Hauptseminar “Development Economics”
New Insights into Factors Influencing Economic Performance

CONTENT

What types of economic, social and political institutions foster economic progress? What factors enhance the effectiveness of the state? What distortions hinder people’s quest to improve their economic situation and their well-being in the long-run? Which influence do governance, democratic institutions, norms and political instability have on economic performance and behavior of agents and where does government failure come into play?

In this seminar we will analyze different types of economic, social and political institutions which enhance economic performance and the effectiveness of the state. Students can also present their own empirical and theoretical contributions. Moreover, we explore a number of theoretical and empirical economic studies which highlight the role of institutions for advances in economic performance over time and emphasize the role of, among others, decentralization, corruption, conflict, property rights, effects and conditions for good governance, the effect of moral behavior, and corruption. The modern economic literature provides potential strategies for accelerating growth and attaining sustainable development. Finally, we analyze, synthesize and evaluate the literature’s recommendations for policymaking.

TARGET GROUP

This seminar requires a very good understanding of how to read and interpret econometric results and economic models as well as an understanding of general economic principles, mathematics and economic models.

Master students in Economics, Internationale Wirtschaft & Governance, Development Studies as well as Philosophy & Economics form the target group for this course. Advanced bachelor students may apply for the seminar if they have a thorough background in
theoretical and empirical analyses but master students receive priority in the case of overbookings. The seminar language will be English. Needless to say, participants are not required to be near-perfect in English to participate.

Students can acquire credit points for the following programs:

- Economics (Master): “Individueller Schwerpunkt/Spezialisierung”
- IWG (Master): “Theorie und Empirie der gesellschaftlichen Entwicklung” or “Individueller Schwerpunkt/Spezialisierung”
- Development Studies: „Development Seminar“
- P&E (MA): “Electives”
- All bachelor students: “Individueller Schwerpunkt/Spezialisierung” or as a seminar on „Development”

**SEMINAR ORGANIZATION**

- Applications for the seminar are possible until **April 15, 2018** via the Google form on [https://goo.gl/forms/Yas9PUI8kiewrFa83](https://goo.gl/forms/Yas9PUI8kiewrFa83)

- An **introductory lecture** on the topics of the seminar and the assignment of presentation topics takes place on **April 17, 2018 from 17:15-20:00 in room S65**. All potential questions regarding the seminar (difficulty of topics, presentation style, credit points, etc.) will be answered during the introductory lecture.

- The presentations will take place on **June 08 and June 09, 2018 in room S66 (RWI)**. Presentations must be handed in electronically in PDF-versions on **June 07, 2018** (“NameFirstname_pres.pdf”). Thus, there will be sufficient and equal time for everybody to prepare.

- Deadline for handing in written work: **June 30, 2018**.

**REQUIREMENTS**

- Seminar participants are asked to give detailed and professional presentations on topics based on a selection of articles which are published in academic journals. Participants are expected to inform themselves on additional related literature.

- Participants have to moderate the discussion following their presentation and respond to questions from the audience.
• Active participation in discussions during the seminar is expected of all participants. **Attendance is compulsory.**

• The grade will be given on basis of the seminar presentation and a written paper of approximately 4200 words at Master level (3200 words for advanced Bachelor level).

**REFERENCES TO SEMINAR PAPERS**

The following list provides an overview of topics discussed in the seminar. Students are required to search additional literature when preparing their presentations.

1. Democratization and conflict

2. Corruption and development

3. Topic requiring **own contribution**: “Effects of inequality on institutional change”
   - Does excessive inequality hamper institutional change? In unequal societies with inefficient institutions, the emergence of property rights may hindered by powerful elites.
   - Use data on inequality (Gini index) to explain the quality of institutions and the quality of property rights. Analyze effect of inequality on institutional change. Present the related literature. Suggest potential instrumental variable strategies. Control for a number of additional variables which may influence institutions in your regressions.
rights’, The Economic Journal 117(516), 252--269.”

- Note: If you choose this topic, you need to contact Prof. Stadelmann ahead of the introductory lecture to briefly discuss the work which needs to be done.

4. Special interest groups and politics

5. Growth, inequality and happiness

6. Topic requiring own contribution: “Evaluating inequality in different forms”
   - Is the focus on income inequality justified? Do we observe that while income inequality tends to rise, other types of inequality such as gender inequality are falling?
   - Use data on inequality (Gini index) and correlate it with other types of inequality and discrimination (gender discrimination, foreigners, etc.). Check if political inequality has decreased over time (e.g. by looking at extensions of the franchise or introduction of direct democracy and decentralization). Control for a number of additional variables which may influence income inequality in your regressions.
   - Note: If you choose this topic, you need to contact Prof. Stadelmann ahead of the introductory lecture to briefly discuss the work which needs to be done.
7. Decentralization and economic success

8. Consequences of voting rights and representation of preferences

   - Data on the number of women in government has to be collected for a cross-section of countries. Data on rule of law, protection of property rights, etc. need to be collected.
   - Analyze effect of share of women in government on different institutional indicators while controlling for other influences.
   - Note: If you choose this topic you need to contact Prof. Stadelmann ahead of the introductory lecture to briefly discuss the work which needs to be done.

10. Human behavior in extreme situations