William & Mary

Fall 2020 Syllabus

AFST 309-01/ECON 344-01: African Economic Development

Lecture Time and Place: MWF 11:00 am - 11:50 am, Swem Library, FORD Room

Teaching Mode: Blend In-person and Online Teaching

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Office Hours: TTR 2:00-4:30pm; Other days by appointment

Course Description

Sub-Saharan Africa (SSA) is home to nearly 900 million people with real average per capita income of \$1670 in 2019 (\$3800 in Purchasing Power Parity -PPP- terms). The region was slightly richer than much of Asia until the early 1970s but faltered subsequently. Along with parts of South Asia, its persistently high poverty rate poses one of the greatest challenges to development economics. This course helps students understand and appreciate key underlying factors for Africa's historically weak economic performance, whether some of these development challenges are unique to the region, and the policies and strategies to address these challenges. The course starts by looking back at historical events that are believed to have shaped the evolution of institutions and economic structure in SSA, i.e., slavery and colonialism. It then proceeds to a range of other competing explanations for the region's unfavorable socioeconomic outcomes during the post-independence era up until the late 1990s. Although inevitably selective, this discussion makes a distinction between domestic versus external factors, and exogenous versus policy factors. Fortunately, African countries have embarked on a remarkable turnaround since 2000 achieving strong economic growth and poverty reduction. For instance, real per capita income in PPP has increased from about \$2600 in 2000 to \$3600 in 2015, with only modest growth since 2015. The course examines the major drivers of this economic upturn and potential roadblocks that may threaten its sustainability. We will then discuss the prospect of structural transformation of African economies based on the extraction of the region's abundant natural resources. Recognizing the exposure of households to recurring economic, political and environmental shocks, the courses also highlights the role of social protection programs in Africa, and some of their unintended consequences. The course ends with some discussion on the spread of COVID-19 in African and its expected effects on African societies and economies.

This course allows you to fulfill your COLL 300 requirements. Because of the COVID-19 pandemic, however, the Education Policy Committee (EPC) has announced that the On-campus COLL300 courses this semester will be different from previous semesters in three major ways: i) there is no single theme (like "Bodies that Matter" or "Movement") that organizes all COLL 300 courses; ii) We will not have invited guest speakers that will address all COLL 300 students; iii) there won't be end-of-semester COLL 300 symposium where students present their projects to other COLL 300 students. Instead, the EPC has recommended instructors to choose from previously recorded videos of COLL300 guest speakers. I have thus chosen two previous speakers whose topics closely align with this course better than others. The speakers who will bring their global experiences to you are Bernedette Muthien and, Erna Brodber and Catherin John-Camara. Muthien is a poet, political activist and civil servant from South Africa and her talk addresses issues of ethics, justice and compassion (or lack thereof) in regard to European colonialism. Brodber and John-Camara will speak jointly about African Jamaicans and the disruption they experienced and continue to experience due to slave trade and colonialism. As you know, the basic idea behind the COLL 300 speaker series is to "disorient" students in a productive way, similar to what study abroad programs do, and to challenge you to make connections - through the Reflection Paper assignments with the contents of the course. In the process, you will develop your critical thinking and reshape/enhance your world view about people and places.

Needless to say that this is a very unusual semester in terms of the uncertainty surrounding learning modality, course organization and campus life in general. And the parameters keep changing based on new information about the pandemic. However, I will do my best to give you as much clarity as possible on how we will proceed knowing full well that our plan could change any time. Here are the main points:

- Until Labor Day, all classes will be online per campus policy.
- For the 1st week of the semester, all session will be synchronous Zoom sessions (Aug 19 and 21)
- For the 2nd and 3rd week, we will have synchronous Zoom sessions on Monday and Wednesday, leaving Friday for online asynchronous sessions.
- Our first in-person session will be on Wednesday September 9.
- The Map Quiz and the Two Midterm Exams will all be held **in-person** on **Fridays**.

