



Seminar in Development Economics

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 \$3,759 compared to the European Union’s \$45,713.¹ 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 in economic development – geography, integration and institutions – and analyze their empirical support in the context of sub-Saharan African economies. Besides these “deep” determinants of economic growth, we will also analyze “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 trade and socio-economic welfare? And how did the introduction of free primary education impact the market and non-market prospects of African women?*

¹ Figures are expressed in 2017 International USD adjusted for Purchasing Power Parity (PPP).
Taken from the 2022 World Bank Development Indicators <https://data.worldbank.org>.

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

Target Group

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

Accreditation

Students can earn credit points for the following degree programs:

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

Requirements

Seminar participants are required to prepare written work in the form of a **1) seminar paper** (approx. 2,500 words for Master students and 2,000 words for Bachelor students) on a research article of choice. They are also expected to deliver an **2) academic presentation** (30 minutes) on their chosen research article. Each speaker is assigned a discussant who will initiate and lead a discussion following the presentation (10 minutes). Active **3) participation** in these discussions is expected of all attendees and contributes to the overall grade. Two weeks after the presentations, an **4) oral examination** (10 minutes) on the seminar paper, as well as on a randomly selected subset of seminar articles, will complete the four components constituting the final grade.

Seminar Organization

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

For more information, please visit www.frederikwild.com.

A mandatory **introductory lecture** is scheduled on the 27th of October, from 15:00-18:00. This session serves to present the structure of the seminar, introduce the topics, and further includes a first paper presentation from the lecturer so as to familiarize the participants with the presentation format expected. The introductory lecture also gives room for students' questions regarding topics, formal requirements as well as the mode of examination. Following the introductory lecture, participants are able **to register** on CMLife until November 10th in order to enroll in the seminar for credit. It is important to note that a registration from this point onward is binding. Failure to deliver the required work packages thereafter will result in a failing grade (i.e., 5.0).

The **presentation** of papers is scheduled for the 19th and 20th of January. Participants are required to submit both their **seminar paper** ("SemDevEconWS2023_SeminarPaper_NameFirstname.pdf") as well as their **presentation files** ("SemDevEconWS2023_Presentation_NameFirstname.pdf") beforehand; until the 18th of January the latest. The **oral examination** will take place two weeks after the presentations, on the 2nd of February.

To apply for the seminar (first-come-first-served basis), please fill out the following form, including your three prioritized research articles by (and including) the 20th of October:

<https://9mnj.short.gy/SemDevEconWS2023>

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

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 for 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 D. 2001. “Tropical Underdevelopment”. Working Paper Series w8119. Cambridge, MA: National Bureau of Economic Research.
- Henderson, Vernon J., Tim Squires, Adam Storeygard, and David Weil. 2018. “The Global Distribution of Economic Activity: Nature, History, and the Role of Trade”. *The Quarterly Journal of Economics* 133 (1): 357–406.

b) *Integration*

- Frankel, Jeffrey A., and David Romer. 1999. “Does Trade Cause Growth?”. *American Economic Review* 89 (3): 379–99.
- Dollar, David, and Aart Kraay. 2004. “Trade, Growth, and Poverty”. *The Economic Journal* 114 (493): F22–49.
- Pascali, Luigi. 2017. “The Wind of Change: Maritime Technology, Trade, and Economic Development”. *American Economic Review* 107 (9): 2821–54.

c) *Institutions*

- Acemoglu, Daron, Simon Johnson, and James A. Robinson. 2002. “Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution”. *The Quarterly Journal of Economics* 117 (4): 1231–94.
- Easterly, William, and Ross Levine. 2003. “Tropics, Germs, and Crops: How Endowments Influence Economic Development”. *Journal of Monetary Economics* 50 (1): 3–39.
- Easterly, William, and Ross Levine. 2016. “The European Origins of Economic Development”. *Journal of Economic Growth* 21 (3): 225–57.

2. Borders & Integration

- Head, Keith, Thierry Mayer, and John Ries. 2010. “The Erosion of Colonial Trade Linkages after Independence”. *Journal of International Economics* 81 (1): 1–14.
- 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.
- Cogneau, Denis, and Alexander Moradi. 2014. “Borders That Divide: Education and Religion in Ghana and Togo Since Colonial Times”. *The Journal of Economic History* 74 (3): 694–729.
- Michalopoulos, Stelios, and Elias Papaioannou. 2014. “National Institutions and Subnational Development in Africa”. *The Quarterly Journal of Economics* 129 (1): 151–213.
- Robinson, Amanda Lea. 2016. “Internal Borders: Ethnic-Based Market Segmentation in Malawi”. *World Development* 87 (November): 371–384.

