

Hong Kong University of Science & Technology, Social Science Division
SOSC 544 Economics of Development
Spring 2010, Wednesday 6:30pm-9:20pm, Room 5583

Instructor: Carsten A. HOLZ OH Wed 5pm-6pm, Room 3382; socholz@ust.hk
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Course Description

The course applies economic analysis to selected topics in economic development.

Much of economics is, by its very nature, development economics, even when not labeled “development” economics. Areas of economics that tend to be explicitly associated with development include macroeconomic aspects of economic development, growth theory, microeconomic aspects of economic development, health and wellbeing, geographic aspects of development, urban and rural development, and political economy.

Much of the development literature focuses on issues that are particularly relevant for (by our standards) “low-income” countries, for example health issues. Economic development in “developed” economies, in contrast, is typically covered in courses on urban/regional planning or development. With the “rise” of previously considered “developing” economies and with the financial crisis and structural changes of countries considered “developed,” one may either want to abandon the distinction by income level or reduce the field of development economics to a study of the remaining low income countries, which typically means Africa.

Courses in development economics tend to focus on one area of development, such as microeconomic aspects of development, and are often direct outcrops of an individual instructor’s research agenda. This course, in contrast, covers a cross-section of topics related to economic development.

Prerequisites

Basic knowledge of macroeconomics, microeconomics, and econometrics. Undergraduate development economics is of advantage. No specific course prerequisite.

Some of the readings assume knowledge of mathematical modeling and econometric techniques. Mathematical modeling and econometric techniques are relevant *tools* for this course. The focus of the course is on theories/issues/policies.

Course Objectives

- Understand economic theories of development.
- Apply rigorous analytical tools to issues of economic development.
- Become aware of the variety of development processes and development policies around the world, and of the limits to explaining economic development and deriving general “good practices” of economic development.
- Become familiar with the economic development of specific countries or regions.

Requirements and grading

16% pre-class reading/submission (details below). Two percentage points each up to a maximum of 16 percentage points. Graded pass/fail. A minimum of ten opportunities. May incorporate assignments.

16% précis and presentations. Two-page précis with presentation. Graded pass/fail.

The précis is a summary of academic research papers and a critical evaluation. The presentation is a 20-30 minute free-standing presentation which can, if need be, supported

by the speaker's notes or ppt (no direct reading off notes or ppt). The précis is to be distributed by email at least 24 hours before class. For additional information about the précis and presentation see the end of the course outline.

If class size is small or if we switch to 2x80 minutes, this requirement may become two presentations (with reduced requirements per presentation).

Fellow students are expected to read the précis before coming to class and to be prepared to raise questions and to discuss the précis.

4% Write a referee report about a specific seminar (1-2 pages). Start the report with a summary of the main argument(s) of the seminar presentation. Then provide critical comments as if you were writing directly to the author. You may not only wish to state the shortcomings of the work, but to also make (detailed and realistic) suggestions for improvements.

16% first quiz, in-class, 31 March; closed-book

16% second quiz, cumulative; closed-book in last class, 12 May; possibility that may change to take-home exam

32% term paper; detailed instructions are appended at the end of the course outline.

- (1) Submit selection of topic in hard copy at the beginning of class in Week 8 (24 March 2010). Include your name and the title of your paper. Briefly describe what you will study, how you will study the topic, and why you want to study the topic.
- (2) Submit substantive outline at the beginning of class in Week 12 (28 April 2010).
- (3) The term paper is due Tuesday, 18 May 2010, noon. Penalties apply for late submission.

Active class participation is expected.

If the pre-class reading/submission assignment turns out to yield poor results, and/or fellow students do not read others' précis in preparation for class, we may have mini-quizzes at the beginning of class which will then need to be passed in order to meet the pre-class reading/submission pass-fail requirement.

Pre-class readings/submission

At least twenty-four hours before a class session, (1) submit questions and comments based on the required reading as specified in the previous class. (Guideline: two substantive questions or comments per text, with possibly a short paragraph elaborating on the question or comment.) (2) Accompany your questions with a few paragraphs that integrate the readings and the topic(s), i.e., reflect on the issues covered in the reading. Evaluate the authors' arguments, assumptions, use of supporting information, and conclusions. The key is to demonstrate in your questions and comments that you have thought about the readings. Submit this by email to socholz@ust.hk, in the text/body of the email (not as attachment). (Guideline for total length: equivalent to 1+ page.)

The intent of this assignment is to encourage thoughtful reading that will lead to increased understanding and a more sophisticated evaluation of the issues. In response to the questions and comments, for each class session, a few students may be asked to take the lead in the discussion of the readings—which might include describing and analyzing their own economic development experience and its relationship to the readings.

Typical class

We will have one to three core texts for each class which students are expected to have read carefully. We will discuss these texts at length in class. We may not present details of these texts in class but assume that everyone has read them, and use cold-calling to discuss specific details of the paper.

Other readings are assigned and students are expected to have familiarized themselves with these readings and be able to refer to them during the discussion. A rough guide for the total extent of readings is three to five journal articles per three-hour class, or two to three hundred pages in a book.

There is a lecture element to the course, though not necessarily to every class. The lecture may happen before or after discussion of the core text(s).

The final part of each class consists of student presentation and then discussion of the presented arguments.

There are no “lecture notes,” and it’s not a ppt class.

Learning outcomes

On completing this course, students should possess a basic knowledge of economic development theories and policies. Students should be able to

- demonstrate familiarity with core historical as well as current issues in economic development;
- apply theoretical concepts of development economics to real world issues;
- summarize and critically evaluate existing research literature on the topics of economic development covered in class, and to present the findings;
- critically evaluate real-world development policies;
- independently investigate and put into perspective topics in economic development;
- bring a quality of judgment and evaluation to dispersed information on economic development.

The reading/submission requirement provides an incentive to come to class prepared, having read the required reading. The seminar referee report encourages students to familiarize themselves with current research and to evaluate this research. The two quizzes provide incentives to retain basic facts and theories; they also provide an opportunity to develop an argument. The précis-cum-presentation encourages students to critically absorb research literature as well as to speak in front of a group of people and to respond to comments and questions. The term paper allows students to practice independent investigation of a research topic.

Acknowledgements

This course outline draws on established courses in development economics. Links to course outlines can be found at <http://people.su.se/~mkuda/gradlec.html>. I acknowledge my debt to the course outlines of, in alphabetical order of the surname, Alberto Alesina, Abhijit Banerjee, Esther Duflo, William Easterly, Susanna Hecht, Michael Kremer, Edward Miguel, Sendhil Mullainathan, Benjamin Olken, Rohini Pande, Debraj Ray, Dani Rodrik, Sam Schulhofer-Wohl, Andrei Shleifer, Michael Storper, and Goetz Wolff.

The usual fine print

Quizzes cover material presented in class and the required readings.

You can appeal grades in writing within seven days of return of the work for a full re-grading.

There are no extra-credit assignments.

Missing quizzes is acceptable only under the usual extenuating circumstances plus documentation, in case of medical reason a medical certificate saying that you have been *too ill to work* on the day of the quiz.

If you miss the first quiz without acceptable excuse, your percentage-score in the second quiz will be applied to the maximum points obtainable in the first quiz, up to a maximum of 90% of the lowest score obtained by any student in the first quiz. (It must not pay to miss a quiz.) If you miss the second quiz, the same procedure applies using the score of the first quiz, up to a maximum of 70% of the lowest score obtained by any student in the second quiz.

Readings

The course does not have a textbook.

Background texts – mostly at the undergraduate or master's level

Recommended for their broad coverage and relatively accessible presentation. On reserve in the library (possibly in form of an earlier edition):

Cypher, James M., and James L. Dietz. *The Process of Economic Development*. Third edition. New York: Routledge, 2008.