- Other than the three Friday classes dedicated for in-person tests, all Friday sessions will be online and asynchronous as mentioned above.
- Starting from September 14 to the end the semester, we will have rotating in-person and online(synchronous) sessions every other week for Monday and Wednesday classes. In other word, we will have in-person sessions in the week of September 14 (both M & W) followed by live Zoom sessions (synchronous) in the week of September 21 (both M & W), and reverting back to in-person session the week after, and so on.
- For the in-person sessions in Swem's Ford classroom, note that wearing face masks is mandatory and you need to observer ALL COVID-19 related guidelines provided by the University's Healthy Together Community Statement:
 - (https://www.wm.edu/sites/pathforward/health/index.php)
- Because of adjustments to the academic calendar, we have lost 3 instructional hours this semester which I intend to make up through two or three video session that I will post on Blackboard.
- All my office hours will be online on days and times indicated above. I will provide a Zoom link that would allow you to click and join just like walking to my office. You don't have to make an appointment for these dedicated office hours, but I would appreciate it if you give a heads up via email. Appointments are necessary though if you want to meet me outside my office hours.

Requirements and Assessment

This course requires intermediate microeconomics and basic statistics. However, students with introductory courses in economics can also enroll with the prior approval of the instructor.

Assignments and Exams

Course assessment begins with a Map Quiz with a 5% weight. Please start familiarizing yourself with the map of Africa provided on the last page of the syllabus. You will be given an empty map and asked to name 25 Sub-Saharan African countries. There will be two midterm exams of 15% weight which together account for 30% of your final grade. You will also have a non-comprehensive final exam of 25% weight.

In addition, you will be required to write two reflection papers based on the talks by COLL 300 speakers. Each reflection paper, typically a one-pager, will have a 7.5% weight hence collectively accounting for 15% of your final grade. Further instructions for the reflection papers including the video link for the talks will be provided in due course but the basic idea is to summarize the major points address by a speaker and highlight connections with topics covered in this course.

Reflection Paper I:

Based on Bernedette Muthien's Talk: Due on September 16 at 6pm.

Reflection Paper II

Based on talks by Erna Brodber and Catherin John-Camara: Due on October 2nd at 6pm.

In place of the cancelled COLL 300 end-of-semester symposium, there will be a group presentation assignment with a 15% weight. Each group (about five students) will give a 30-minute presentation on an assigned topic followed by a 10-minute discussion. Detailed instruction on the group assignment including topics and student groups will be announced separately in due course.

Class participation is extremely important and accounts for the remaining 10% of your grade. It includes regular attendance of in-person and online sessions, asking and answering questions, and becoming a discussant for specific readings when requested by the instructor.

You are allowed three days of absence from class due to sickness or other reasonable causes without having to provide official documents. Notice that you are required to notify me of your absence and its cause as early as possible, and that you cannot miss more than two consecutive classes under this provision. For extenuating circumstances such as family emergencies or absences that require you to miss more than two consecutive sessions, you have to contact the Dean of Students Office who will in turn inform me of the situation without disclosing details. I expect all students to take the exams and return the assignments at the designated times indicated in Table 1. I do not reschedule exam dates. If you miss a midterm exam, you need to bring a written excuse from the Dean of Students Office such that the full weight (and topics of the missed exam) will be added to your final exam.

4

Table 1: Summary of Course Evaluation

Assessment Type	Weight	Dates
Map Quiz	5%	September 11
COLL 300 Reflection paper I	7.5%	September 16
Midterm Exam I	15%	September 25
COLL 300 Reflection paper II	7.5%	October 2nd
Midterm Exam II	15%	October 16
Group Presentation	15%	Nov 6, 9, 11
Class Participation	10	
Final Exam	25%	November 19, 9:00am-12:00

Course Outline and Readings

There are no textbooks for this course, and we rely mainly on published articles. The readings listed below are already made available to students in PDF format on Blackboard. Please visit the "Readings" folder in the course content area of Blackboard. The readings are organized in the same order as they appear in this course outline to help you prepare ahead of the lecture/discussion sessions. Articles marked with a double asterisk (**) are SUGGESTED additional readings for students who want to explore more about a particular topic. The rest are REQUIRED materials that you are expected to read before each class.