- 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.
- Nchake, Mamello A., Lawrence Edwards, and Tresor N. Kaya. 2019. “The Size of the Border and Product Market Integration Between Lesotho and South Africa: A Production–Consumption Approach”. *Journal of African Economies* 28 (1): 70–88.

3. Human Capital

a) Education

- Duflo, Esther, and Christopher Udry. 2004. “Intrahousehold Resource Allocation in Cote d’Ivoire: Social Norms, Separate Accounts and Consumption Choices”. Working Paper Series w10498. Cambridge, MA: National Bureau of Economic Research.
- De Vreyer, Philippe, Nathalie Guilbert, and Sandrine Mesple-Soms. 2015. “Impact of Natural Disasters on Education Outcomes: Evidence from the 1987-89 Locust Plague in Mali”. *Journal of African Economies* 24 (1): 57–100.
- Giordono, Leanne, and Todd Pugatch. 2017. “Non-Tuition Costs, School Access and Student Performance: Evidence from the Gambia”. *Journal of African Economies* 26 (2): 140-68.
- Keats, Anthony. 2018. ‘Women’s Schooling, Fertility, and Child Health Outcomes: Evidence from Uganda’s Free Primary Education Program’. *Journal of Development Economics* 135: 142–59.
- Ajayi, Kehinde F., and Phillip H. Ross. 2020. “The Effects of Education on Financial Outcomes: Evidence from Kenya”. *Economic Development and Cultural Change* 69 (1): 253–89.
- Elsayed, Ahmed, and Alina Shirshikova. 2023. “The Women-Empowering Effect of Higher Education”. *Journal of Development Economics* 163 (June): 103101.

b) Health

- Alderman, H. 2006. “Long Term Consequences of Early Childhood Malnutrition”. *Oxford Economic Papers* 58 (3): 450–74.
- Nikolaev, Boris, and Raufhon Salahodjaev. 2017. “Historical Prevalence of Infectious Diseases, Cultural Values, and the Origins of Economic Institutions: Pathogens, Culture, and Economic Institutions”. *Kyklos* 70 (1): 97–128.
- Abiona, Olukorede. 2023. “Weather Shocks, Birth and Early Life Health: Evidence of Different Gender Impacts”. *Journal of African Economies*: Advance online publication (ejac031).

- Conte, Bruno, Lavinia Piemontese, and Augustin Tapsoba. 2023. “The Power of Markets: Impact of Desert Locust Invasions on Child Health”. *Journal of Health Economics* 87 (January): 102712.
- Deutschmann, Joshua W., Jared Gars, Jean-François Houde, Molly Lipscomb, and Laura Schechter. 2023. “Privatization of Public Goods: Evidence from the Sanitation Sector in Senegal”. *Journal of Development Economics* 160 (January): 102971.
- Schotte, Simone, Michael Danquah, Robert Darko Osei, and Kunal Sen. 2023. “The Labour Market Impact of COVID-19 Lockdowns: Evidence from Ghana”. *Journal of African Economies* 32 (2): ii10-ii33.

4. Additional Papers

- Alsan, Marcella. 2015. “The Effect of the TseTse Fly on African Development”. *American Economic Review* 105 (1): 382–410.
- Obikili, Nonso. 2015. “The Impact of the Slave Trade on Literacy in West Africa: Evidence from the Colonial Era”. *Journal of African Economies* 25 (1): 1-27
- Ang, James B., Per G. Fredriksson, Aqil Luqman bin Nurhakim, and Emerlyn Huiwen Tay. 2018. “Sunlight, Disease, and Institutions”. *Kyklos* 71 (3): 374–401
- Harari, Mariaflavia, and Eliana La Ferrara. 2018. “Conflict, Climate, and Cells: A Disaggregated Analysis”. *The Review of Economics and Statistics* 100 (4): 594–608.
- Alesina, Alberto, Sebastian Hohmann, Stelios Michalopoulos, and Elias Papaioannou. 2023. “Religion and Educational Mobility in Africa”. *Nature* 618 (7963): 134–43.