



Conflicts and Economic Development

(Master of Science in International Economics and Economic Policy)

Lecturer: Dany Jaimovich, Ph.D.

Office: RuW 4.253

Email: jaimovich@econ.uni-frankfurt.de

Web: www.danyjaimovich.com

1 Overview

Armed conflicts are prevalent in developing countries. International disputes, civil wars, terrorism, ethnic clashes and other forms of conflict can have devastating social and economic consequences for the affected population. This section aims to give master students an overview of relevant aspects of the relationship between armed conflicts and economic development. The focus will be on recent empirical and theoretical studies about the economic determinants of conflicts, the effects of the conflicts on economic outcomes and other related topics.

2 Format

- This course is designed as a “block seminar”. Students have to write a term-paper and present its main content in a final presentation.
- Students have to choose a topic in agreement with the lecturer. They can decide on a subject from the list below or propose an alternative issue which meets his/her own interests.
- The paper must have maximum 15 pages (plus references, tables, and additional material) and contain two main sections: (i) deep overview of the particular topic, including a general literature review; and (ii) in-depth analysis of one technical paper or technical literature. For the latter, the related “state of the art” econometric and/or theoretic methods must be explained and described for the particular context of the topic.
- While producing new results in the term-paper with data and/or models is not required, it would be highly appreciated.

3 Requirements

It is assumed that students have prior knowledge of econometrics and economic theory at the level of the Fundamentals Courses of the MIEEP program.



4 Evaluation

- Students successfully finishing the seminar will be awarded with 6 credit points.
- Grading will be based on the term-paper and the final presentation.
- Active participation in the presentation of other students will also be considered in the final grade.
- There will be no final exam.

5 Schedule

- **April 20th (18:00 s.t., RuW 4.201):** Information session. After this preliminary meeting, students have one week to propose topics for their term-paper (Deadline: April 26th, which is also the deadline for registration via QIS).
- **May 3rd:** The topic of the term-paper is assigned to each student.
- **Before June 9th:** Meeting with the lecturer (individual appointment) to discuss advanced draft of the term-paper.
- **June 26th:** Deadline for handing in the term-paper.
- **June 29th and 30th:** Final presentations.

6 Topics and readings

6.1 General readings

A general overview of the topics covered in the seminar can be found in:

- WB (2011). *World Development Report 2011: Conflict, security and development*
- BLATTMAN, C. and MIGUEL, E. (2010). Civil war. *Journal of Economic Literature*, **48** (1), 3–57



6.2 Topics

Economic determinants of conflicts

- MIGUEL, E. AND SATYANATH, S. AND SERGENTI, E. (2004). Economic shocks and civil conflict: An instrumental variables approach. *Journal of Political Economy*, **112** (4), 725–753
- CICCONE, A. (2011). Economic shocks and civil conflict: A comment. *American Economic Journal: Applied Economics*, **3** (4), 215–227
- DJANKOV, S. and REYNAL-QUEROL, M. (2010). Poverty and civil war: Revisiting the evidence. *The Review of Economics and Statistics*, **92** (4), 1035–1041

Commodity prices and conflict

- BAZZI, S. and BLATTMAN, C. (2014). Economic shocks and conflict: Evidence from commodity prices. *American Economic Journal: Macroeconomics*, **6** (4), 1–38
- BERMAN, N. and COUTTENIER, M. (2015). External shocks, internal shots: the geography of civil conflicts. *Review of Economics and Statistics*, **97** (4), 758–776
- DUBE, O. and VARGAS, J. F. (2013). Commodity price shocks and civil conflict: Evidence from Colombia. *The Review of Economic Studies*, **80** (4), 1384–1421

Historical determinants of conflict

- MICHALOPOULOS, S. and PAPAIOANNOU, E. (2016). The long-run effects of the scramble for Africa. *The American Economic Review*, **106** (7), 1802–1848
- FENSKE, J. and KALA, N. (2017). 1807: Economic shocks, conflict and the slave trade. *Journal of Development Economics*, **126**, 66–76
- BESLEY, T. and REYNAL-QUEROL, M. (2014). The legacy of historical conflict: Evidence from Africa. *American Political Science Review*, **108** (02), 319–336



