

Wealth and Poverty of Nations

Economics 234

Winter 2008

Instructor: Joe Henrich

Office: 909 Buchanan Tower

Email: joseph.henrich@gmail.com

Phone (604) 822-3836

Office Hours: M 3:10-4:10pm or by appointment (email me to set it up)

Lecture: MWF 10am to 11am, Buchanan A102

Discussion seminars: Led by Teaching Assistants, Variable

Final Examination: see registrar

Course Description

One of the starkest facts about the world today is the immense variation in the wealth of different peoples. These differences emerge whether one measures total economic production, the percent of a nation living on less than \$1 per day, infant mortality rates, longevity, homicide rates, patents, internal inequality, or malnutrition. Twenty percent of the world's population today lives on less than 1 dollar per day, while many people around us spend three times this on a cup of coffee each day. How did the world get like this? What causes these differences? Has it always been this way?

In our effort to understand the origins and causes of global inequality we will draw freely from economics, biology, anthropology, psychology and history. We'll go where ever the questions take us. Our search will begin at the end of the Paleolithic era, before complex human civilizations first began to emerge. We will examine the influence of genetics, biogeography, the orientation of the continents, the coevolution of pathogens and peoples, colonialism, the evolution of institutions and property rights, cultural values, technological innovation and the industrial revolution, and religion. We will leave no stone unturned. Along the way we will develop an integrated framework that will permit us to think about human motivation, knowledge production, the emergence of institutions, and the long-term evolution of human societies.

Course Materials and Resources

This course aims to integrate online resources, novel teaching technologies, broadly accessible texts, state-of-the-art research papers, multimedia class lectures, films, and contemporary popular writings from the mass media on relevant issues.

Online, Vista

There is a course website on the new Blackboard UBC Vista system. This system is the main vehicle for delivering (1) readings, beyond those in our books, and (2) copies of the in-class lectures. Vista is at <https://www.elearning.ubc.ca/home/index.cfm>. Or log directly on at: <https://www.vista.ubc.ca/webct/logon/226906602011>.

There is also a forum for discussing the course and asking questions of your fellow classmates. I will not be regularly checking the site so all questions to me or the TAs should be emailed directly to us at the email addresses above.

Peer Response System

This course will use the Peer Response System (PRS). The system is now widely used in North America and in Science here at UBC. If you already have one, each student needs to obtain (purchase at the bookstore) a PRS clicker (with the textbooks for course). You will enter your student ID into this device and ***must bring it to all classes***. The clicker will be used to (1) respond to practice questions, (2) take quizzes and practice quizzes, and (3) respond to in-class surveys. Starting on January 14th all PRS entries will be recorded and counted toward your *participation grade* (see below, participation does not mean you have to get the answer correct but only that you answered something).

The PRS clicker is a one time purchase and can be used in other classes. It can also be sold after our course.

Books to buy, or otherwise obtain

- Diamond, Jared (1999) *Guns, Germs and Steel: The Fates of Human Societies*.
- De Soto, Hernando (2003) *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*.
- Mokyr, Joel (1990) *The Lever of Riches: Technological Creativity and Economic Progress*

Posted Readings (on Vista)

- Sowell, Thomas (1998) *Cultures and Conquest: An International History*. Chapter 1-3.
- Henrich, Joseph et. al. (2006) *Costly Punishment Across Human Societies*, *Science*
- Herrmann, Benedict, Cristian Thoni and Simon Gächter. *Anti-social punishment across societies*.
- Wolfe, Nathan, Claire Panosian, and Jared Diamond *Origins of major human infectious diseases*. *Nature*, 447: 279-283.
- Acemoglu, Daron, Simon Johnson and James A. Robinson (2002) *Reversal of Fortune: Geography and institutions in the making of the modern world income distribution*. *The Quarterly Journal of Economics*, 117: 1231-1294.

Course requirements and weightings for final grade:

Your course grade is based on your class participation (via the PRS), your top 5 quiz grades, participation in your seminar and any seminar writing assignments, and the final examination. The relative weights in grading break down as in the Table.

Lecture Participation: We will be using the PRS in all classes. Throughout our classes I will be asking a variety of questions and giving practice quizzes. Each time a student clicks in a response this will be recorded. Participation grades will be assigned according to effort (rather than correct answers) and calculated by dividing the total number of responses a student gives divided by the total number of possible responses over the total course. Grading will start on January 14th.

