

Course Syllabus
AED Economics and International Studies 4534
“Comparative Challenges to Economic Development:
China, Latin America, and Sub-Saharan Africa”
Autumn 2017

Lectures	Monday and Wednesday, 2:20 to 3:40, Room 250, Denney Hall
Instructor	Professor Douglas Southgate Department of Agricultural, Environmental, and Development Economics Room 331, Agricultural Administration Building, 2120 Fyffe Road southgate.1@osu.edu Office Hours: 9:30 to 11:30 every Monday and Wednesday
Web Site	Carmen (carmen.osu.edu) under AEDE 4534.
Textbooks	Required – Daron Acemoglu and James A. Robinson (A-R), <i>Why Nations Fail: The Origins of Power, Prosperity, and Poverty</i> (Crown Business, 2012). Required – Paul Collier (C), <i>The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It</i> (Oxford University Press, 2007). Required – Sebastian Edwards (E), <i>Left Behind: Latin America and the False Promise of Populism</i> (University of Chicago Press, 2010). Optional – P.J. O’Rourke (O’R), <i>Eat the Rich: A Treatise on Economics</i> (Atlantic Monthly Press, 2008). Optional – Douglas Southgate, Douglas H. Graham, and Luther Tweeten (S-G-T), <i>The World Food Economy</i> , Second Edition (John Wiley and Sons, 2011). Other readings will be posted on Carmen.

Course Description and Objectives

By the standards of the economics profession, *Why Nations Fail* by Daron Acemoglu and James A. Robinson has been a runaway bestseller. The authors (professors at MIT and Harvard, respectively) make a straightforward argument, that economic development – which varies substantially from place to place – is explained by economic and political institutions. Acemoglu and Robinson highlight the distinction between extractive and inclusive institutions. Extractive institutions, which small elites establish and maintain so as to exploit the rest of the population, hinder economic progress. In contrast, inclusive institutions provide economic opportunities for larger segments of the population and consequently foster development.

This course begins with a description of economic, demographic, and food-supply trends in various parts of the developing world. The rest of the semester is devoted to examining those trends in greater detail, first in China, next in Latin America, and then in Sub-Saharan Africa – using ideas presented in *Why Nations Fail* as a conceptual framework and drawing on the writings of experts in those three settings.

Assignments and Grading

- Two midterm examinations, each worth 25 points; the first exam will take place on September 27th and the second will happen on November 6th.
- Two term papers (see handouts), each worth 50 points. The first paper, about an emerging economy in Latin America, is due at the beginning of class on November 15th. The second paper, about a least-developed country (LDC) in Sub-Saharan Africa, must be handed in at the beginning of class on December 6th.
- A comprehensive final examination taken in class from 2:00 to 3:45 on Wednesday afternoon, December 13th, worth 50 points.

Policies

Reading. Careful reading of the textbook and other materials, including ahead of classroom discussions of assigned materials, is absolutely essential for success in AEDE 4534.

Attendance. Anyone with three or more unexcused absences during the semester will have his or her grade lowered by one letter (e.g., A to B or B+ to C+). Absences will be excused only if written documentation, such as a note from a medical clinic or an obituary notice for a friend or relative who has passed away, is provided.

No use of mobile phones during class. Obvious use of a mobile phone will be treated the same as an unexcused absence.

Due Dates. There will be a penalty of 4 points per weekday for any paper submitted after the due date. Computer or printer difficulties are not a valid excuse for tardiness.

Rewriting the First Paper. The first paper, though not the second, can be rewritten, although 6 points will be deducted from the final score (out of 50 possible). In other words, the maximum grade on a rewritten paper, which is due on November 29th, will be 44 points. A revision can be turned in only if the first paper had been turned in on or soon after the due date, November 15th.

Academic Misconduct. It is the responsibility of the Committee on Academic Misconduct to investigate or establish procedures for the investigation of all reported cases of student academic misconduct. The term “academic misconduct” includes all forms of student academic misconduct wherever committed; illustrated by, but not limited to, cases of plagiarism and dishonest practices in connection with examinations. Instructors shall report all instances of alleged academic misconduct to the committee (Faculty Rule 3335-5-487). For additional information, see the Code of Student Conduct (http://studentaffairs.osu.edu/info_for_students/csc.asp).