1. Introduction: Characterizing Africa's Geography, Population and, Social and Economic Development (Week of 08/17)

2. Historical Perspectives on African Economic Development (Weeks of 08/24 and 08/31)

2.1. The Trans-Atlantic Slave Trade:

Nunn, Nathan. 2008. "The Long-term Effects of Africa's Slave Trades", Quarterly Journal of Economics 123.1, 139-176

Please visit <u>www.slavevoyages.org</u> for historical data on the transatlantic slave trade including the number of slave voyages from Africa from the 16th to the 19th century, and the number of slave who embarked and disembarked in different locations.

**Nunn, N. and L. Wantchekon.2009. "The Slave Trade and The Origins of Mistrust in Africa" NBER Working Paper 14783, National Bureau of Economic Research.

**Evans, E.W., and D. Richardson. 1995. "Hunting for rents: the economics of slaving in precolonial Africa," The Economic History Review 48,4, 665-686.

2.2. Africa's Colonial Legacy

Heldring, L., and J. Robinson. 2012. "Colonialism and Economic Development in Africa" National Bureau of Economic Research, NBER Working Paper #18566.

**Bertocchi, Graziella and Fabio, Canova. 2002. "Did colonization matter for growth? An empirical exploration into the historical causes of Africa's underdevelopment," *European Economic Review* 46, 1851–1871.

**Acemoglu, D., S. Johnson and J. Robinson.2001. "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review* 91, 5, 1369-1401

3. Structural Constraints to Africa's Economic Performance. (Weeks of 9/07 and 9/14)

3.1. Ethnic Fractionalization

Easterly, W. and R. Levine. 1997. "Africa's growth tragedy: policies and ethnic divisions," *Quarterly Journal of Economics* 112,4, 1203-1250.

**Easterly et al. 2006. "Social Cohesion, Institutions and Growth," Economics and Politics 18,2, 103-120.

3.2. Geography

Alsan, M. 2015. "The Effect of the Tse Tse Fly on African Development," American Economic Review 105, 382-410

**Bloom, D. and J. Sachs. 1998. "Geography, Demography, and Economic Growth in Africa," *Brookings Papers on Economic Activity* 2,207-295.

3.3. Conflict and Civil War in Africa

Collier, P. A. Hoeffler, D. Rohner. 2009. "Beyound Greed and Grievance: Feasibility and Civil War," *Oxford Economic Papers* 61, 1-27.

**Collier, P. and A. Hoeffler. 2004. "Greed and grievance in civil war," *Oxford Economic Papers* 56,4, 563-595.

3.4. Distinguishing Policy Vs Exogenous Growth Factors

Collier, P. and J. W. Gunning. 1999. "Why Has Africa Grown Slowly," *Journal of Economic Perspectives* 13, 3, 3-22.

4. Africa's Economic Turnaround and Poverty Reduction Since 2000 (Week of 9/21)

Miguel, Edward. 2009. Africa's Turn? MIT Press, Boston Review Books.

Rodrik, Dani. 2014. "An African Growth Miracle?" National Bureau of Economic Research, NBER Working Paper No. 20188.

**Pinkovskiy, M., and X. Sala-i-Martin. 2014. "Africa is on time," *Journal of Economic Growth* 19, 311-338.

First Midterm Exam: Friday, September 25.

5. Learning from African Economic Success Stories: Botswana, Ethiopia and Mauritius (Weeks of 9/28 and 10/05)

Acemoglu, D., S. Johnson, and J. Robinson. 2002. "An African Success Story: Botswana," CEPRI Discussion Paper 3219, Center for Economic Policy Research

Sobhee, S. 2009. "The economic success of Mauritius: lessons and policy options for Africa," *Journal of Economic Policy Reform* 12,1, 29–42

Shiferaw, A. 2016. "Building Productive Capacity in Ethiopia," Background Paper for the UN Committee on Development Policy (CDP).