Hayami, Yujiro, and Yoshihisa Godo. *Development Economics: From the Poverty to the Wealth of Nations*. Third edition. Oxford: Oxford University Press, 2005.

Meier, Gerald M., and James E. Rauch. *Leading Issues in Economic Development*. Eighth edition. Oxford: Oxford University Press, 2005.

Meier, Gerald M., and Joseph E. Stiglitz (eds.). *Frontiers of Development Economics: The Future in Perspective*. Washington, D.C., and New York: World Bank and Oxford University Press, 2001.

Ray, Debraj. *Development Economics*. Princeton, NJ: Princeton University Press, 1998.

Otherwise:

Grabowski, Richard, and Michael P. Shields. *Development Economics*. Cambridge, MA: Blackwell Business, 1996.

Grabowski, Richard, Sharmistha Self, and Michael P. Shields. *Economic Development: A Regional, Institutional, an Historical Approach*. Armonk, NY: M.E. Sharpe, 2007. (General introduction followed by chapters on different regions of the world.)

Meier, Gerald M. *Biography of a Subject: An Evolution of Development Economics*. Oxford: Oxford University Press, 2005.

Mookherjee, Dilip, and Debraj Ray (eds.). *Readings in the Theory of Economic Development*. Malden, MA: Blackwell Publishers, 2001. (Quite mathematical.)

Schultz, T. Paul, and John Strauss (eds.). *Handbook of Development Economics IV*. Amsterdam: North-Holland, 2008. (With volumes I, II, IIIA, IIIB, published earlier and also relevant, edited by Hollis Chenery and T.N. Srinivasan, or Jere Behrman and T.N. Srinivasan.)

Secondi, Giorgio (ed.). *The Development Economics Reader*. London and New York: Routledge, 2008.

Specifically on economic growth:

Acemoglu, Daron. *Introduction to Modern Economic Growth*. Princeton: Princeton University Press, 2008.

Aghion, Philippe, and Steven N. Durlauf (eds.). *Handbook of Economic Growth*. Two volumes. Amsterdam: North-Holland, 2005.

Aghion, Philippe and Peter Howitt. *The Economics of Growth*. Cambridge, MA: MIT Press, 2009.

Barro, Robert and Xavier Sala-i-Martin. *Economic Growth*. Second edition. Cambridge, MA: MIT Press, 2003.

Easterly, William. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Cambridge, MA: The MIT Press, 2001.

Fei, John C. H., and Gustav Ranis. *Growth and Development from an Evolutionary Perspective*. Malden, MA: Blackwell Publishers, 1997.

Gylfason, Thorvaldur. *Principles of Economic Growth*. Oxford: Oxford University Press, 1999.

Jones, Charles I. *Introduction to Economic Growth*. New York: W. W. Norton, 1998.

Microeconomics / household surveys

Bardhan, Pranab, and Christopher Udry. *Development Microeconomics*. Oxford, UK: Oxford University Press, 1999.

Deaton, Angus. *The Analysis of Household Surveys*. Baltimore, MD: The Johns Hopkins University Press, 1997.

Finance / microfinance

Aghion, Beatriz Armendariz de, and Jonathan Morduch. *The Economics of Microfinance*. Cambridge, MA: The MIT Press, 2005.

Beim, David O., and Charles W. Calomiris. *Emerging Financial Markets*. Boston: McGraw-Hill, 2001.

Regional development / economic geography

Baldwin, Richard E. et al. *Economic Geography and Public Policy*. Princeton: Princeton University Press, 2005. (This is a more technical text, with public policy applications.)

Brakman, Steven, Harry Garretsen, and Charles van Marrewijk. *An Introduction to Geographical Economics: Trade, Location and Growth*. Cambridge, 2001.

Combes, Pierre-Philippe, Thierry Mayer, and Jacques-François Thisse. *Economic Geography: The Integration of Regions and Nations*. Princeton: Princeton University Press, 2008. (This is quite technical.)

Krugman, Paul. *Development, Geography, and Economic Theory*. Cambridge, MA: The MIT Press, 1998.

McCann, Philip. *Urban and Regional Economics*. Oxford University Press, 2001.

Trade

Krugman, Paul and Maurice Obstfeld. *International Economics: Theory and Policy*. Eight edition or earlier edition. Boston: Pearson/Addison Wesley, 2009.

East Asia

Appelbaum, Richard P., and Jeffrey Henderson (eds.). *States and Development in the Pacific Rim*. Newbury Park, CA: Sage Publications, 1992.

Berger, Peter L., and Hsin-Huang Michael Hsiao (eds.). *In Search of an East Asian Development Model*. New Brunswick, NJ: Transaction Publishers, 1988. (Includes chapters on Japan, Taiwan, Korea, Hong Kong and Singapore.)

Ito, Takatoshi, and Anne O. Krueger (eds.). *Growth Theories in Light of the East Asian Experience*. Chicago: The University of Chicago Press, 1995.

Ito, Takatoshi, and Andrew R. Rose (eds.). *Growth and Productivity in East Asia*. Chicago: The University of Chicago Press, 2004.

Lin, Justin Yifu. *Economic Development and Transition: Thought, Strategy, and Viability*. Cambridge: Cambridge University Press, 2009.

Rowen, Henry S. (ed.). *Behind East Asian Growth: the Political and Social Foundations of Prosperity*. London: Routledge, 1998. (Variety of topics)

Stubbs, Richard. *Rethinking Asia's Economic Miracle*. New York: Palgrave Macmillan, 2005.

Wade, Robert. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton: Princeton University Press, 1990.

- Wan, Henry Y., Jr. *Economic Development in a Globalized Environment: East Asian Evidences*. Norwell, MA: Kluwer Academic Publishers, 2004.
- Wan, Henry Y., Jr. *Globalization and Economic Development in East Asia: Lecture Notes of Professor Henry Y. Wan Jr.* Kobe, Japan: Economics & Business Administration, Kobe University, 2007.
- White, Gordon (ed.). *Developmental States in East Asia*. London: The MacMillan Press, 1988. (Taiwan, Korea, China)
- China*
- Brandt, Loren, and Thomas G. Rawski. *China's Great Economic Transformation*. Cambridge: Cambridge University Press, 2008.
- Lin, Justin Yifu, CAI Fang and LI Zhou. *The China Miracle: Development Strategy and Economic Reform*. Revised edition. Hong Kong: The Chinese University of Hong Kong, 2003.
- Naughton, Barry. *The Chinese Economy: Transitions and Growth*. Cambridge, MA: The MIT Press, 2007.
- Japan*
- Flath, James. *The Japanese Economy*. Oxford: Oxford University Press, 2000.
- Katz, Richard. *Japan: The System That Soured—The Rise and Fall of the Japanese Economic Miracle*. Armonk, NY: M.E. Sharpe, 1998.
- Korea*
- Graham, Edward M. *Reforming Korea's Industrial Conglomerates*. Washington, DC: Institute for International Economics, 2003.
- Kim, Eun Mee. *Big Business, Strong State: Collusion and Conflict in South Korean Development, 1960-1990*. Albany, NY: State University of New York Press, 1997.
- Taiwan*
- LI Kuo-Ting. *The Evolution of Policy behind Taiwan's Development Success*. Singapore: World Scientific Publishing Co., 1995.

The United Nations and the World Bank publish annual reports on human and 'general' development which often reflect recent academic debates.

Human Development Report (annual, United Nations Development Programme):

<http://hdr.undp.org/en/>

2009: *Overcoming Barriers: Human Mobility and Development*

World Development Report (annual, World Bank): www.worldbank.org/wdr/

2010: *Development and Climate Change*

Dani Rodrik (Harvard) maintains a blog on economic development and globalization, though recently neglected. Comes with a link to a monthly column of his: <http://rodrik.typepad.com>

Topics

* Required reading. (*) Recommended reading. All other readings are optional.