Disability Services

“Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 098 Baker Hall, 113 West 12th Avenue; telephone 292-3307, TDD 292-0901; <http://www.ods.ohio-state.edu/>.

Topical Outline and Reading Assignments (asterisk, *, indicates a required reading)

- Aug. 23 - 30 Global Souths
- * S-G-T, Chapter 9.
- Sept. 6 - 11 Demographic Trends, Economic Consequences
- * N. Eberstadt, "The Demographic Future" *Foreign Affairs*, 89 (2010), pp. 54-64.
 - H. Zlotnick, "Population Ageing."
- Sept. 11 - 18 Development and Institutions
- * A-R, Preface and Chapters 1 - 4.
 - * M. Olson, "Big Bills Left on the Sidewalk: Why Some Nations Are Rich and Others Poor," *Journal of Economic Perspectives*, 10 (1996), pp. 3-24.
 - D. Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*, (W.W. Norton, 1998), Chapters 1 - 3.
 - O'R, Chapters 1 - 4.
- Sept. 27 First Midterm Examination, on Global Souths through Development and Institutions
- Sept. 18
- Oct. 11 China: History, a Difficult Transition from Extractive to Inclusive Institutions, and Chimerica
- * A-R, pages 231-234, 420-426, and 437-443.
 - * X. Zhu, "Understanding China's Growth: Past, Present, and Future," *Journal of Economic Perspectives*, 26 (2012), pp. 103-124.
 - * Y. Huang, "How Did China Take Off?" *Journal of Economic Perspectives*, 26 (2012), pp. 147-170.
 - * N. Ferguson and M. Schularick, "The End of Chimerica" (working paper 10-037), Harvard Business School.
 - H. Li, L. Li, B. Wu, and Y. Xiong, "The End of Cheap Chinese Labor," *Journal of Economic Perspectives*, 26 (2012), pp. 57-74.
 - X. Meng, "Labor Market Outcomes and Reform in China," *Journal of Economic Perspectives*, 26 (2012), pp. 75-102.
- Oct. 16 Comparing and Contrasting Asia and Latin America
- * S-G-T, Chapters 11 and 12.
- Oct. 18 - 30 Latin America: History, Import-Substituting Industrialization, Incomplete Reform, Populism versus Neoliberalism
- * E, Preface, Chapters 1, 2 (skim pages 38-46), 3, 4, and 8.
 - * S. Engerman and K. Sokoloff, "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World," *Journal of Economic Perspectives*, 14 (2000), pp. 217-232.
 - * A-R, pages 345-351.
 - A-R, pages 7-9, Chapter 2.

E, Chapters 5 - 7 and 9 - 10.

S. Engerman and K. Sokoloff, "Factor Endowments, Inequality, and Paths of Development among New World Economies," *Economia*, 3 (2002), pp. 41-109.

A. Fraga, "Latin America since the 1990s: Rising from the Sickbed?" *Journal of Economic Perspectives*, 18 (2000), pp. 89-106.

S-G-T, Chapter 12.

- Nov. 6 Second Midterm Examination, on China through Latin America
- Nov. 8 Comparing and Contrasting Latin America and Sub-Saharan Africa
- * S-G-T, Chapters 12 and 15.
- Nov. 13 - 29 Sub-Saharan Africa: History, Geography versus Institutions, Prospects
- * A-R, pages 87-91, 250-258, 358-361, 368-372, and 404-414.
- * C, Chapters 1 - 6.
- N. Nunn and L. Wantchekon, "The Slave Trade and the Origins of Mistrust in Africa," *American Economic Review*, 101 (2011), pp. 3221-3252.
- S-G-T, Chapter 15.
- Dec. 4 - 6 Catalyzing and Sustaining Development
- * A-R, Chapters 14 - 15.
- * C, Chapter 11.
- * E, Chapter 10.
- A-R, Chapter 13.
- C, Chapters 7 - 10.
- Dec. 13 Comprehensive Final Examination, 2:00 to 3:45.