Grading Instrument	Percentage contribution
Lecture Participation	10%
Seminar Participation	5%
Seminar Assignments	10%
Top 5 of 6 Quizzes	55%
Final Exam	20%

I will endow each student with “12 free clicks” at the start but also stipulate that if a student exceeds the total number of clicks possible over the course they will only receive the maximum. For example, suppose a student starts with the 12 clicks and then makes all the possible clicks in the class over the whole course (say that is 300 clicks). They will have 312 clicks and will get a score of 300/300 (100%) for their participation grade. If a student misses a class or even two, they might have 301 clicks over the course, in which case they would receive the same participation grade 300/300. If a student clicks in 280 out of 300 chances they will get a participation score of 292/300. This should alleviate concerns that students may have about missing class for unavoidable reasons or about clicker during a class malfunctions.

Seminar Participation: Each student is assigned to a once-per-week seminar discussion section for the course, which will be run by one of the two graduate student teaching assistants. TAs will grade students in the small seminar on their active efforts to participate in the discussion and by their written assignments, which will be turned approximately every other week (on weeks when there is not quiz). TA will grade these assignments based on effort, and often the assignment will act as a basis for the in-seminar discussion.

Seminar Assignments: Over the 13 week course, approximately every other week (non-quiz weeks), student will turn in a written assignment in their discussion seminar to the TA at the beginning of class. The assigned questions are below in the course schedule. These responses are between 1 and 2 pages long, single-spaced in 12pt Times New Roman with 1.5 inch margins on the sides and 1 inch at the top and bottom. Fellow students will critique these responses in class and some will be read aloud to the class. TA will then grade these, giving a 1 for a solid effort and 0 for a weak or non-existent effort. All together these will form 10% of your final grade. Late assignments will be penalized and assignments later than 1 day will receive a zero.

Quizzes: Approximately every other week a quiz will be given covering all the material since the previous quiz, or the beginning of the semester in the case of the first quiz. These will generally occur Fridays, except for the final quiz. In determining your final quiz grade I will take only your top five quiz grades from a total of six quizzes. If you miss a quiz for any reason (any reason) you will receive a zero, but this won't be counted unless you miss more than one quiz. Since feedback will be immediate, no make-up quizzes can ever be given.

Quizzes will take a variety of formats, depending on the material. Most questions will focus on testing a conceptual understanding of the material, although there are some facts one must know as well. Many of the questions will be multiple-choice or true-false; however, short answer and fill-in-the-blank formats will also be used.

Final Exam: The final examination is cumulative over the entire semester and covers all the readings and lectures. The structure of the final exam will mirror the quizzes and cumulative practice quizzes. Students must be available for the final examination, so do not schedule your departure until after our final. Check the registrar for the date.

Quizzes and exams: Bring a photo ID to all classes in which quizzes or examinations will be given.

Discussion Seminars

Once per week students will attend a discussion seminar led by a graduate teaching assistant. Once during the semester the instructor will sit in on each seminar. Seminars serve three purposes.

First, they provide students with an important opportunity to openly discuss, question, and wrestle with the course materials. We will deal with many important issues, often informed by specialized scientific information or analysis, so it is important that students have a chance to discuss these issues.

Second, the seminar will provide a chance to review and ask questions about the material presented in class or in the readings.

Finally, seminars give students a chance to work on their writing and get feedback from the class and the TA. In seminars when assignments (not quizzes) are due, TAs will be instructed to distribute turned-in assignments to fellow classmates for in-class critiques by the students of content and writing. The TA will then ask some graders to read their assignments and present their critiques. Critiqued assignments will then be given to the TA at the end. TA will grade the assignments for completion based on making a good effort. More information will be provided in discussion seminars.

Schedule

Class #	Day and Date	Topics and Assignments
Class 1	M Jan 7	Introduction to the Wealth and Poverty of Nations. What are the differences? Are they really that big? Why are there differences between societies and continents?
Why Eurasia? How did world bio-geography influence the wealth and poverty of nations, including the dramatic degree of inequality we observe today in the world? Why are answers like “colonialism” or “imperialism” insufficient, and only beg the next question?		
Class 2	W Jan 9	How would you answer Yali’s question? How do many people instinctually answer this question? What is Diamond’s argument against genetic influence? How does the IQ debate figure into all this and what to Nisbett and Gladwell have to say about this? Reading: Diamond Preface and Prologue; Nisbett and Gladwell (both on Vista) Optional Reading: James Watson’s comments at http://entertainment.timesonline.co.uk/tol/arts_and_entertainment/books/article2630748.ece and William Slaten: http://www.slate.com/id/2178122/entry/2178123/
Class 3	F Jan 11	Practice Quiz #1 Human History, the long view. To address the emergence of global inequality we return to a time before such inequalities emerged. Life before the agricultural revolution, animal domestication, and the emergence of cities. Up to the starting line. Reading: Diamond Chapter 1 <i>Take-home Quiz 1 assigned. This is due in next week’s <u>discussion seminar</u>.</i>
Class 4	M Jan 14	Human History in Microcosm: How does the case of the Maori and the Moriori provide a microcosm of Diamond’s larger argument? In what ways is Pizarro’s conquest of the Incas instructive? How did Pizarro manage with 160 men to conquer the vast Inca Empire? Readings: Chapter 2 and Chapter 3
Class 5	W Jan 16	Interlude: What is culture? How can evolution help us theorize about human culture? How do human make decisions under uncertainty? Reading Diamond Chapter 5 and 6 (reading ahead)
Class 6	F Jan 18	The FILM <i>Guns, Germs and Steel</i> Part I Instructor is away

