

# Long-run Growth and Development

## Lecture for MSc/PhD (4/6 Credits, 2 SWS, WS 2017/18)

*Last update 3<sup>rd</sup> November 2017*

### Course Description

This course has a long-run view on economic growth. We will be studying factors that explain the vast differences in income levels across space and over time, trying to answer questions such as: Why did some countries become so rich, while others remained poor? Why did some countries catch up? What causes the allocation of economic activities in some locations as opposed to others?

There is no textbook for this course- you will be expected to read and critically discuss academic papers. The focus of these papers will be trying to empirically establish how and whether geography, institutions, and culture are ultimate causes of economic growth. In this sense, this course is complimentary to courses on political economy, development economics, and applied econometrics. Moreover, it should also be a good preparation for your own writing of applied research papers.

### Prerequisites

This is not a technical econometrics course, but you should have a good understanding of frequently-used tools in applied econometrics such as panel data, instrumental variables, and regression discontinuity. Good background or catch-up reading in this respect would be *Mastering Metrics* by Joshua Angrist and Jörn-Steffen Pischke, or (by the same authors, more advanced) *Mostly Harmless Econometrics*. In addition, you should have a basic background in (macro-)economics, especially growth, which I trust you will have from your undergraduate studies.

### Instructor and Meeting Times

Stephan Maurer, email: [stephan.maurer@uni-konstanz.de](mailto:stephan.maurer@uni-konstanz.de)

Meetings: Fridays 1330-1500, Room D 301

Office Hours: tba

### Examination

- Class Presentation (50%)
  - This will be a 30-minute presentation of a paper related to the course material. Details will be provided in the first meeting.
- Referee Report of an empirical paper (50%)
  - Critical evaluation of a recent working paper on the topic of the course (around 4-5 pages). Details on the structure of a referee report will be given in the lecture.

# Topics

(\* denotes optional reading)

## **Introduction: A long-run view on growth and development**

- \*Allen 2001
- \*Allen et al 2011
- \* Clark 2007, Chapters 1 and 2
- \*Maddison 2001

## **1. Geography: Location fundamentals and persistence**

- \*Diamond 1997
- Dalgaard et al WP
- Davis and Weinstein 2002
- \*Bosker and Buringh 2017
- Bleakley and Lin 2012
- Hanlon 2017
- Michaels and Rauch Forthcoming

## **2. Geography as a determinant of institutions**

- Sokoloff and Engerman 2000
- Alesina et al 2013
- Mayshar et al WP

## **3. Institutions**

- North and Weingast 1989
- DeLong and Shleifer 1993
- Acemoglu, Johnson and Robinson 2001
- Glaeser et al 2004
- Acemoglu, Johnson and Robinson 2005
- La Porta, Lopez-de-Silanes and Shleifer 2008
- Dell 2010
- Acemoglu et al 2011
- Michalopoulos and Papaioannou
- Pascali Forthcoming

## **4. Culture: Religion and social capital**

- Becker and Woessmann 2009
- Cantoni 2015
- Akcomak et al 2015
- Becker and Pascali WP
- Valencia Caicedo WP
- Guiso et al 2004
- Fernandez and Fogli 2009
- Tabellini 2010
- Nunn and Wantchekon 2011
- Chen 2013
- Becker et al 2016
- De Philippis and Rossi WP

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- Becker, Sascha, and Luigi Pascali. 2017. Religion, Division of Labor and Conflict: Anti-Semitism in German Regions over 600 Years. Working Paper.
- Bleakley, Hoyt, and Jeffrey Lin. 2012. Portage and Path Dependence. *The Quarterly Journal of Economics* 127: 587-644.
- Bosker, Maarten, and Eltjo Buringh. 2017. City Seeds: Geography and the Origins of the European City System. *Journal of Urban Economics* 98:139-157.
- Cantoni, Davide. 2015. The Economic Effects of the Protestant Reformation: Testing the Weber Hypothesis in the German Lands. *Journal of the European Economic Association* 13:561-598
- Chen, M. Keith. 2013. The Effect of Language on Economic Behaviour: Evidence from Savings Rates, Health Behaviors, and Retirement Assets. *American Economic Review* 103: 690-731
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- Dell, Melissa. 2010. The persistent effects of Peru's mining mita. *Econometrica* 78: 1863-1903.

- De Philippis, Marta, and Federico Rossi. 2016. Parents, Schools and Human Capital Differences across Countries. Working Paper
- Diamond, Jared M. 1997. *Guns, Germs, and Steel: The Fates of Human Societies*. New York: W. W. Norton.
- Fernández, Raquel, and Alessandra Fogli. 2009. Culture: An Empirical Investigation of Beliefs, Work, and Fertility. *American Economic Journal: Macroeconomics* 1: 146-177
- Glaser, Edward L., Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. 2004. Do Institutions Cause Growth? *Journal of Economic Growth* 9:271-303
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- Valencia Caicedo, Felipe. *The Mission: Human Capital Transmission, Economic Persistence and Culture in South America*. Working Paper.