Week 1 (3 February)

1. Causality, Method, Development Economics

Causal arguments

- * King, Gary, Robert O. Keohane, and Sidney Verba. *Designing Social Inquiry: Scientific Inference in Qualitative Research*. Ewing, NJ: Princeton University Press, 1994, Chapter 3, "Causality and Causal Inference," pp. 75-113, in particular pp. 75-85 and 91-5. If you read beyond these selected (particular) pages: feel free to skip the (little) statistics.
- (*) Friedman, Milton. "The Methodology of Positive Economics." In Milton Friedman. *Essays in Positive Economics*. Chicago: The University of Chicago Press, 1953, pp. 3-46. Online at: <http://members.shaw.ca/compilerpress1/Anno%20Friedman%20Positive.htm>
- Machlup, Fritz. "The Problem of Verification in Economics." Chapter 3 in *Selected Economic Writings of Fritz Machlup* (edited by George Bitros). New York: New York University Press, 1976, pp. 57-79.
- Dawid, A.P. "Causal Inference Without Counterfactuals." *Journal of the American Statistical Association* 95, no. 450 (June 2000): 407-24.
- Holland, Paul. "Statistics and Causal Inference." *Journal of the American Statistical Association* 81 (1986): 945-960.

Method

- * Benson, Bruce L. "Economic Dissociative Identity Disorder: The Math Gamer, the Anti-Policy Econometrician and the Narrative Political Economist." *Econ Journal Watch* 6, no. 3 (Sept. 2009): 364-73. (Will not be discussed in class. But be sure to read.)
- * Banerjee, Abhijit V., and Esther Duflo. "The Experimental Approach to Development Economics." NBER Working Paper 14467. November 2008. <http://econ-www.mit.edu/files/3158> or <http://www.nber.org/papers/w14467>
- * Hirschman, Albert O. "The Search for Paradigms As a Hindrance to Understanding." *World Politics* 22, no. 3 (April 1970): 329-43. (Go quickly on pp. 330-4.)
- * Krugman, Paul. "The Fall and Rise of Development Economics," in Lloyd Rodwin, Donald A. Schön, eds., *Rethinking the Development Experience: Essays Provoked by the Work of Albert O. Hirschman*. Washington, D.C.: Brookings Institution, 1994, pp. 39-58. Also at <http://web.mit.edu/krugman/www/dishpan.html>. If you want, skip the little math model. Go for the big ideas expressed in this article.
- (*) Duflo, Esther, Rachel Glennerster, and Michael Kremer. "Using Randomization in Development Economics Research: A Toolkit." Chapter 61 (pp. 3895-3962) in *Handbook of Development Economics*, Vol. 4, T. Paul Schultz and John Strauss (eds.), Amsterdam: North Holland, 2008. (Read pp. 3898-3911, skim rest.)
- Bardhan, Pranab. "Alternative Approaches to Development Economics." Chapter 3 in Hollis Chenery and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 1, Amsterdam: North Holland, 1988, pp. 40-71.
- Deaton, Angus. "Instruments of Development: Randomization in the Tropics, and the Search for the Elusive Keys to Economic Development." Mimeo. Princeton University, 2009.
- Duflo, Esther (2004). "Scaling up and Evaluation," in Francois Bourguignon and Boris Pleskovic (eds.), *Annual World Bank Conference on Development Economics 2004: Accelerating Development*. Washington, D.C., and Oxford: World Bank and Oxford University Press, 2004, pp. 341-69. <http://econ-www.mit.edu/files/766>
- Freeman, David. "Statistical models and Shoe Leather," *Sociological Methodology* 21 (1991): 291-313.

Imbens, Guido W., and Jeffrey M. Wooldridge. "Recent Developments in the Econometrics of Program Evaluation." *Journal of Economic Literature* 47, no. 1 (2009): 5-86.

Week 2 (10 February)

2. Economic Development

Goals of development

- * Basu, Kaushik. "On the Goals of Development," in Gerald M. Meier and Joseph E. Stiglitz (eds.), *Frontiers of Development Economics*, New York: Oxford University Press, 2001, pp. 61-86. (Also as ebook on netlibrary.)
- * Perkins, John. *Confessions of an Economic Hitman*. London: Ebury Press, 2006. Prologue, pp. xvi-xxi. (In this reading, EHM stands for "economic hitman.")
- * Sen, Amartya. *Development as Freedom*. New York: Knopf, 1999. "Introduction: Development as Freedom," pp. 3-11; Chapter 2, "The Ends and the Means of Development," pp. 35-53. (Optional: Chapter 1, "The Perspective of Freedom," pp. 13-34; Chapter 3, "Freedom and the Foundations of Justice," pp. 54-86; Chapter 4, "Poverty as Capability Deprivation," pp. 87-110.)
- (* Banerjee, Abhijit. "Big Answers for Big Questions: The Presumption of Growth Policy." Paper for the Brookings conference on *What Works in Development? Thinking Big and Thinking Small*. Mimeo. MIT. June 30, 2008. <http://econ-www.mit.edu/files/3209>
- (* Grabowski, Richard, Sharmistha Self, and Michael P. Shields. *Economic Development: A Regional, Institutional, and Historical Approach*. Armonk, NY: M.E. Sharpe, 2007. Chapter 1 "Introduction to Economic Development," pp. 3-37.
- Cypher, James M., and James L. Dietz. *The Process of Economic Development*. Third edition. New York: Routledge, 2008. Chapter 2 "Measuring economic growth and development," pp. 30-72.
- Goscinnny, Rene, and Albert Uderzo. Obelix and Co. Paris: Hachette, 1976; London: Orion Books, 2004.
- Hoff, Karla, and Joseph E. Stiglitz. "Modern Economic Theory and Development," in Gerald M. Meier and Joseph E. Stiglitz (eds.), *Frontiers of Development Economics*, New York: Oxford University Press, 2001, pp. 389-459. (Also as ebook on netlibrary.)
- Lewis, W. Arthur. "The Roots of Development Theory." Chapter 2 in Hollis Chenery and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 1, Amsterdam: North Holland, 1988, pp. 27-37.
- Maddison, Angus, *The World Economy: A Millennial Perspective*, OECD Development Centre, Paris, OECD, 2001.
- Sen, Amartya. "The Concept of Development." Chapter 1 in Hollis Chenery and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 1, Amsterdam: North Holland, 1988, pp. 10-26.
- Sen, Amartya. *The Idea of Justice*. Cambridge, MA: The Belknap Press of Harvard University Press, 2009.

Websites

<http://www.gapminder.org/world>

Happiness indices: http://www.nationmaster.com/graph/lif_hap_net-lifestyle-happiness-net

http://www1.eur.nl/fsw/happiness/hap_nat/nat_fp.htm click on "nation ranks -- level"

Happy Planet Index: <http://www.happyplanetindex.org/list.htm>

Introduction to cross-country income differences

- * Caselli, Francesco. "Accounting for Cross-Country Income Differences." Chapter 9 in Philippe Aghion and Steven Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1A, Amsterdam: North Holland, 2006, pp. 680-741.
- (* Pritchett, Lant. "Divergence, Big Time." *Journal of Economic Perspectives* 11, no. 3 (Summer 1997): 3-17.

