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Master Seminar

Seminar on Economic Progress

Borders, Integration and Human Capital: Development in sub-Saharan Africa

Content

*“The three-fold classification [...] **geography, integration, and institutions** allows us to organize our thoughts on the “deeper” determinants of economic growth.”*

(Rodrik, Subramanian and Trebbi 2004, 133).

Despite improvements in living standards, income differences between developed- and developing regions remain vast. As a region, sub-Saharan Africa has a per capita GDP of \$3,919, compared to the European Union’s \$46,467.¹ What are the forces behind such persisting discrepancies and how can lesser developed nations catch up?

In this seminar, we will review aspects of the fundamental factors of economic progress – geography, integration and institutions – and analyse their empirical support in the context of sub-Saharan African economies. Besides these “deep” determinants of economic growth, we will also analyse “proximate” determinants, such as health and education (human capital), and assess their conduciveness towards distinct developmental experiences. As such, relevant questions we aim to address are (among others): *What is the role of Africa’s geography and disease environment in its laggard economic development? In what way are African Borders detrimental to economic growth? Did the establishment of regional economic communities (RECs) bolster*

¹ Figures are expressed in current International \$ adjusted for Purchasing Power Parity (PPP).
Taken from the World Bank development indicators <https://databank.worldbank.org>.

trade and socio-economic welfare? And how did the introduction of free primary education impact the market and non-market prospects of African women?

While analysing these historic as well as contemporaneous experiences of African development, we will also familiarise ourselves with several identification strategies which help in estimating causal relationships – an essential component to development economics and econometric impact analysis at large.

Target Group

The participants of this seminar should be familiar with regression analysis (OLS, Instrumental Variables etc.), and as such, should have a solid understanding on how to read and interpret econometric output. Hence, Master students in Economics, Internationale Wirtschaft & Governance, Philosophy & Economics as well as Development Studies form the target group for this seminar. Advanced Bachelor students may also apply if they have prior knowledge in empirical analysis. Please note, however, that Master students receive priority in the case of high demand/overbooking.

Accreditation

Students can earn credit points for the following degree programmes:

- Economics (M.Sc.): “Individueller Schwerpunkt”
- Internationale Wirtschaft und Governance (M.A.): “Vertiefung”
- Philosophy & Economics (M.A.): “Electives”
- Development Studies (M.A.): “Elective Courses (individual focus)”

Requirements

Seminar participants are required to give an **academic presentation** (30 minutes) on their research article of choice. Each speaker will have a discussant assigned who will lead the discussion following their presentation (15 minutes). Active **participation** in the discussions is expected of all attendees. After the presentations, participants are asked to prepare written work in form of a **seminar paper** (approx. 4,500 words for Master- and 3,500 words for Bachelor students) until the end of the semester.

Seminar Organisation

Lecturer: Frederik Wild (Ph.D. student), Volkswirtschaftslehre E, frederik.wild@uni-bayreuth.de

A mandatory **introductory lecture** will take place on the 27th of November from 14:15-16:45 (room tba). This session serves to present the structure of the seminar, to introduce the topics, to allocate the articles and further includes a first paper presentation from the lecturer, so as to familiarise the

participants with the expected presentation format. The introductory lecture also gives room for students' questions regarding topics, formal requirements, as well as the mode of examination and accreditation towards their degree programme.

The **presentation** of papers will take place on the 29th and 30th of January 2021 (time and room tba). Participants are expected to hand in their presentation files on the 27th of January ("NameFirstname_Presentation_SemEconProgWS2021.pdf"). Attendance is **mandatory**.

The deadline for the submission of the final **seminar paper** is the 31st of March 2021 ("NameFirstname_SeminarPaper_SemEconProgWS2021.pdf").

To apply for the seminar (first-come-first-served basis), please fill out the following form including your three prioritised research articles until the 6th of November:

<https://forms.gle/JxwG4vSQj9avdJd4A>

The seminar is limited to **15 participants**. For **remaining questions** regarding content or organization of the seminar, please send an email to the lecturer.

Important!

As of now, the seminar is prepared to be conducted in person. However, given the ongoing developments regarding **COVID-19**, the seminar (introduction, presentations etc.) might have to be carried out via ZOOM. If so, an announcement will be made on the chair's website in due time.

