

# Master Seminar “Development Economics”

## Introduction

Development Economics, in a classical sense, is trying to understand why certain economies are underdeveloped and impoverished, why there is child labour, corruption, a lack of human and physical capital, of good quality institutions, or of democracy. After understanding the issues in a purely economic or political-economic framework, economists try to offer strategies of overcoming these problems of development. Within the seminar we will discuss a selection of these topics.

## General Information and Prerequisites

The seminar is intended for students of the Master Programme in Economic Policy (MEPS), the language of all parts of the seminar (thesis, presentation and discussion) will be English. Students are strongly encouraged to successfully pass the courses on “Economic Policy” and “Development Economics” beforehand, however this is not a prerequisite.

To successfully pass the seminar, participants must write a seminar thesis and prepare and give a presentation of their thesis and participate actively in the discussions during the seminar. Complete attendance throughout the seminar is mandatory, including all presentations and the introductory meeting. Grading will be based on the individual grades for the thesis, the presentation and the discussions. You can find hints for how to write good seminar theses, how to cite properly and formal requirements on the chair’s homepage. **Strict adherence to these rules is expected, violation will result in a lower grade or failure.**

## Application and Registration

Students who would like to participate in the seminar write an e-mail with the subject “Seminar: Development Economics” to [LSHefeker@uni-siegen.de](mailto:LSHefeker@uni-siegen.de). The application must include the following:

1. **Matriculation number**
2. A set of your **five most preferred topics**, ranked highest to lowest preference of all announced topics. Alternatively, you may also suggest a topic on your own from the field of “Development Economics”.
3. Transcript of records **including grades** of your MEPS studies so far. Please send a PDF-File.

The seminar topics will be assigned according to urgency (e.g. if the seminar is the last remaining requirement for the Master’s degree) and indicated preferences. If several applicants choose the same topic, the topic is assigned by drawing a lot. Each topic will be assigned only once. The maximum number of participants is 15. Applicants who do not receive a topic are put on a waiting list and can join the seminar if slots become vacant.

**Application deadline is February 28, 2019.** Applications are accepted beginning now. Applicants will be notified whether or not their application was successful by March 15, 2019 and in case of success will also receive their assigned topic.

Successful applicants must register for the seminar in unisono until March 29, 2019. De-registration is also possible until that date. Only registration in unisono guarantees the seminar slot, failure to do so until March 29, 2019 will result in the loss of the seminar slot. Registration for the seminar without an assigned topic will result in failure, so **do not register for the seminar without having been assigned a topic!**

Please note the guidelines for application, registration and examination regarding seminars (in German only):

<https://pafak3.wiwi.uni-siegen.de/info/pruefungen/seminare/>

## Procedure of the Seminar

The seminar begins on April 16, 2019, 19h s.t. (room tba) with a compulsory introductory meeting. In this meeting, all necessary information regarding supervision, writing the thesis, and plagiarism will be discussed. Failure to participate in the introductory meeting will result in immediate failure of the whole seminar, i.e. absent participants will receive the grade 5.0 for the whole of the seminar.

**The seminar thesis must be submitted  
no later than June 21, 2019.**

**Each participant must submit two printed copies of their seminar thesis** at our chair (offices of Ms Arndt, Mr Schäfer, or Mr Röhlig/Mr Klamka) or in our postbox near the Dean's office on the ground floor of Unteres Schloß. Participants must **also send a single PDF-file containing the thesis to LSHefer@uni-siegen.de**. The PDF-file must be identical to the submitted printed copies.

The seminar will take place on July 5-6, 2019, 9h-18h (room tba).

Please note also the information on the seminar homepage:

[https://www.wiwi.uni-siegen.de/ewp/readings/ss\\_2019/seminar\\_development\\_economics\\_summer2019.html](https://www.wiwi.uni-siegen.de/ewp/readings/ss_2019/seminar_development_economics_summer2019.html)

## Deadlines and due dates

As of now	Begin of the application period
February 28, 2019	End of the application period
March 15, 2019	Assignment of topics
March 29, 2019	End of the (de-) registration period in unisono (Do not register if you do not have a topic!). <b>N.B. this is the examination registration</b>
April 16, 2019	Compulsory introductory meeting (19h s.t. - 20h, room tba)
June 21, 2019	Submission deadline for the thesis, both printed and electronic copies
July 5-6, 2019	Seminar (9h - 18h, room tba)

## Topics

**These sources are only a starting point. We expect you to identify and use further literature relevant to your topic!**

### 1. Institutions and Development

Ashraf, N., E. Glaeser, and G. Ponzetto, 2016, "Infrastructure, Incentives, and Institutions", *American Economic Review*, 106 (5), 77-82.

Glaeser, E., R. La Porta, F. Lopez-de-Silanes and A. Shleifer, 2004, "Do Institutions Cause Growth?", *Journal of Economic Growth*(9), 271-303.

Knack, S. and P. Keefer, 1995, "Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures," *Economics and Politics* 7(3): 207-227.

Rodrik, D., A. Subramanian, and F. Trebbi, 2004, "Institutions Rule: the Primacy of Institutions over geography and Integration in Economic Development," *Journal of Economic Growth* 9(2): 131-165.

### 2. Corruption

Mauro, P., 1995, "Corruption and Growth," *Quarterly Journal of Economics* 110(3): 681-712.

Shleifer, A., and R. W. Vishny, 1993, "Corruption," *Quarterly Journal of Economics* 108(3): 599-617.