- Bourguignon, Francois and Christian Morrison. "Inequality Among World Citizens." *American Economic Review* 92, no. 4 (2002): 727-744.
- Deaton, Angus. "Global patterns of income and health: facts, interpretations, and policies." WIDER Annual Lecture, September 2006. (http://www.wider.unu.edu/publications/annual-lectures/en_GB/AL10/) or NBER Working Paper 12735 (<http://www.nber.org/papers/w12735.pdf>)
- Deaton, Angus. "Income, Health, and Well-Being around the World: Evidence from the Gallup World Poll." *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 53-72.
- Spolaore, Enrico, and Romain Wacziarg. "The Diffusion of Development." *Quarterly Journal of Economics* 124, no. 2 (May 2009): 469-529.
- Sala-i-Martin, Xavier. "The World Distribution of Income: Falling Poverty and Convergence, Period." *Quarterly Journal of Economics* 121, no. 2 (2006): 351-397.

Geography and Climate

- * Haussman, Ricardo. "Prisoners of Geography." *Foreign Policy* (January 2001): 82-87.
- (*) Gallup, John Luke, and Jeffrey D. Sachs. "Agriculture, Climate and Technology: Why Are the Tropics Falling Behind?" *American Journal of Agricultural Economics* 82, no. 3 (2000): 731-737.
- Easterly, William, and Ross Levine. "Tropics, Germs, and Crops: How Endowments Influence Economic Development." *Journal of Monetary Economics* 50, no. 1 (Jan. 2003): 3-39.
- Rodrik, Dani, Arvind Subramanian, and Francesco Trebbi. "Institutions Rules: The Primacy of Institutions Over Geography and Integration in Economic Development." *Journal of Economic Growth* 9, no. 2 (June 2004): 131-65.
- Root, Hilton L. "Distinctive Institutions in the Rise of Industrial Asia." Chapter 3 in Henry S. Rowen (ed.), *Behind East Asian Growth: the Political and Social Foundations of Prosperity*, London: Routledge, 1998, pp. 60-77.

Student presentation: What does GDP measure and how can GDP be improved on?

Here, * means: Required reading only for presenter

- * Stiglitz, Joseph E., Amartya Sen, and Jean-Paul Fitoussi. "Report by the Commission on the Measurement of Economic Performance and Social Progress." 2009. www.stiglitz-sen-fitoussi.fr

Week 3 (17 February)

3. Early Thinking about Economic Development

- Cypher, James M., and James L. Dietz. *The Process of Economic Development*. Third edition. New York: Routledge, 2008. Chapter 4, "Classical and neoclassical theories," pp. 109-139; Chapter 5, "Developmentalist theories of economic development," pp. 140-167; Chapter 6, "Heterodox theories of economic development," pp. 168-200.
- * Bauer, P.T. "Lewis' Theory of Economic Growth." *American Economic Review* 46, no. 4 (Sept. 1956): 632-41. (A response to Lewis' book and article; for Lewis' article see below.)
- * Hirschman, Albert O. *The Strategy of Economic Development*. New Haven: Yale University Press, 1961. Chapter 4 "Unbalanced Growth: An Espousal," pp. 62-75 (particularly 62-72), and Chapter 5 "Investment Choices and Strategies," pp. 76-97.
- * Lewis, W. Arthur. "Economic Development with Unlimited Supplies of Labour." *Manchester School of Economics Social Studies* (May 1954): 139-91. (Skim quickly.)
Alternatively: Cypher, James M., and James L. Dietz. *The Process of Economic Development*. Third edition. New York: Routledge, 2008, Chapter 5, "Developmentalist Theories of Economic Development," focus on pp. 151-9.
Or: Meier, Gerald M., and James E. Rauch. *Leading Issues in Economic Development*. Eighth edition. Oxford: Oxford University Press, 2005; pp. 358-64.
- * Rosenstein-Rodan, P.N. "Problems of Industrialization of Eastern and South-Eastern Europe." *The Economic Journal* 53, no. 210/11 (June-Sept. 1943): 202-11.

- * Rostow, W. W. "The Take-Off into Self-Sustained Growth." *The Economic Journal* 66, no. 261 (March 1956): 25-48.
- (*) Johnston, Bruce F., and John W. Mellor. "The Role of Agriculture in Economic Development." *American Economic Review* 51, no. 4 (Sept. 1961): 566-93.
- (*) Ranis, Gustav, and John C. Fei. "A Theory of Economic Development." *American Economic Review* 51, no. 4 (Sept. 1961): 533-65.
- Nelson, Richard R. "A Theory of the Low-Level Equilibrium Trap in Underdeveloped Economies." *The American Economic Review* 46, no. 5 (Dec. 1956): 894-908.

More recent reflections

- * Easterly, William. "Reliving the 50s: the Big Push, Poverty Traps, and Takeoffs in Economic Development." *Journal of Economic Growth* 11, no. 4 (Dec. 2006): 289-318.
- * Kuznets, Simon. "Modern Economic Growth: Findings and Reflections." *American Economic Review* 63, no. 3 (June 1973): 247-58.
- Murphy, Kevin M., Andrei Shleifer, and Robert W. Vishny. "Industrialization and the Big Push." *Journal of Political Economy* 97, no. 5 (Oct. 1989): 1003-1026. (A mathematical treatment of Rosenstein-Rodan's ideas.)

Books

- Ayres, C.E. *The Theory of Economic Progress: A Study of the Fundamentals of Economic Development and Cultural Change*. New York: Schocken Books, 1962 (first published 1944).
- Fei, John C.H., and Gustav Ranis. *Development of the Labor Surplus Economy*. New Haven, CT: Yale University Press, 1964.
- Gerschenkron, Alexander. *Economic Backwardness in Historical Perspective*. Cambridge, MA: The Belknap Press of Harvard University, 1962.
- Heilbroner, Robert L. *The Great Ascent: The Struggle for Economic Development in Our Time*. New York: Harper & Row Publishers, 1963.
- Lewis, W. Arthur. *The Theory of Economic Growth*. Homewood, Ill.: Richard D. Irwin, 1955.
- Myrdal, Gunnar. *Economic Theory and Under-Developed Regions*. London: Methuen & Co., 1963 (first published 1957).
- Nurske, Ragnar. *Problems of Capital Formation in Underdeveloped Countries*. Oxford: Basil Blackwell, 1960.
- Rostow, W.W. *The Stages of Economic Growth: A Non-Communist Manifesto*. Cambridge: Cambridge University Press, 1990 (first published 1960).

Student presentation: Colonialism

- * Acemoglu, Daron, Simon Johnson, and James A. Robinson. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91, no. 5 (Dec. 2001): 1369-1401.
- * Feyrer, James, and Bruce Sacerdote. "Colonialism and Modern Income: Islands as Natural Experiments." *Review of Economics and Statistics* 91, no. 2 (May 2009): 245-62.
- (*) Nunn, Nathan. "The Long-Term Effects of Africa's Slave Trades." *Quarterly Journal of Economics* 123, no. 1 (Feb. 2008): 139-176.
- (*) Albouy, David. "The Colonial Origins of Comparative Development: An Investigation of the Settler Mortality Data." NBER Working Paper 14130. June 2008. <http://www-personal.umich.edu/~albouy/AJRreinvestigation/AJRrev.pdf>
- Easterly, William and Ross Levine. "The European Origins of Economic Development." Mimeo. Brown University. April 2009. http://www.econ.brown.edu/fac/Ross_Levine/other%20files/European_Origins.pdf
- Banerjee, David, and Lakshmi Iyer. "History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India." *American Economic Review* 95, no. 4 2005: 1190-1213.

4. Industrial Revolution / History

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- * Clark, Gregory. *A Farewell to Alms: A Brief Economic History of the World*. Princeton University Press, 2007. Chapters 10-14, pp. 193-299.
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Student presentation: Why did China not industrialize earlier?

