AFRICAN ECONOMIC DEVELOPMENT
Spring, 2018
TTH, 11:45 – 13:00

Professor Hiroyuki Hino
Office Hours: Tuesday & Thursday, 9:30 – 11:30

Course Description:

Today, Africa presents two seemingly contradictory faces. As a continent, the economy has been growing briskly. It is in process of transformation with modern infrastructure and glittering mega cities. Investors from Europe, China and elsewhere flock to Africa. Yet, in the South of Sahel, about 40% of the population remains in stinging poverty, deprived of many basic needs such as education, health care, and electricity. Ethnic and religious contestations continue to create an undercurrent of social and political instability, and malaria, HIV/AIDS and other diseases take an unacceptably large number of lives. While the African economy is still small relative to the rest of the world, Africa's future - the “last frontier” of the global economy - cannot be ignored. This course studies economic development in sub-Saharan Africa since independence, with a focus on challenges that the continent faces at present in shaping an inclusive future. It will be taught from the perspectives of policy maker and practitioner, supported by the relevant academic literature.

Class Structure, Assignments and Grading:

Each class will consist of: (a) a lecture by the instructor (interactions with students encouraged); (2) student presentations or a panel debate between student teams; and (c) open discussion among students on the topic of the class.

Each student is expected to give two class presentations during the course, one on a topic selected from the list given by the instructor and the other an in-depth country study. Each presentation will be given by a team of 2 or 3 students. The students will work together as a team and prepare a power point presentation. For the first presentation, the team will speak for 15 minutes and take questions from fellow students for 10 minutes. For the second presentation (country study), each team will speak for 30 minutes; country study presentations will be scheduled toward the end of the course. Each team will be graded on: (i) the quality of the power point, (ii) the clarity of the oral presentation, and (iii) the persuasiveness of his/her answers to the questions raised. These grading criteria will be made more concrete and announced during the first class of the course.

In addition, each student is expected to take part in two panel debates during the course, each on one of the topics given by the instructor. Each panel will consist of 2 teams of 2 or 3 students. Each team will present and defend an opposing perspective
on the question posed. Each team will give an opening statement (power point, 10 minutes), and the floor will be open for comments from the class. Finally, each side will make a rebuttal, responding to points made by the opposing team and comments received. At the end of the discussion, a straw poll will be taken to decide which team won the debate. Each team will be graded on the same basis as for the student presentation.

There will be a **final exam.** It will be a take-home exam. The test sheet will be handed out during the last class and answers must be submitted by the date when the final exam is assigned. There will be no mid-term exam or term papers.

30.0% - Final exam  
22.5% - Country study (presentation plus paper)  
12.5% - Topic presentation  
25.0% - panel debate (12.5% each)  
10.0% - Course participation

**Late Assignment Policy:** Extensions will be granted *only in case of emergency*, and up to two week only. Late submissions without extensions will result in the loss of credit due to that assignment.

**Cheating and Plagiarism:** All assignments submitted for grading must be original. Documented plagiarism will result in a complete loss of credit.

**Course Outline and Readings**

The course is organized as follows: (i) Introduction; (ii) Part I: Why did Africa fall behind in economic development; (iii) Part II: Challenges of inclusive development; (iv) Part III: Long-term prospects; and (v) Part IV: Wrap-up. Required readings are listed below for each week (70-80 pages for two classes per week).

**INTRODUCTION**

**Week 1 (Jan 10): Africa in today’s global economy**

Introduction: course outline, class format, assignments, grading, etc  
Lecture and Q&A

**Readings:**

1. Moss, Todd, “Where does Africa fit in the globalization puzzle”  
   June 23, 2009

**PART I: WHY DID AFRICA FALL BEHIND IN ECONOMIC DEVELOPMENT?**
Week 2 (Jan 15 & 17): Overview of History
Session 2.1 (Jan 15) Myth of underdevelopment of Africa
Debate: Did Europe under-develop Africa?
Session 2.2 (Jan 17) Comparisons with Asia
Student presentation: Myrdal’s Asian Drama

Readings
1. Austin, Gareth, “Sub-Sahara Africa”, in Baten, Joerg (ed), A History of the
   Global Economy from 1500 to the Present, Chapter 10, pp 316- 350,
   Cambridge University Press, 2013
2. Acemoglu, D and Robinson, J.A., Why Nations Fail, Ch 2, pp. 45 -69 and Ch
Optional:
   as a System for Underdeveloping Africa” Bogle-L’Ouverture Publications, and
   Tanzanian Publishing House, 1973
4. [brief summary of Myrdal, G., Asia Drama: an Inquiry into the Poverty of
   Nations 1968

Week 3 (Jan 22 & 24): Post Independence - Hope then Despair,1960-1995
Student presentation: Accounting for the growth deficit
Session 3.2 (Jan 24) Sierra Leone – poverty in the abundance of diamond
Debate: Is “the curse of natural resources” real?