Long run effects of conflicts

- MIGUEL, E. and ROLAND, G. (2011). The long-run impact of bombing Vietnam. *Journal of Development Economics*, **96** (1), 1–15
- DAVIS, D. R. and WEINSTEIN, D. E. (2002). Bones, bombs, and break points: The geography of economic activity. *American Economic Review*, pp. 1269–1289
- DELL, M. (2012). *Path dependence in development: Evidence from the Mexican Revolution*. Manuscript, Harvard University
- ICHINO, A. and WINTER-EBMER, R. (2004). The long-run educational cost of World War II. *Journal of Labor Economics*, **22** (1), 57–87

Effects of conflicts on human capital

- SHEMYAKINA, O. (2011). The effect of armed conflict on accumulation of schooling: Results from Tajikistan. *Journal of Development Economics*, **95** (2), 186–200
- LEÓN, G. (2012). Civil conflict and human capital accumulation: The long term effects of political violence in Peru. *Journal of Human Resources*, **47** (4), 991–1022

Effects of conflicts on health

- MINOIU, C. and SHEMYAKINA, O. N. (2014). Armed conflict, household victimization, and child health in Côte d’Ivoire. *Journal of Development Economics*, **108**, 237–255
- AKRESH, R. AND LUCCHETTI, L. AND THIRUMURTHY, H. (2012). Wars and child health: Evidence from the Eritrean-Ethiopian conflict. *Journal of Development Economics*
- BUNDERVOET, T., VERWIMP, P. and AKRESH, R. (2009). Health and civil war in rural Burundi. *Journal of Human Resources*, **44** (2), 536–563



Refugees and displaced population

- IBÁÑEZ, A. M. and MOYA, A. (2010). Vulnerability of victims of civil conflicts: empirical evidence for the displaced population in Colombia. *World Development*, **38** (4), 647–663
- FIALA, N. (2015). The economic consequences of forced displacement. *Journal of Development Studies*, **51** (10), 1275–1293
- RAHIM, A. A., JAIMOVICH, D. and YLÖNEN, A. (forthcoming). Forced displacement and behavioral change: An empirical study of returnee households in the Nuba mountains. *Defence and Peace Economics*

Child soldiering

- BEBER, B. and BLATTMAN, C. (2013). The logic of child soldiering and coercion. *International Organization*, **67** (1), 65–104
- BLATTMAN, C. AND ANNAN, J. (2010). The consequences of child soldiering. *The Review of Economics and Statistics*, **92** (4), 882–898

Violent conflicts and behavior change

- BELLOWS, J. AND MIGUEL, E. (2009). War and local collective action in Sierra Leone. *Journal of Public Economics*, **93** (11), 1144–1157
- VOORS, M. J., NILLESEN, E. E., VERWIMP, P., BULTE, E. H., LENSINK, R. and VAN SOEST, D. P. (2012). Violent conflict and behavior: A field experiment in Burundi. *American Economic Review*, **102** (2), 941–964
- ROHNER, D., THOENIG, M. and ZILIBOTTI, F. (2013). Seeds of distrust: Conflict in Uganda. *Journal of Economic Growth*, **18** (3), 217–252

International trade and conflicts

- MARTIN, P., MAYER, T. and THOENIG, M. (2008). Make trade not war? *Review of Economic Studies*, **75** (3), 865–900
- BLOMBERG, S. B. and HESS, G. D. (2006). How much does violence tax trade? *The Review of Economics and Statistics*, **88** (4), 599–612
- GLICK, R. and TAYLOR, A. M. (2010). Collateral damage: Trade disruption and the economic impact of war. *The Review of Economics and Statistics*, **92** (1), 102–127



International aid and conflicts

- CROST, B., FELTER, J. and JOHNSTON, P. (2014). Aid under fire: Development projects and civil conflict. *The American Economic Review*, **104** (6), 1833–1856
- NUNN, N. and QIAN, N. (2014). US food aid and civil conflict. *The American Economic Review*, **104** (6), 1630–1666
- DE REE, J. and NILLESEN, E. (2009). Aiding violence or peace? the impact of foreign aid on the risk of civil conflict in sub-Saharan Africa. *Journal of Development Economics*, **88** (2), 301–313

Media and conflicts

- DELLA VIGNA, S., ENIKOLOPOV, R., MIRONOVA, V., PETROVA, M. and ZHURAVSKAYA, E. (2014). Cross-border media and nationalism: Evidence from Serbian radio in Croatia. *American Economic Journal: Applied Economics*, **6** (3), 103–132
- YANAGIZAWA-DROTT, D. (2014). Propaganda and conflict: Evidence from the Rwandan genocide. *The Quarterly Journal of Economics*, **129** (4), 1947–1994