- * Elvin, Mark. *The Pattern of the Chinese Past*. Stanford, CA: Stanford University Press, 1973. Chapter 17, "Quantitative Growth, Qualitative Standstill," pp. 286-316.
- * Lin, Justin Yifu. "The Needham Puzzle: Why the Industrial Revolution Did Not Originate in China." *Economic Development and Cultural Change* 43, no. 2 (Jan. 1995): 269-92. (If you are very short of time, go for the concluding remarks, but the whole piece is worthwhile reading; can skip the endnotes without much damage.)
- * Landes, David S. "Why Europe and the West? Why Not China?" *Journal of Economic Perspectives* 20, no. 2 (spring 2006): 3-22.
- Brandt, Loren. "Reflections on China's Late 19th and Early 20th Century Economy." *The China Quarterly*, no. 150 (June 1997): 282-308.
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- Shiue, Carol H., and Wolfgang Keller. "Markets in China and Europe on the Eve of the Industrial Revolution." *American Economic Review* 97, no. 4 (Sept. 2007): 1189-1216.

5. Growth Theory

Neoclassical and endogenous growth models

Background reading --- also see book section at front of syllabus

- Robert J. Barro. "Notes on Growth Accounting," NBER Working Paper 6654. July 1998.
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Bardhan, Pranab. "The Contributions of Endogenous Growth Theory to the Analysis of Development Problems: An Assessment." Chapter 46 in Jene Behrman and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 3, Amsterdam: North Holland, 1995, pp. 2984-98.

Hoff, Karla, and Joseph Stiglitz. "Modern Economic Theory and Development." In Gerald M. Meier and Joseph E. Stiglitz (eds.), *Frontiers of Development Economics*, New York: Oxford University Press, 2001, pp. 389-459.

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A few of the very many further explorations and developments

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Galor, Oded, and David N. Weil. "Population, Technology and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond." *American Economic Review* 90, no. 4 (Sept. 2000): 806-828.

Jones, Chad. "Growth and Ideas." Chapter 16 in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1B, Amsterdam: North Holland, 2005. Also at: <http://www.econ.berkeley.edu/~chad/handbook200.pdf> or as NBER Working Paper 10767 at <http://www.nber.org/papers/w10767>.

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Week 6 (10 March)

Criticism of growth regressions and growth accounting

- * Banerjee, Abhijit and Esther Duflo. "Growth Theory Through the Lens of Development Economics." Chapter 7 in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1A, Amsterdam: North Holland, 2005.
- * Shaikh, Anwar. "Laws of Production and Laws of Algebra: The *Humbug* Production Function." *Review of Economics and Statistics* 56, no. 1 (Feb. 1974): 115-20.
- (*) Felipe, Jesus, and Carsten A. Holz. "Why Do Aggregate Production Functions Work? Fisher's Simulations, Shaik's Identity and Some New Results." *International Review of Applied Economics* 15, no. 3 (July 2001): 261-85.
- Felipe, Jesus, and J.S.L. McCombie. "Some Methodological Problems with the Neoclassical Analysis of the East Asian Miracle." *Cambridge Journal of Economics* 27, no. 5 (Sept. 2003): 695-721.

Data issues

- * Hsieh, Chang-Tai. "Productivity Growth and Factor Prices in East Asia." *American Economic Review* 89, no. 2 (May 1999): 133-38.

Details on technology

- * Duflo, Esther, Michael Kremer, and Jonathan Robinson. "Understanding Technology Adoption: Fertilizer in Western Kenya, Evidence from Field Experiments." Unpublished working paper. April 2006. http://www.econ.berkeley.edu/users/webfac/saez/e231_s06/esther.pdf
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- Evenson, Robert E., and Larry E. Westphal. "Technological Change and Technology Strategy." Chapter 37 in Jene Behrman and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 3, Amsterdam: North Holland, 1995, pp. 2211-99.

Student presentation: Institutions

- * Glaeser, Edward L., Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. "Do Institutions Cause Growth?" *Journal of Economic Growth* 9, no. 3 (2004): 271-303.
- * Acemoglu, Daron, Simon Johnson, and James A. Robinson. "Institutions as a Fundamental Cause of Long-Run Growth." Chapter 6 in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1A, Amsterdam: North Holland, 2005, pp. 386-472. Or at <http://elsa.berkeley.edu/~chad/handbook9sj.pdf>
- * La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer. "The Economic Consequences of Legal Origins." *Journal of Economic Literature* 46, no. 2 (2008): 285-332.

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- (*) Djankov, Simeon, Edward Glaeser, Rafael LaPorta, Florencio Lopez-de-Silanes, and Andrei Shleifer. "The New Comparative Economics." NBER Working Paper 9608. April 2003. <http://www.nber.org/papers/w9608>
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- Root, Hilton L. "Distinctive Institutions in the Rise of Industrial Asia." Chapter 3 in Henry S. Rowen (ed.), *Behind East Asian Growth: the Political and Social Foundations of Prosperity*, London: Routledge, 1998, pp. 60-77.
- Pande, Rohini, and Chris Udry. "Institutions and Development: A View from Below." In Richard Blundell, Whitney K. Newey, and Torsten Persson (eds.), *Advances in Economics and Econometrics: Theory and Applications (Proceedings of the 9th World Congress of the Econometric Society)*, Cambridge, New York: Cambridge University Press 2006. Or draft of 28 Nov. 2005 at: http://www.econ.yale.edu/~cru2/pdf/institutions_draft.pdf

Week 7 (17 March)

6. Exploring Economic Growth (Outside or Beyond the Neoclassical or Endogenous Growth Framework)

Structural change

- * Imbs, Jean, and Romain Wacziarg. "Stages of Diversification." *American Economic Review* 93, no. 1 (March 2003): 63-86.
- (*) Micevska, Maja, Dil Bahadur Rahut. "Rural Nonfarm Employment and Incomes in the Himalayas." *Economic Development and Cultural Change* 57, no. 1 (Oct. 2008): 163-93.

Trade

- * Hausmann, Ricardo, Jason Hwang, and Dani Rodrik. "What You Export Matters." *Journal of Economic Growth* 12, no. 1 (March 2007): 1-25.
- * Minten, Bart. "The Food Retail Revolution in Poor Countries: Is It Coming or Is It Over?" *Economic Development and Cultural Change* 56, no. 4 (July 2008): 767-89.

Growth policy

- (*) Rodrik, Dani. "Growth Strategies." Chapter 14 in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1A, Amsterdam: North Holland, 2005, pp. 967-1014.

Growth periods

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- * Rodrik, Dani. "Where Did All the Growth Go? External Shocks, Social Conflict, and Growth Collapses." *Journal of Economic Growth* 4, no. 4 (Dec. 1999): 385-412.
- (*) Jones, Benjamin F., and Benjamin A. Olken. "The Anatomy of Start-Stop Growth." *The Review of Economics and Statistics* 90, no. 3 (Aug. 2008): 582-7.