		<p><i>Discussion seminar assignment assigned, due in seminar next week.</i></p> <p>Seminar Assignment 1: What is “culture” and how can we make sense of it in an evolutionary and economic sense? What is missing from this approach to culture? Can we fix it in systematic scientific way?</p>
Class 7	M Jan 21	<p>FILM: <i>Guns, Germs and Steel Part I & II</i></p> <p>Instructor is away</p>
Class 8	W Jan 23	<p>Agriculture: Why did agriculture and animal domestication start where it did, and why did it evolve relatively quickly in Eurasia? How is the biogeography of the Near East special?</p> <p>Reading: Diamond Chapters 7 and 8</p>
Class 9	F Jan 25	No class, instructor attends course seminars
Class 10	M Jan 28	<p>Animal Domestication and Germs: Why weren’t the big mammals on other continents domesticated? What is the connection between domesticated animals and disease? Or, why did European germs kill aboriginals, and not vice versa?</p> <p><i>Readings:</i> Diamond Chapters 9 and 11</p> <p>Optional Reading: Wolfe et. al. 2007 (Vista)</p>
Class 11	W Jan 30	<p>Innovation: Is necessity the mother of invention? What is the connection between Diamond’s tilted axes and innovation...and farm power. Why is Tasmania an important case example?</p> <p><i>Reading:</i> Diamond Chapter 10, 12, and 13.</p>
Class 12	F Feb 1	<p>Quiz #2, Discussion, Review</p> <p>Film: <i>Evolution of Political Systems</i></p> <p><i>Discussion seminar assignment assigned, due in seminar next week.</i></p> <p>Seminar Assignment 2: Why were European diseases more deadly to Native Americans than vice-versa? Be sure to explain both how domesticated animals fit and the importance of the megafaunal extinctions. How is Africa a test case for this hypothesis?</p>
Class 13	M Feb 4	<p>Evolution of complex societies. What is societal complexity? How do societies become more complex? What problems does complexity address?</p> <p>Reading: Diamond Chapter 14</p> <p>Film: <i>Evolution of Political Complexity</i></p>
Class 14	W Feb 6	<p>Interlude: Tools for thinking about institutions and cooperation. How does learning and decision-making give rise to institutions and norms? How do they</p>

		<p>evolve? Why are they stable? Why was/is kinship so important?</p> <p>Reading: Diamond Chapters 15 and 16 (reading ahead here)</p>
Class 15	F Feb 8	No class, instructor attends course seminars
Class 16	M Feb 11	<p>Big patterns of human history, a story of expansions of peoples. How did the Chinese become Chinese?</p> <p>Reading: Diamond Chapters 17 and 18</p>
Class 17	W Feb 13	<p>Big patterns continued: What does the Bantu expansion through sub-Saharan Africa, the Mandarin expansion through South East Asia, the Austronesian expansion across the Pacific, and the spread of agriculture through Europe tell us about the nature of history and societal evolution? What's the evidence for these expansions, and why is it so compelling?</p> <p>Readings: Diamond Chapter 19, Epilogue and Japan Epilogue</p>
Class 18	F Feb 15	<p>Quiz #3, Review and Discussion</p> <p><i>Discussion seminar assignment assigned, due in seminar the week after break</i></p> <p>Seminar Assignment 3: In what way does the European expansion after 1500 merely reflect a broadly long-term pattern in human history? Use example of other expansions from the text in your answer.</p>
Class 19	M Feb 25	<p>Reversal of Fortunes: In 1500 prior to the European expansion the wealth of some places in Asia, Africa, Central and South America (Andes) was relatively greater than in North America, Amazonia, Australia and other parts of Africa. In the last 500 years they have switched places. The poorer areas have gotten rich and the richer areas have gotten poorer. How can we understand this switch?</p> <p>Optional Reading: Acemoglu et. al. 2002.</p>
<p>The role of technology and competition in explaining differences in the Wealth and Poverty of Nations. Why do invention and innovation why do they vary among societies? Why Europe...first?</p>		
Class 20	W Feb 27	<p>Theories and Differences in Poverty and Wealth of Nations and Technological Innovation</p> <p>Reading: Mokyr: Chapter 1, 2 and 7</p>
Class 21	F Feb 29	No class, instructor attends course seminars
Class 22	M March 3	<p>Why not China? Or, why not China, yet? Or, why not China, again. Why didn't China's mini-industrial revolution of the 12th century take off? Why did not the Chinese beat the Europeans to claiming the Americas, Africa, Australia, and India, since they were sailing around the globe in vast ships generation before Columbus?</p>