Outline of Topics and Literature

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

1. "Deep Determinants" of Economic Growth and Development: An Overview

a) Geography

- Bloom, David E., Jeffrey D. Sachs, Paul Collier, and Christopher Udry. 1998. "Geography, Demography, and Economic Growth in Africa". *Brookings Papers on Economic Activity* 1998 (2): 207.
- Sachs, Jeffrey. 2001. "Tropical Underdevelopment." w8119. Cambridge, MA: National Bureau of Economic Research.

b) *Integration*

- Dollar, David, and Aart Kraay. 2004. "Trade, Growth, and Poverty." *The Economic Journal* 114 (493): F22–49.
- Frankel, Jeffrey A, and David Romer. 1999. "Does Trade Cause Growth?" *American Economic Review* 89 (3): 379–99.

c) *Institutions*

- Acemoglu, Daron, Simon Johnson, and James A Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation". *American Economic Review* 91 (5): 1369–1401.
- Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. 2004. "Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development." *Journal of Economic Growth* 9 (2): 131–65.

2. Borders

- Alesina, Alberto, Janina Matuszeski, and William Easterly. 2011. "ARTIFICIAL STATES." *Journal of the European Economic Association* 9 (2): 246–77.
- Michalopoulos, Stelios, and Elias Papaioannou. 2014. "National Institutions and Subnational Development in Africa." *The Quarterly Journal of Economics* 129 (1): 151–213.
- Michalopoulos, Stelios, and Elias Papaioannou. 2016. "The Long-Run Effects of the Scramble for Africa." *American Economic Review* 106 (7): 1802–48.

3. Integration

a) *Within-Region Trade*

- Aker, Jenny C., Michael W. Klein, Stephen A. O'Connell, and Muzhe Yang. 2014. "Borders, Ethnicity and Trade." *Journal of Development Economics* 107 (March): 1–16.
- Brenton, Paul, Alberto Portugal-Perez, and Julie Régolo. 2014. "Food Prices, Road Infrastructure, and Market Integration in Central and Eastern Africa." World Bank Policy Research Working Paper 7003, Policy Research Working Papers, August 2014.
- Eberhard-Ruiz, Andreas, and Alexander Moradi. 2019. "Regional Market Integration in East Africa: Local but No Regional Effects?" *Journal of Development Economics* 140 (September): 255–68.

- Okoro, Agwu Sunday, Augustine Ujunwa, Farida Umar, and Angela Ukemenam. 2020. ‘Does Regional Trade Promote Economic Growth? Evidence from Economic Community of West African States (ECOWAS)’. *Journal of Economics and Development* 22 (1): 131–47.

b) Across-Region Trade

- Bosker, Maarten, and Harry Garretsen. 2012. “Economic Geography and Economic Development in Sub-Saharan Africa.” *The World Bank Economic Review* 26 (3): 443–85.
- Nunn, Nathan. 2008. “The Long-Term Effects of Africa’s Slave Trades *.” *Quarterly Journal of Economics* 123 (1): 139–76.

4. Human Capital

a) Education

- Ajayi, Kehinde F, and Phillip H Ross. 2018. “The Effects of Education on Financial Outcomes: Evidence from Kenya.” *Economic Development and Cultural Change*.
- Chicoine, Luke. 2020. “Free Primary Education, Fertility, and Women’s Access to the Labor Market: Evidence from Ethiopia”. *The World Bank Economic Review*, 19.
- Keats, Anthony. 2018. “Women’s Schooling, Fertility, and Child Health Outcomes: Evidence from Uganda’s Free Primary Education Program.” *Journal of Development Economics* 135 (November): 142–59.

b) Health

- Ahuja, Amrita, Brian Wendell, and Eric Werker. 2007. “Male Circumcision and AIDS: The Macroeconomic Impact of a Health Crisis”. Harvard Business School Working Paper 07-025.
- Alderman, H. 2006. “Long Term Consequences of Early Childhood Malnutrition”. *Oxford Economic Papers* 58 (3): 450–74.
- Alsan, Marcella. 2015. “The Effect of the TseTse Fly on African Development”. *American Economic Review* 105 (1): 382–410.
- Fortson, Jane G. 2011. “Mortality Risk and Human Capital Investment: The Impact of HIV/AIDS in Sub-Saharan Africa”. *Review of Economics and Statistics* 93 (1): 1–15.