Student presentation: Economic transition in China

- * Lin, Justin Yifu. *Economic Development and Transition: Thought, Strategy, and Viability*. Cambridge: Cambridge University Press, 2009.
- * QIAN Yingyi. "How Reform Worked in China," Chapter 11 in Dani Rodrik (ed.), *In Search of Prosperity: Analytic Narratives on Economic Growth*. Princeton: Princeton University Press, 2003, pp. 297-333. Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- * ZENG Ming, and Peter J. Williamson. "The Hidden Dragons." *Harvard Business Review* 81, no. 10 (October 2003): 92-99. Updated as "The Global Impact of China's Emerging Multinationals," Chapter 5 in Christopher A. McNally (ed.), *China's Emergent Political Economy: Capitalism in the Dragon's Lair*. New York: Routledge, 2008, pp. 83-101.
- (*) Holz, Carsten A. "China's Economic Growth 1978-2025: What We Know Today about China's Economic Growth Tomorrow." *World Development* 36, no. 10 (Oct. 2008):
- Brandt, Loren, and Thomas G. Rawski (eds.). *China's Great Economic Transformation*. Cambridge University Press, 2008. In particular: Barry Naughton, "A Political Economy of China's Economic Transition," Chapter 4, pp. 91-135.
- Lau, Lawrence J., Yingyi Qian, and Gerard Roland, "Reform Without Losers: An Interpretation of China's Dual-Track Approach to Transition," *The Journal of Political Economy*, Vol. 109, No. 1. (Feb. 2000), pp. 120-143.
- LIN, Justin Yifu, CAI Fang, and LI Zhou. *The China Miracle: Development Strategy and Economic Reform*. Revised edition. Hong Kong: The Chinese University Press, 2003, Chapter 4, "The Comparative-advantage-following Strategy," pp. 103-36.
- Naughton, Barry. *The Chinese Economy: Transitions and Growth*. Cambridge, Mass.: The MIT Press, 2007.
- QIAN Yingyi. "The Process of China's Market Transition (1978-1998): The Evolutionary, Historical, and Comparative Perspectives." *Journal of Institutional and Theoretical Economics* 156, no. 1 (March 2000): 151-71. (In particular, sections 1-3, pp. 151-64.) Pre-publication version at <http://elsa.berkeley.edu/~yqian/research.html>
- Whyte, Martin King. "A Sociological Perspective on China's Development Record." Department of Sociology, Harvard University, Nov. 2007.

Week 8 (24 March)

7. Human capital

- (*) Duflo, Esther, and Michael Kremer. "Use of Randomization in the Evaluation of Development Effectiveness." *Proceedings of the Conference on Evaluating Development Effectiveness*, July 15-16, 2003. Washington, D.C.: World Bank Operations Evaluation Department (OED), 2003.
- (*) Strauss, John and Duncan Thomas. "Human Resources: Empirical Modeling of Household and Family Decisions." Chapter 34 in Jere Behrman and T.N. Srinivasan (eds.), *Handbook of Development Economics*, Vol. 3, Amsterdam: North Holland, 1995, pp. 1885-2023.

A. Education

- * Kremer, Michael. "Randomized Evaluations of Educational Programs in Developing Countries: Some Lessons." *American Economic Review* 93, no. 2 (May 2003): 102-106.
- * Hanushek, Eric, and Ludger Woessmann. "The Role of Cognitive Skills in Economic Development." *Journal of Economic Literature* 46, no. 3 (Sept. 2008): 607-668.

- (*) Krueger, Alan, and Mikael Lindahl. "Education for Growth: Why and For Whom?" *Journal of Economic Literature* 39, no. 4 (Sept. 2003): 1101-1136.
- (*) Pritchett, Lant. "Does Learning to Add up Add up? The Returns to Schooling in Aggregate Data." Draft for *Handbook of Education Economics*, BREAD Working Paper 53, 2004, <http://www.cid.harvard.edu/bread/papers/working/053.pdf>
- Bills, Mark, and Pete Klenow. "Does Schooling Cause Growth?" *The American Economic Review* 90, no. 5 (Dec. 2000): 1160-1183.
- Hanushek, Eric, and Ludger Woessmann. "Do Better Schools Lead to More Growth? Cognitive Skills, Economic Outcomes, and Causation." NBER Working Paper 14633. January 2009. <http://www.nber.org/papers/w14633>

Education outcomes: private and social returns to education

- * Duflo, Esther. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment." *American Economic Review* 91, no. 4 (Sept. 2001): 795-813.
- (*) Griliches, Zvi. "Estimating the Returns to Schooling: Some Econometric Problems." *Econometrica* 45, no. 1 (Jan. 1977): 1-22.
- (*) Jensen, Robert. "The Perceived Return to Education and the Demand for Schooling." Mimeo. 2007. http://www.watsoninstitute.org/pub/Jensen_Perceived_Returns_Schooling.pdf
- Card, David. "Estimating the Return to Schooling: Progress on Some Persistent Econometric Problems." *Econometrica* 69, no. 5 (July 2001): 1127-60.
- Card, David. "The Causal Effect of Education on Earnings." Chapter 30 in Orley Ashenfelter and David Card (eds.), *Handbook of Labor Economics*, Vol. 3A, Amsterdam: North Holland, 1999.

Education quality --- teacher absence, teacher performance pay

- * Chaudhury, Nazmul, Jeffrey Hammer, Michael Kremer, Karthik Muralidharan, F. Halsey Rogers. "Missing in Action: Teacher and Health Worker Absence in Developing Countries." *Journal of Economic Perspectives* 20, no. 1 (Winter 2006): 91-116.
- * Chaudhury, Nazmul, Jeffrey Hammer, Michael Kremer, Karthik Muralidharan, and F. Halsey Rogers. "Teacher Absence in India: A Snapshot." *Journal of the European Economic Association* 3, no. 2-3 (April 2005): 658-667.
- (*) Glewwe, Paul, and Michael Kremer. "Schools, Teachers, and Education Outcomes in Developing Countries." Chapter 16 in Erik A. Hanushek and Finis Welch (eds.), *Handbook of the Economics of Education*, Vol. 2, Amsterdam: North Holland, 2006. <http://www.economics.harvard.edu/faculty/kremer/files/EconEducationHandbook.pdf> (April 2005)
- (*) Banerjee, Abhijit, and Esther Duflo. "Addressing Absence." *Journal of Economic Perspectives* 20, no. 1 (Winter 2006): 117-132.
- Duflo, Esther, Rema Hanna, and Stephen Ryan. "Monitoring Works: Getting Teachers to Come to School." Centre for Economic Policy Research Discussion Paper No. 6682. London, February 2008. http://www.povertyactionlab.com/papers/106_Duflo_Monitoring_Works.pdf

Possibly student presentation:

Education quality --- Curriculum, pedagogy, tracking, class size, student attendance, etc.

- * Glewwe, Paul, Michael Kremer, and Sylvie Moulin. "Many Children Left Behind? Textbooks and Test Scores in Kenya." *American Economic Journal: Applied Economics* 1, no. 1 (2009): 112-135.
- (*) Angrist, Joshua, and Victor Lavy. "Using Maimonides' Rule to Estimate the Effect of Class Size on Scholastic Achievement." *Quarterly Journal of Economics* 114, no. 2 (May 1999): 533-575.
- (*) Duflo, Esther, Pascaline Dupas, and Michael Kremer. "Peer Effects, Teacher Incentives, and the Impacts of Tracking: Evidence from a Randomized Evaluation in Kenya." NBER Working Paper 14475. November 2008. <http://www.nber.org/papers/w14475>
- (*) Attanasio, Orazio, Emla Fitzsimons, Ana Gomez, Martha Isabel Gutiérrez, Costas Meghir, and Alice Mesnard. "Children's Schooling and Work in the Presence of a Conditional Cash Transfer

Program in Rural Colombia.” *Economic Development and Cultural Change* 58, no. 2 (Jan. 2010): 181-210.

(*) Behrman, Jere R., Susan W. Parker, and Petra E. Todd. “Schooling Impacts of Conditional Cash Transfers on Young Children: Evidence from Mexico.” *Economic Development and Cultural Change* 57, no. 3 (April 2009): 139-77.

Glewwe, Paul, Michael Kremer, Sylvie Moulin, and Eric Zitzewitz. “Retrospective vs. Prospective Analyses of School Inputs: The Case of Flip Charts in Kenya.” *Journal of Development Economics* 74, no. 1 (June 2004): 251-268.

Education policy and family education choices

* Schultz, T. Paul. “School Subsidies for the Poor: Evaluating the Mexican Progresa Poverty Program.” *Journal of Development Economics* 74, no. 1 (2004): 199-250.

Banerjee, Abhijit. “Educational Policy and the Economics of the Family.” *Journal of Development Economics* 74, no. 1 (2004): 3-32.