		Reading: Mokyr Chapter 8 and 9
Class 23	W March 5	Origins of the Industrial Revolution: Why did it occur in Britain and Europe? How did the arms industry in Europe develop? Was there an important shift in how European thought about the world? Reading: Mokyr Chapter 10
Class 24	F March 7	Quiz #4, Discussion, and Review <i>Discussion seminar assignment assigned, due in seminar next week.</i> Seminar Assignment 4: Using Mokyr, what is the most convincing case you can make to explain why the industrial revolution started in Europe, and specifically Britain?
The problem is property. Property rights energize capital creation. The third world is full of dead capital. Why America ... first?		
Class 25	M March 10	Dynamics of Technological Change Optional readings: Mokyr Chapter 11
Class 26	W March 12	The Five Mysteries of Capital. Introduction and The mystery of missing information. Are the world's poor rich? Reading: De Soto Chapter 1 and 2
Class 27	F March 14	No class, instructor attends course seminars
Class 28	M March 17	The Mystery of Capital. What is the mystery of Capital? Why is capital dead in some countries but not others? How do we make capital work? Reading: De Soto Chapters 3 and 4
Class 29	W March 19	Lessons from U.S. History and the Mysteries of Political Awareness and Legal Failure. Reading: De Soto Chapter 5, 6 and 7
Class 30	F March 21	No class
Class 31	M March 24	No class
Class 32	W March 26	Some long-term impacts of European colonialism. How does the Atlantic slave trade, which was ended by the British in 1807, still affect Africa today? Can this logic apply to the situation of African Americans? Reading: None
Class 33	F March 28	Quiz #5, Discussion, and Review

		<p><i>Discussion seminar assignment assigned, due in seminar next week.</i></p> <p><i>Seminar Assignment 5:</i> According to De Soto why are “Western nations” able harness capital and generate wealth more rapidly than other nations? What are the weaknesses in DeSoto’s argument?</p>
Does culture or religion matter? Do cultural or religious differences influence economic performance? Do risk aversion, optimism about one’s own abilities, or notions of fairness and altruism, vary across human societies?		
Class 34	M March 31	<p>Was Adam Smith right? Can markets make us more prosocial? Can human institutions influence human motivations?</p> <p>Reading: Henrich et. al. 2006 (Vista) and Benedict et. al. (Vista)</p>
Class 35	W April 2	<p>Culture history explains a lot. The British. Where to the Romans fit in here? Does it matter that Britain is an island?</p> <p>Reading: Sowell Chapters 1 and 2 (on Vista).</p>
Class 36	F April 4	No class, instructor attends course seminars
Class 37	M April 7	Readings: Sowell Chapter 3
Class 38	W April 9	<p>Does religion matter? Are people who believe in a god more prosocial? Does the protestant work ethic explain economic performance? Why did Christianity spread in the Roman Empire? How have religions changed as societies have gotten more complex?</p>
Class 39	F April 11	Quiz #6 , Review, Discussion and Final Prep.

Academic Dishonesty

Cheating, plagiarism, and other forms of academic misconduct are very serious concerns of the University. All graded work in this course, unless otherwise specified, is to be original work done independently by individuals. If you have any questions as to whether or not what you are doing is even a borderline case of academic misconduct, please consult your instructor. For details on pertinent University policies and procedures pertaining to academic dishonesty, please see [Chapter 5 in the UBC Calendar](http://www.students.ubc.ca/calendar/) (<http://www.students.ubc.ca/calendar/>), and visit the [Academic Integrity](http://www.arts.ubc.ca/index.php?id=89) page on UBC Faculty of Arts website (<http://www.arts.ubc.ca/index.php?id=89>).

Special Accommodations:

UBC accommodates students with disabilities who have registered with the [Disability Resource Centre \(DRC\)](#). If you have a disability that may affect your performance in this class, please make sure you have contacted the DRC to arrange for accommodations. Please let me know of these accommodations as soon as possible.

UBC also accommodates students whose religious obligations conflict with attendance, assignments, or examinations. Please let me know as soon as possible – and well in advance of any assignment or examination – if you will require any accommodation on these grounds.

The university does not have any formal policy on accommodating students who plan to be absent for

varsity athletics, family obligations, or other similar commitments. So, please do not assume that you will get special accommodations for these sorts of absences. It is your responsibility to ensure that you meet the course requirements as scheduled. If you do plan to be absent during any time an assignment or examination is scheduled, please discuss this with me as soon as possible (and make sure you do so before the drop date.)