Overview

The symbolic start of the “Arab Spring” was the self immolation of 26 year old Tunisian Mohammed Bouazizi on December 17th, 2010. This act resonated so deeply as its apparent motivation captured many of the economic and political problems of the Middle East and North Africa (MENA). A very young population was frustrated by a lack of economic opportunities and decades of failed government intervention in the economy, notably marked by corruption and a widening gap between the governing elites and those they ostensibly governed.

The roots of the Arab Spring extend deep into the economic history of the region. To understand the momentous events of today, we must look to steps taken along the way. This course will examine the theories and practices of economic development in the MENA. Some of the issues we will study are the role of the state in the economy, the legacies of the colonial era, why bountiful natural resources often lead to poor growth, internal migration and brain drains, and the economic roots of terrorism just to name a few. The objective of the course is to give you a strong background in the historical, institutional, religious, and social issues that have shaped the current economic climate in the region. Understanding these trends is vital to assessing the viability and desirability of economic policy in the modern era of globalization.

Learning Outcomes

By the end of this course, you should be able to:

- Explain how prevailing economic conditions created an atmosphere ripe for regime change
- Discuss the impact of globalization on economic development in the MENA
- Articulate the ways in which development paths in the MENA and the West have differed.
- Examine legacies of the Colonial Era and their impact on current economic and political conditions.
- Investigate the causes of income stagnation and rising unemployment across the region over the last two decades.
- Evaluate the demographic challenges and opportunities of an increasingly bottom heavy age distribution.
- Assess the benefits and costs of state-led capitalism.
- Synthesize an explanation for the “Curse of Natural Resources.”
• Investigate how public revenues from natural resources have been used and propose alternative issues that would better promote economic development

• Examine gender inequities in the region and how closing this gap presents a development opportunity

• Articulate the conditions in which countries are likely to adopt growth-enhancing reforms and the condition in which these reforms are likely to work.

• Investigate the argument that Islamic inheritance laws led to sluggish growth.

• Evaluate the viability of the waqf system for providing public goods.

• Assess the economic impacts of large expatriate populations on both the sending and receiving nations.

• Define remittance payments and their significance for certain countries in the region.

• Discuss the impacts of education, income inequality, and social immobility on terrorism.

• Analyze which countries are likely to enter into a civil war and why.

• Explore the impact of conflict on economic development

• Assess the role of NGO’s and micro-credit as alternatives to the World Bank and IMF as development agencies.

• Analyze the impact of the global financial crisis on the regional economy.

• Discuss the role that technology played/will continue to play in driving reform

Readings

Class readings will be drawn from three broad sources: books, academic journal articles, and institutional (e.g. IMF, UN, World Bank) publications. The two books that we will be drawing most heavily on are Henry and Springborg (2010) and Richards and Waterbury (2007). Journal articles and institutional publications can be accessed through the SDSU library website, but I will also post electronic copies to Blackboard.


Exams

There will be two exams, a midterm and a final. Each exam will have two sections: multiple choice to test your knowledge of basic facts and short answer/essay to test your analytical knowledge on the region. Exam I will tentatively cover the first three sections in the outline below. The second exam will take place during finals week, but is not comprehensive, covering only the last four sections.

Exam I   October 19th
Exam II  December 12th (10:30-12:30)
Quizzes

There will be 10 short quizzes given about once a week. I will announce the quiz at least one class in advance and they will only cover material discussed in class. These quizzes are designed to make sure that you keep up with the material and should be a fairly easy way to improve your grade.

Country Project

Each student will choose (or be assigned) a country in the MENA that they will be one of the class “experts” on. You will first compile economic profiles of your country using data from the CIA Factbook and the World Bank’s Development Indicators (instructions to follow). Then, you will be responsible to post a summary of a news article (with link) involving your country each week to the discussion board on Blackboard. Your summary should discuss the key points of the article and analyze the implications of these points for your country’s economic development. There will be a limit of five students per country, so if there’s a country you want to learn more about, please let me know ASAP. Though the article summaries will be due by 4PM Friday each week, you are encouraged to submit them early since two students cannot summarize the same article.

Grading

1. Exams (2), 30% each = 60%
2. Quizzes (10), 3% each = 30%
3. Country Project = 10%

Tentative Outline of Topics

Please note that we will not be reading every article listed below. I will indicate in class and on Blackboard exactly what you are required to read. Those articles that we don’t get to are still excellent sources for further information on a topic.

Introduction

Topics: Overview of the region, significance, actors and institutions, key challenges, defining economic indicators.

Richards and Waterbury, Ch. 1-2

Henry and Springborg, Ch. 1-2


Historical Roots of Economic Development

Topics: The importance of institutions, legacies of the colonial era, the impact of culture and religion on forming economic institutions

Richards and Waterbury, Ch. 14


Globalization and the the Role of the State

Topics: How public and private investment differ, challenges of globalization, debt crises, foreign aid, the Washington Consensus, development across different regime types

Richards and Waterbury, Ch. 7-9

Henry and Springbork, Ch. 3-7


**The Blessing or Curse of Natural Resources**

**Topics:** Why countries rich in natural resources tend to underperform, Dutch disease, rentier states, foreign exchange regimes, water and food security.

Richards and Waterbury, Ch. 3


**Demographic Challenges, Labor Markets, and Migration**

**Topics:** Gender and social issues, the youth bulge, the demographic dividend, labor market challenges, guest/migrant workers, remittances, the brain drain.

Richards and Waterbury, Ch. 4


**Human Capital**

*Topics: Education and health; policies, reforms and consequences.*

Richards and Waterbury, Ch. 5


**Conflict, Militarism, and Terrorism**

*Topics: The economic causes and consequences of conflict, why military budgets in the MENA are so large, the economic roots and impact of terrorism*  

Richards and Waterbury, Ch. 13


**Important Dates**

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>September 5th</td>
<td>Labor Day - campus closed</td>
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<tr>
<td>September 12th</td>
<td>Last day to drop classes</td>
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<tr>
<td>September 14th</td>
<td>Last day to add classes</td>
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<tr>
<td>October 19th</td>
<td>Exam 1</td>
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<td>November 11th</td>
<td>Veterans Day - campus closed</td>
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<td>November 23rd</td>
<td>Class canceled</td>
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<tr>
<td>November 25th</td>
<td>Thanksgiving Holiday - campus closed</td>
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<tr>
<td>December 12th</td>
<td>Exam 2 (10:30-12:30)</td>
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**Useful Links**

- The Guardian Online: [http://www.guardian.co.uk/](http://www.guardian.co.uk/)
- Penn World Tables: [http://pwt.econ.upenn.edu/](http://pwt.econ.upenn.edu/)