Week 9 (31 March) First quiz; film

Film choices

Edward Burtynsky. *Manufactured Landscapes*. Film by Jennifer Baichwal. 90min. TR 140 B87 M36 2007

Al Gore. *An Inconvenient Truth*. Directed by Davis Guggenheim. 96min. QC981.8.G56 G669 2006

Micha X. Peled. *China Blue*. 88min. HD6073.C62 C45 2005

7 April – spring break

Week 10 (14 April)

B. Health

(*) Kremer, Michael. “Pharmaceuticals and the Developing World,” *Journal of Economic Perspectives* 16, no. 4 (2002): 67-90.

Deaton, Angus. “Income, Health, and Well-Being around the World: Evidence from the Gallup World Poll.” *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 53-72.

Nutrition

* Haddad, Lawrence, Harold Alderman, Simon Appleton, Lina Song, and Yisehac Yohannes. “Reducing Child Malnutrition: How Far Does Income Growth Take Us?” *World Bank Economic Review* 17, no. 1 (2003): 107-31.

* Subramanian, Shankar, and Angus Deaton. “The Demand for Food and Calories.” *Journal of Political Economy*, 104, no. 1 (Feb. 1996): 133-62.

(*) Block, Steven, and Patrick Webb. “Up in Smoke: Tobacco Use, Expenditure on Food, and Child Malnutrition in Developing Countries.” *Economic Development and Cultural Change* 58, no. 1 (Oct. 2009): 1-23.

(*) Alderman, Harold, Hans Hoogeveen, Mariacristina Rossi. “Preschool Nutrition and Subsequent Schooling Attainment: Longitudinal Evidence from Tanzania.” *Economic Development and Cultural Change* 57, no. 2 (Jan. 2009): 239-60.

(*) Deaton, Angus, and Jean Drèze. “Nutrition in India: Facts and Interpretation.” Mimeo. April 2008. http://weblamp.princeton.edu/chw/papers/deaton_dreze_india_nutrition.pdf

(*) Strauss, John, and Duncan Thomas. "Health, Nutrition and Economic Development." *Journal of Economic Literature* 36, no. 2 (June 1998): 766-817.

MENG, Xin, GONG Xiaodong, and WANG Youjuan. "Impact of Income Growth and Economic Reform on Nutrition Availability in Urban China: 1986–2000." *Economic Development and Cultural Change* 57, no. 2 (Jan. 2009): 261-95.

Ray, Debraj. *Development Economics*. Princeton, NJ: Princeton University Press, 1998, pp. 272-279, 489-504.

Health seeking behavior and health services

* Banerjee, Abhijit, Angus Deaton, and Esther Duflo. "Wealth, Health, and Health Services in Rural Rajasthan." *American Economic Review Papers and Proceedings* 94, no. 2 (May, 2004): 326-330.

* Jishnu Das, Jeffrey Hammer, and Kenneth Leonard. "The Quality of Medical Advice in Low-Income Countries." *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 93-114.

(*) Kremer, Michael, and Alaka HOLA. "Pricing and Access: Evidence from Randomized Evaluations in Education and Health." Brookings Global Economy and Development Conference, August 2008. http://www.economics.harvard.edu/faculty/kremer/files/Pricing%20and%20Access_080803.pdf

Productivity effects of health and nutrition

* Weil, David. "Accounting for the Effect of Health on Economic Growth." *Quarterly Journal of Economics* 122, no. 3 (Aug. 2007): 1265-1306.

(*) Strauss, John. "Does Better Nutrition Raise Farm Productivity?" *Journal of Political Economy* 94, no. 2 (April 1986): 297-320.

Worms, iron, and iodine

* Miguel, Edward, and Michael Kremer. "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities." *Econometrica* 72, no. 1 (Jan. 2004): 159-217.

http://emlab.berkeley.edu/users/emiguel/miguel_worms.pdf

(*) Kremer, Michael, and Edward Miguel. "The Illusion of Sustainability." *Quarterly Journal of Economics* 122, no. 3 (Aug. 2007): 1007-1065.

(*) Thomas, Duncan, et al. "Causal Effect of Health on Labor Market Outcomes: Evidence from a Random Assignment Iron Supplementation Intervention. Mimeo. April 2004.

http://emlab.berkeley.edu/users/webfac/emiguel/e271_s04/friedman.pdf

Or: <http://www.escholarship.org/uc/item/1h66k92r>

Diseases

(*) Galiani, Sebastian, Paul Gertler, and Ernesto Schargrotsky. "Water for Life: The Impact of the Privatization of Water Services on Child Mortality." *Journal of Political Economy* 113, no. 1 (Feb. 2005): 83-120.

Acemoglu, Daron, and Simon Johnson. "Disease and Development: The Effect of Life Expectancy on Economic Growth." *Journal of Political Economy* 115, no. 6 (Dec. 2007): 925-985.

Almond, Douglas. "Is the 1918 Influenza Pandemic Over? Long-term Effects of in Utero Influenza Exposure in the Post-1940 U.S. Population." *Journal of Political Economy* 114, no. 4 (2006): 672-712.

Thornton, Rebecca. "The Demand for, and Impact of, Learning HIV Status." *American Economic Review* 98, no. 5 (2008): 1829-1863.

<http://www.personal.umich.edu/~rebeccal/Thornton%20HIV%20Testing.pdf>

Thirumurthy, Harsha, Joshua Graff Zivin, and Markus Goldstein. "The Economic Impact of AIDS Treatment: Labor Supply in Western Kenya." *Journal of Human Resources* 43, no. 3 (2008): 511-552. <http://jhr.uwpress.org/cgi/reprint/43/3/511>

Student presentation: Health

- Kremer, Michael. "Creating Markets for New Vaccines: Part I: Rationale. Chapter 2 in Adam B. Jaffe, Josh Lerner, and Scott Stern (eds.), *Innovation Policy and the Economy*, Cambridge, MA: MIT Press, Volume 1, 2001, pp. 35-72.
- Kremer, Michael. "Creating Markets for New Vaccines: Part II: Design Issues. Chapter 3 in Adam B. Jaffe, Josh Lerner, and Scott Stern (eds.), *Innovation Policy and the Economy*, Cambridge, MA: MIT Press, Volume 1, 2001, pp. 73-118.
- Kremer, Michael. "Pharmaceuticals and the Developing World." *Journal of Economic Perspectives* 16, no. 4 (Fall 2002): 67-90.

Week 11 (21 April)

C. Labor markets and migration

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Labor supply and labor demand

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Migration

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E. Demographics

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Week 12 (28 April)

8. Finance

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A. Financial intermediation and growth

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B. The supply side of the markets for credit and savings

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Credit constraints

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Microfinance, rural finance

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- “Why Intervene in Credit Markets,” pp. 25-56; Chapter 3, “Roots of Microfinance: ROSCAs and Credit Cooperatives,” pp. 57-83; Chapter 4, “Group Lending,” pp. 85-118.
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C. The demand-side of the markets for credit and savings

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- Fafchamps, Marcel, Christopher Udry, and Katie Czukas. “Drought and Savings in West Africa: Are Livestock a Buffer Stock?” *Journal of Development Economics* 55, no. 2 (April 1998): 273-306.
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9. Physical capital

- * Field, Erica. “Entitled to Work: Urban Property Rights and Labor Supply in Peru.” *Quarterly Journal of Economics* 122, no. 4 (Nov. 2007): 1561-1602.
- (*) Besley, Timothy. “Property Rights and Investment Incentives: Theory and Evidence from Ghana.” *Journal of Political Economy* 103, no. 5 (Oct. 1996): 903-21.
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Student Presentation:

Land / land reform / sharecropping

- * Banerjee, Abhijit. “Prospects and Strategies for Land Reforms.” In Boris Pleskovic and Joseph E. Stiglitz (eds.), *Annual World Bank Conference on Development Economics 1999*, Washington, DC: World Bank, 2001, pp. 253-284. An earlier version:
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- * Besley, Timothy, Robin Burgess. “Land Reform, Poverty Reduction, And Growth: Evidence From India.” *Quarterly Journal of Economics* 115, no. 2 (May 2000): 389-430.
- * Goldstein, Markus, and Chris Udry. “Addressing Unequal Economic Opportunities: A Case Study of Land Tenure in Ghana.” *Development Outreach, World Bank Institute* (Sept. 2005):7-9.