6. Challenges of Aid Effectiveness in Africa (Week of 10/12)

Fosu, A. 2016. "Aid Effectiveness and Its Discontents in Sub-Saharan Africa," GDN Paper Series on The Future of Aid Effectiveness Research in Africa.

Hailu, D. and A. Shiferaw. 2016. "Determinants of 'Exit' from High Aid Dependence," *Journal of African Economies* 1-29. doi: 10.1093/jae/ejw012.

**Lancaster, C. 1999. "Aid Effectiveness in Africa: the Unfinished Agenda," *Journal of African Economies* 8, 4, 487-503.

**Alesina, A. and D. Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 15, 1, 33-63

Second Midterm Exam: Friday, October 16.

7. Natural Resource Wealth and Industrialization in Africa (Week of 10/19)

Morris, M. and J. Fessehaie. 2013. "The industrialization challenge for Africa: Towards a commodities based industrialization path," *Journal of African* Trade 1, 25-36.

Shiferaw, A., and D. Hailu. 2017. "Resource-based Industrialization in Africa: An Analytical Framework," policy paper prepared for the UNDP Regional Service Centre for Africa, Addis Ababa, Ethiopia.

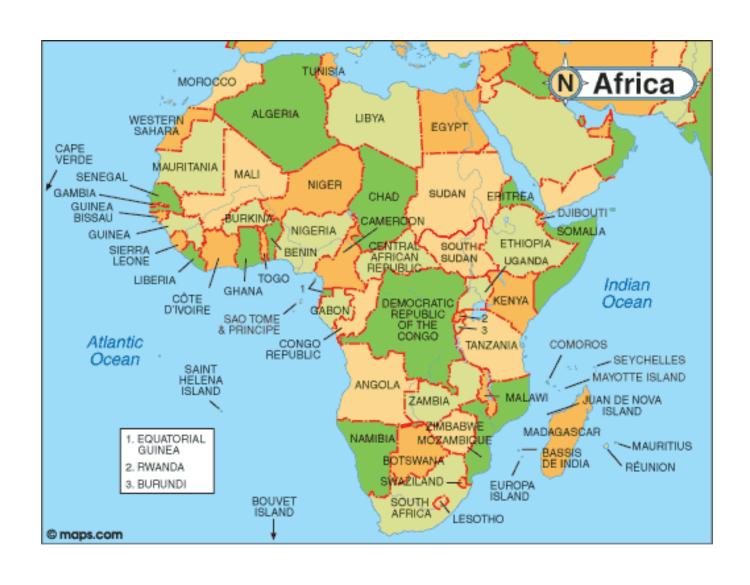
8. Vulnerability to Adverse Shocks and Social Protection Programs in Africa (Week of 10/26)

European Report on Development. 2010. "Social Protection for Inclusive Development: A New Perspective on EU-Cooperation with Africa" European Communities, Brussels. Chapters 2-4.

9. COVID-19 in Africa (Week of 11/02)

El-Sadr, W., and J. Justman. 2020. "Africa in the Path of Covid-19," New England Journal of Medicine, DOI: 10.1056/NEJMp2008193

OECD. 2020. "COVID-19 in Africa: Regional Socioeconomic Implications and Policy Priorities," OECD Development Center.



Useful Websites:

African Development Indicators:

http://data.worldbank.org/data-catalog/africa-development-indicators

African Development Bank: http://www.afdb.org/en/knowledge/

UN-Economic Commission for Africa: www.uneca.org

World Bank – Africa Region: www.worldbank.org/afr/

New Economics Papers on Africa: http://econpapers.repec.org/scripts/nep.pf?list=nep-afr

Centre for the Study of African Economies (CSAE, Oxford University, UK): http://www.csae.ox.ac.uk/