Hoff, Karla and Joseph E. Stiglitz, 2005, "The Creation of the Rule of Law and the Legitimacy of Property Rights: The Political and Economic Consequences of a Corrupt Privatization," Policy Research Working Paper No. 3779, The World Bank.

### 3. Economic Development and Structural Change

Acemoglu, D. and M. Dell (2010): "Productivity Differences Between and Within Countries," *American Economic Journal: Macroeconomics*, 2:1, 169-188.

Diao, X, K. Harttgen, and M. McMillan (2017): "The Changing Structure of Africa's Economies", NBER Working Paper No. w23021.

Herrendorf, B., R. Rogerson and A. Valentinyi (2014): "Growth and Structural Transformation", in: Aghion, P. and S. Durlauf (ed.), *Handbook of Economic Growth* (2), 855-941.

#### 4. Inequality and Growth

Aghion, P., E. Caroli, and C. García-Peñalosa, 1999, "Inequality and Economic Growth: The Perspective of the New Growth Theories," *Journal of Economic Literature* XXXVII(4): 1615-1660.

Deininger, K. and L. Squire, 1998, "New Ways of Looking on Old Issues: Inequality and Growth," *Journal of Development Economics* 57: 259-287.

Galor, O., and J. Zeira, 1993, "Income Distribution and Macroeconomics," *Review of Economic Studies* 60: 35-52.

Lin, J. and D. Rosenblatt, 2012, "Shifting Patterns of Economic Growth and Rethinking Development", *Journal of Economic Policy Reform* 15 (3), 171-194.

#### 5. Dutch Disease I: Natural Resources

Corden, W., & Neary, J. (1982). Booming Sector and De-Industrialisation in a Small Open Economy. *The Economic Journal*, 92(368), 825-848.

Davis, Graham A., 1995, "Learning to love the Dutch disease: Evidence from the mineral economies," *Journal of Development Economics* 23(10): 1765-1779.

#### 6. Dutch Disease II: Oil

Bjørnland, H. (1998), The Economic Effects of North Sea Oil on the Manufacturing Sector. *Scottish Journal of Political Economy*, 45: 553-585.

Beverelli, C., Dell'Erba, S., Rocha, N. (2011). Dutch disease revisited. Oil discoveries and movements of the real exchange rate when manufacturing is resource-intensive. *International Economics and Economic Policy*. 8. 139-153.

#### 7. Dutch Disease III: Other Sources

Nuno Baetas da Silva & João Sousa Andrade & António Portugal Duarte, 2016. "Alternative Sources of Dutch Disease: A Survey of the Literature," GEMF Working Papers 2016-10, GEMF, Faculty of Economics, University of Coimbra.

Oliver, Steven, Ryan Jablonski, and Justin V. Hastings. (2017) The Tortuga Disease: The Perverse Effects of Illicit Foreign Capital. *International Studies Quarterly*, Volume 61, Issue 2, 1 June 2017, Pages 312-327

Ripon Roy & Robert Dixon (2016) Workers' remittances and the Dutch disease in South Asian countries, *Applied Economics Letters*, 23:6, 407-410

## 8. Natural Resources I: The Resource Curse

Sachs, J., and A. Warner, 2001, “The Curse of Natural Resources”, *European Economic Review* (45), 827-838.

Frankel, Jeffrey A., 2010. “The Natural Resource Curse: A Survey,” *Scholarly Articles* 4454156, Harvard Kennedy School of Government.

Frankel, Jeffrey A., 2012. “The Natural Resource Curse: A Survey of Diagnoses and Some Prescriptions,” *Scholarly Articles* 8694932, Harvard Kennedy School of Government.

## 9. Natural Resources II: Institutional Quality

Daniele, V. (2011) Natural Resources and the ‘Quality’ of Economic Development, *The Journal of Development Studies*, 47:4, 545-573.

Erwin H. Bulte, Richard Damania, Robert T. Deacon, (2005). Resource intensity, institutions, and development, *World Development*, Volume 33, Issue 7

## 10. Economic Development and the Environment

Acemoglu D., P. Aghion, L. Bursztyn and D. Hemous (2012): “The Environment and Directed Technical Change”, *American Economic Review*, 102(1), 131-66.

Dasgupta, P, 2010, “The Place of Nature in Economic Development”, *Handbook of Development Economics* (5), 4977-5061.

## 11. Trade and Development

Harrison, A. and A. Rodríguez-Clare, 2010, Trade, Foreign Investment, and Industrial Policy for Developing Countries, *Handbook of Development Economics* 5, 4039-4214.

Greenwald, Bruce and Joseph E. Stiglitz, 2006, “Helping Infant Economies grow: foundations of trade policies for developing countries,” *American Economic Review* 96(2): 141-146.

Edwards, S., 1993, “Openness, Trade Liberalization, and Growth in Developing Countries”, *Journal of Economic Literature* Vol. XXXI, 1358-1393.

## 12. Debt Accumulation and Debt Relief

Cassimon, Danny and Bjorn Van Campenhout, 2007, “Aid Effectiveness, Debt Relief and Public Finance Response: Evidence from a Panel of HIPC Countries,” *Review of World Economics* 143(4): 742-763.

Easterly, William, 2002, “How did Highly Indebted Poor Countries Become Highly Indebted? Reviewing Two Decades of Debt Relief,” *World Development* 30(10): 1677-1696.

Michaelowa, Katharina, 2003, “The political economy of the enhanced HIPC-Initiative,” *Public Choice* 114: 461-476.