

PhD Course

# Political Economy of Development

Winter term 2024/25

**Instructor:** Manuel Santos Silva  
**Sessions:** Wednesdays, 08:15–09:45 (starts on 16.10.2024),  
**Room:** K02 Seminar Room (Basement/Keller),  
LAI, Rüdeshheimer Str. 54–56  
**Language:** English

## Course focus

This course discusses recent literature at the intersection of political economy and development economics. Which types of political regimes foster economic growth? How do societies develop under democratic or autocratic rule? What role do political and social institutions or the legal system play? How does political conflict impact development? To tackle these questions, we will discuss seminal articles covering several historical periods and world regions.

Readings are heavily biased towards recent empirical papers with a credible causal identification strategy. Participants will engage with seminal literature and critically analyze empirical studies.

## Participants

The course is open to doctoral students of the Berlin School of Economics (BSoE) or other doctoral students in Economics at the Freie Universität Berlin. Prior knowledge in econometrics or empirical quantitative methods is required.

## Enrollment

Please enroll for this course by sending a short email to [manuel.santos.silva@fu-berlin.de](mailto:manuel.santos.silva@fu-berlin.de). The application deadline is **September 22, 2024**.

## Assignments

Credit points are granted for the following assignments:

1. **Paper Replication (40%)**: Participants are required to replicate a paper from the reading list. This involves reproducing the main findings using the original data or similar datasets *and* running a new analysis—e.g., an extra robustness check, heterogeneity along a new dimension. In class, participants will present the paper and, at the end of the semester, their replication results.
2. **Referee Report (40%)**: Participants will write a referee report on a paper from the reading list (distinct from the paper chosen for replication). In class, the ‘referee participant’ will act as main discussant of the presentation of the ‘replication participant’.
3. **Active participation (20%)**: Participants are expected to prepare for class by reading the assigned papers in advance and engaging in class discussions.

## Topics

### I. The origins of the state

- de la Sierra, R. S. (2019). On the origins of the state: Stationary bandits and taxation in Eastern Congo. *Journal of Political Economy*, 128(1), 32–74.
- Allen, R. C., Bertazzini, M. C., & Heldring, L. (2023). The economic origins of government. *American Economic Review*, 113(10), 2507–2545.

### II. The deep-roots of autocracy

- Bentzen, J. S., Kaarsen, N., & Wingender, A. M. (2017). Irrigation and autocracy. *Journal of the European Economic Association*, 15(1), 1–53.
- Bentzen, J. S., & Gokmen, G. (2023). The power of religion. *Journal of Economic Growth*, 28, 45–78.

### III. Colonial institutions

- Dell, M. (2010). The persistent effects of Peru’s mining Mita. *Econometrica*, 78(6), 1863–1903.
- Nunn, N. (2008). The long-term effects of Africa’s slave trades. *Quarterly Journal of Economics*, 123(1), 139–176.

### IV. The scramble for Africa

- Michalopoulos, S., & Papaioannou, E. (2016). The long-run effects of the scramble for Africa. *American Economic Review*, 106(7), 1802–48.
- Lowes, S., & Montero, E. (2021). Concessions, violence, and indirect rule: evidence from the Congo Free State. *Quarterly Journal of Economics*, 136(4), 2047–2091.

### V. Democracy and economic growth

- Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2019). Democracy does cause growth. *Journal of Political Economy*, 127(1), 47–100.
- Martinez, L. R. (2022). How much should we trust the dictator’s GDP growth estimates? *Journal of Political Economy*, 130(10), 2731–2769.

## VI. Government responsiveness & state capacity

- Fujiwara, T. (2015). Voting Technology, Political Responsiveness, and Infant Health: Evidence from Brazil. *Econometrica*, 83(2): 423–464.
- Heldring, L. (2021). The origins of violence in Rwanda. *Review of Economic Studies*, 88(2), 730–763.

## VII. Political transitions

- González, F., & Prem, M. (2020). Losing your dictator: Firms during political transition. *Journal of Economic Growth*, 25(2), 227–257.
- Martinez-Bravo, M., Mukherjee, P. & Stegmann, A. (2017). The Non-Democratic Roots of Elite-Capture: Evidence from Soeharto Mayors in Indonesia. *Econometrica*, 85(6), 1991–2010.

## VIII. Elite capture

- Anderson, S., Francois, P., & Kotwal, A. (2015). Clientelism in Indian villages. *American Economic Review*, 105(6), 1780–1816.
- Bobonis, G. J., Gertler, P. J., Gonzalez-Navarro, M., & Nichter, S. (2022). Vulnerability and clientelism. *American Economic Review*, 112(11), 3627–3659.

## IX. Corruption

- Ferraz, C., & Finan, F. (2011). Electoral accountability and corruption: Evidence from the audits of local governments. *American Economic Review*, 101(4), 1274–1311.

## X. Bureaucracies

- Colonnelli, E., Prem, M., & Teso, E. (2020). Patronage and selection in public sector organizations. *American Economic Review*, 110(10), 3071–3099.
- Aneja, A., & Xu, G. (2024). Strengthening State Capacity: Civil Service Reform and Public Sector Performance during the Gilded Age. *American Economic Review*, 114(8), 2352–2387.

## XI. Policy learning

- Hjort, J., Moreira, D., Rao, G., & Santini, J. F. (2021). How research affects policy: Experimental evidence from 2,150 Brazilian municipalities. *American Economic Review*, 111(5), 1442–1480.
- Wang, S., & Yang, D. Y. (2021). Policy experimentation in China: The political economy of policy learning. NBER Working Paper No. w29402.