Readings
   and Ethnic Divisions”, Quarterly Journal of Economics, 112, 1203-1250
   The Journal of Economic Perspectives, Vol. 13, No. 3. (Summer, 1999)
   Liberation of Africa” pp 305 – 333, Palgrave Macmillan

Week 4 (Jan 29 & 31): Economic renewal,1995 to present
Session 4.1 (Jan 29) Growth acceleration - but was short-lived for many.
Debate: Was democratization key for growth acceleration of African countries?
Session 4.2 (Jan 31) Growth without structural transformation
Student presentation: Growth stories - Rwanda and Ghana

Readings:
   Belated Boom”, Foreign Affairs, November/December 2011
   Economist, March 2, 2013, pp. 3-16
3. McKinsey Global Institute, Lions on the Move: The Progress and Potential of
   African Economies, pp. 9-51, June 2010

**Week 5 (Feb 5 & 7): Beyond aid – FDI, Euro Bonds, and China**

Session 5.1 (March 5) The Roles of IMF in Africa today
   Debate: Was “SAP” (Structural Adjustment Program) a bitter pill for future health?
Session 5.2 (March 7) How do African countries finance their investment?
   Student presentation: Is debt crisis returning to Africa?

**Readings:**

**PART II: CHALLENGES OF INCLUSIVE DEVELOPMENT**

**Week 6 (Feb 12 & 14): Poverty**

Session 6.1 (Feb 12) Poverty in Africa is increasing and deep-rooted.
   Student presentation: Land ownership and reforms in Africa
Session 6.2 (Feb 14) The Tragedy of the Commons and the Poverty Trap
   Debate: Can poverty in Africa be virtually eradicated in the next two decades?

**Readings:**
2. Bundy, Collin, *Poverty in South Africa – Past and Present*, pp. 7 – 155, Ohio University Press, 2016 (This is a pocket book, short and readable.)

**Week 7 (Feb 19 & 21): Demography, youth and employment**

Session 7.1 (Feb19) Nature and extent of employment problems in Africa
Student presentation: Kenya Future Leaders Programme
Session 7.2 (Feb 21) Solutions - focus on early childhood and primary education
Debate: Is the youth bulge a demographic dividend or a time bomb?

Readings:

**Week 8 (Feb 26 & 28) Inequality and Conflict**

Session 8.1 (Feb 19) Inequality rose in Africa – maybe, but it is not that simple.
Student presentation: Is economic growth and income equality incompatible?
Session 8.2 (Feb 21) Horizontal inequalities and conflict
Debate: Does a GINI coefficient matter in assessing Africa’s economy?

Readings:

**Week 9 (March 5 & 7) Ethnic Diversity and Social Cohesion**
Session 9.1 (Feb 26) What is social cohesion and how is it related to development?
   Student presentation: Measuring social cohesion of African countries
Session 8.2 (Feb 28) Tanzania – a success story
   Debate: Is ethnic diversity inherently negative for economic development?

Readings:
Optional:

**Week 10 (March 19 & 21) Corruption, Democracy and Inclusive Institutions**

Session 10.1 (April 9) What constitutes inclusive institutions?
   Student presentation: Which African countries are less corrupt, and why?
Session 10.2 (April 11) Does government work for the poor?
   Debate: Is a Developmental State what African countries need for inclusive development?

Readings:

Optional

PART III: LONG-TERM PROSPECTS

Week 11 (March 26 & 28): Is Africa’s growth sustainable?

Session 12.1 (April 2) Essential Ingredients for sustaining high growth
Student presentation: The East Asian Miracle
Session 12.2 (April 6) Assessing Africa’s vulnerabilities and prospects
Debate: Can African countries sustain economic growth of 6 - 7 % per year?

Readings:

Week 12 (April 2 & 4): Sustainability of Natural Resources and Climate Change

Session 13.1 (April 9) Africa’s Natural Resource Trilemma - food, water and energy security
Student presentation: Saving Lake Naivasha (Imarisha Naivasha)
Session 13.2 (April 11) Economics of Climate Change in Africa
Debate: Should Africa be allowed to utilize its coal resources for economic development even if it negatively impacts climate change through CO2 emission?

Readings:
4. The Stockholm Environment Institute (2009), The Economics of Climate Change in Kenya
Week 13 (April 9 & 11) future of globalization and policy options for Africa

Session 11.1 (March 26) Has globalization been as bad for Africa as people say? 
Student presentation: Trade between Africa and the rest of the world
Session 11.2 (March 28) Africa’s choice for development in the new world order 
Debate: Are free capital flows good for African countries?
Readings:
   http://ijhssnet.com/journals/Vol_3_No_15_August_2013/11.pdf
3. World Economic Forum, “Globalization as we know it has failed. Africa has an alternative”
   https://www.weforum.org/agenda/2016/07/globalization-as-we-know-it-has-failed-africa-has-an-alternative/

PART IV: WRAP - UP

Week 14 (April 16 & 18) Case studies: Past, Present and Future 
   – Student Presentations –

Session 14.1 (April 16)
   South Africa
   Nigeria
Session 14.2 (April 18)
   Kenya
   Ethiopia

Week 15 (April 23): From Divided Pasts to Cohesive Futures
   Lecture
   Class discussion

Readings