 2006, World Bank Independence: A Model and Statistical Analysis of U.S. Influence, *Review of Development Economics* 10, 2: 210-223.

Kilby, Christopher, 2009, The Political Economy of Conditionality: an Empirical Analysis of World Bank Loan Disbursements, *Journal of Development Economics* 89, 1:51-61.

Krueger, Anne O., 1997, Wither the World Bank and the IMF? *Journal of Economic Literature* 36(4): 1983-2020.

## **V. What affects inequality in developing countries?**

### Suggested readings

Chong, Alberto. 2004. Inequality, democracy, and persistence: Is there a political Kuznets curve? *Economics & Politics* 16: 189-212.

Herzer, Dierk and Peter Nunnenkamp. 2012. The effect of foreign aid on income inequality: evidence from panel cointegration. *Structural Change and Economic Dynamics* 23: 245-255.

Kuznets, Simon. 1955. Economic growth and income inequality. *American Economic Review* 45: 1-28.

Timmons, Jeffrey F. 2010. Does democracy reduce inequality? *British Journal of Political Science* 40: 741-757.

Young, Andrew T. and Robert A. Lawson. 2014. Capitalism and labor shares: a cross-country panel study. *European Journal of Political Economy* 33: 20-36.

## **VI. Are there poor sophisticates?**

### Suggested readings

Acemoglu, Daron, Simon Johnson and James A. Robinson. 2002. Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *Quarterly Journal of Economics* 117: 1231-1294.

Sandberg, Lars G. 1979. The Case of the Impoverished Sophisticate: Human Capital and Swedish Economic Growth before World War I. *Journal of Economic History* 39: 225-241.

## **VII. When do conflicts end?**

### Suggested readings

Bluhm, Richard, Martin Gassebner, Sarah Langlotz and Paul Schaudt. 2016. Fueling Conflict? (De)Escalation and Bilateral Aid. CESifo Working Paper No. 6125.

Collier, Paul and Dominic Rohner. 2008. Democracy, Development, and Conflict. *Journal of the European Economic Association* 6: 531-540.

Collier, Paul and Marguerite Duponchel. 2013. The Economic Legacy of Civil War: Firm-level Evidence from Sierra Leone. *Journal of Conflict Resolution* 57: 65-88.

## **Guideline for Seminar Papers**

### **Editing**

You may use any word processing software that you feel comfortable with. Preferentially make use of LaTeX in case you decide to use a lot of formulas in your paper. Papers have to be submitted by Email in PDF format.

## Style

- Font Size: 12 pt
- Line Spread: 1.5pt
- Alignment: justified
- border: 2.5cm

## Length

The seminar papers should not exceed 15 pages excluding tables and title page.

## Organization

- Cover (Include name, student number, title)
- Table of Contents: Number headings in the table of contents and the text identically.
- Table of Figures: List all figures (if any) with number and heading.
- List of Tables: List all tables with number and heading.
- (Table of Symbols: List all symbols and variables (if any) with their definitions.)
- Content: The introduction leads to and defines the subject, the body deals with the subject and the summary sums up the results in a critical manner. Number content, table of contents, table of figures, the list of tables, and the table of symbols. Reduce the number of footnotes to a minimum. Abbreviations have to be explained. Number only important equations that you refer to. Within the text argue in economic terms and not with variables. Orthography, grammar, and style are taken into account. Refrain from excessive bulleting and numbering.
- References
- (Appendix)

## Quotations, References and Plagiarism

**Quotations:** use Harvard style, i.e. quote within the text and not in footnotes (e.g., as has been shown by Sturm (2006)...).

**References:** all studies that you have quoted in the text have to appear in the reference list. Anything that you have only read, but that is not quoted in the text, must NOT appear in the list of references. There are no restrictions on the reference style. However, consistency is required.

**Plagiarism:** any text parts (of more than two words) or ideas that are not strictly your own have to be marked. That means that the text has to be phrased in a way that makes

unambiguously clear which parts are your own thoughts and which part repeats ideas from other persons. Failure to do so will result in the rejection of your paper, i.e., you fail the course, and possible further disciplinary measures by the Ruprecht-Karl University of Heidelberg. Don't even think about copy/pasting your paper from the internet. Each paper will be tested in that respect.

## **Finding Literature**

The references that you get from us are only a starting point (and we will not provide these articles). You are supposed to do your own literature research. The first step in the search for relevant literature is to check the reference lists of the literature that we gave you. Good sources for economic literature, among others, are:

-<http://ideas.repec.org>

-<http://www.jstor.org>

-Business Source Premier and EconLit (via the university library website)

-<http://www.nber.org>

-<http://www.cepr.org>

A rule of thumb is that the list of references should have about as many entries as there are pages in the seminar paper, e.g., 20 pages, 15-25 references. Be prepared to read about the double amount of papers that finally make it into the list of references. Wikipedia is not a scientific source.

## **Deadlines**

Make sure that you hand in your paper *exactly* on time. If you miss the deadline, the rules are strict and you will not pass the course.

## **Interaction with your supervisor**

It is recommended that you book a supervision meeting (at least once, but better twice) in order to discuss the progress of your paper. The first meeting should happen within about two weeks after you started working on the paper.