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We have a choice of topics for the last two weeks

Week 13 (5 May)

Week 14 (12 May)

10. Family, networks, government

Culture, social norms, and development

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- (*) Greif, Avner. "Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies." *The Journal of Political Economy* 102, no. 5 (Oct. 1994): 912-950.
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- Licht, Amir N., Chanan Goldschmidt, and Shalom H. Schwartz. "Culture Rules: The Foundations of the Rule of Law and Other Norms of Governance." *Journal of Comparative Economics* 35, no. 4 (Dec. 2007): 659-688.
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- Wilkinson, Barry. "Culture, Institutions and Business in East Asia." *Organization Studies* 17, no. 3 (1996): 421-47.

Markets, networks, social capital

- * Miguel, Edward, Paul Gertner, and David I. Levine. "Does Industrialization Build or Destroy Social Networks." *Economic Development and Cultural Change* 54, no. 2 (Jan. 2006): 287-317.
- Greif, Avner. "History Lessons: The Birth of Impersonal Exchange: The Community Responsibility System and Impartial Justice." *The Journal of Economic Perspectives* 20, no. 2 (Spring 2006): 221-236.
- Greif, Avner. *Institutions and the Path to the Modern Economy: Lessons from Medieval Trade*. Cambridge: Cambridge University Press, 2006.
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Families, decision-making within families, and from families to institutions

- * Bertrand, Marianne, Sendhil Mullainathan, and Douglas Miller. "Public Policy and Extended Families: Evidence from Pensions in South Africa." *World Bank Economic Review* 17, no. 1 (2003): 27-50.
- (*) Duflo, Esther. "Grandmothers and Granddaughters: Old Age Pension and Intra-household Allocation in South Africa." *World Bank Economic Review* 17, no. 1 (2003): 1-25.
- (*) Greenhalgh, Susan. "De-Orientalizing the Chinese Family Firm." *American Ethnologist* 21, no. 4 (Nov. 1994): 746-75.
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- Thomas, Duncan. "Like Father, Like Son: Like Mother, Like Daughter: Parental Resources and Child Height." *Journal of Human Resources* 29, no. 4 (Autumn 1994): 950-988.
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11. Government

Public finance and public goods

- * Khwaja, Asim Ijaz. "Can Good Projects Succeed In Bad Communities?" *Journal of Public Economics* 93, no. 7-8 (Aug. 2009): 899-916.
- (*) Galiani, Sebastian, Paul Gertler, and Ernesto Schargrotsky. "Water for Life: The Impact of the Privatization of Water Services on Child Mortality." *Journal of Political Economy* 113, no. 1 (Feb. 2005): 83-120.
- (*) Khandker, Shahidur R., Zaid Bakht, and Gayatri B. Koolwal. "The Poverty Impact of Rural Roads: Evidence from Bangladesh." *Economic Development and Cultural Change* 57, no. 4 (July 2009): 685-722.
- Besley, Timothy, and Ravi Kanbur. "Food Subsidies and Poverty Alleviation." *The Economic Journal* 98, no. 392 (1988): 701-719.
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Political economy

- Chattopadhyay, Raghavendra, and Esther Duflo. "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India." *Econometrica* 72, no. 5 (Sept. 2004): 1409-1443.
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- (*) Goldstein, Markus, and Chris Udry. "The Profits of Power: Land Rights and Agricultural Investment in Ghana." *Journal of Political Economy* 116, no. 6 (Dec. 2008): 981-1022.
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Student presentation: corruption and misgovernance

Corruption and misgovernance

- * Cole, Shawn A. "Fixing Market Failures or Fixing Elections? Elections, Banks and Agricultural Lending in India.." *American Economic Journal: Applied Economics* 1, no. 1, (Jan. 2009): 219-50.
- * Reinikka, Ritva, and Jakob Svensson. "Local Capture: Evidence from a Central Government Transfer Program in Uganda." *Quarterly Journal of Economics* 119, no. 2 (May 2004): 679-705.
- (*) McMillan, John, and Pablo Zoido. "How to Subvert Democracy: Montesinos in Peru." *Journal of Economic Perspectives* 18, no. 4 (Fall 2004): 69-92.
- (*) Olken, Benjamin A. "Corruption and the Costs of Redistribution." *Journal of Public Economics* 90, nos. 4-5 (May 2006): 853-870.
- (*) Olken, Benjamin, and Patrick Barron. "The Simple Economics of Extortion: Evidence from Trucking in Aceh." Mimeo. May 2007. <http://www.nber.org/~bolken/trucking.pdf>
- (*) Shleifer, Andrei, and Robert Vishny. "Corruption." *Quarterly Journal of Economics* 108, no. 3 (Aug. 1993): 599-617.
- (*) Svensson, Jakob. "Eight Questions about Corruption." *Journal of Economic Perspectives* 19, no. 3 (Summer 2005): 19-42.
- (*) Wade, Robert. "The System of Administrative and Political Corruption: Canal Irrigation in South India." *Journal of Development Studies* 18, no. 3 (April 1982): 287-328.
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- Tirole, Jean. "A Theory of Collective Reputations (with Applications to the Persistence of Corruption and to Firm Quality)." *Review of Economic Studies* 63, no. 1 (Jan. 1996): 1-22.
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Governance

- * De Soto, Hernando. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books, 2000. Chapter 2, "The Mystery of Missing Information," pp. 15-37, and Chapter 3, "The Mystery of Capital," pp. 39-67.
- (*) Besley, Timothy, and Maithreesh Ghatak. "Property Rights and Economic Development," in Dani Rodrik and Mark Rosenzweig, *Handbook of Development Economics*, Vol. 5, Amsterdam: North-Holland, 2009.
- (*) Kaufmann, Daniel, Aart Kraay, and Massimo Mastruzzi. "Governance Matters VIII: Governance Indicators for 1996-2008." The World Bank, Policy Research Working Paper 4978. 2009. http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2009/06/29/000158349_20090629095443/Rendered/PDF/WPS4978.pdf
- Besley, Timothy, and Robin Burgess. "Can Labor Regulation Hinder Economic Performance? Evidence from India." *The Quarterly Journal of Economics* 119, no. 1 (Feb. 2004): 91-134.
- Field, Erica. "Entitled to Work: Urban Property Rights and Labor Supply in Peru." *Quarterly Journal of Economics* 122, no. 4 (Nov. 2007): 1561-1602.
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Government economic policy

- * Beaugard, Robert A. “Institutional Constraints and Subnational Planning: Economic Development in the United States.” *Evaluation and Program Planning* 18, no. 3 (July-Sept. 1995): 295-300.
- * Waterbury, John. “The Long Gestation and Brief Triumph of Import-Substituting Industrialization.” *World Development* 27, no. 2 (Feb. 1999): 323-41.
- * Wolman, Harold, with David Spitzley. “The Politics of Local Economic Development.” *Economic Development Quarterly* 10, no. 2 (May 1996): 115-150.
- (*) Easterly, William. “National Policies and Economic Growth: A Reappraisal.” Chapter 15 in Philippe Aghion and Steven Durlauf (eds.), *Handbook of Economic Growth*, Vol. 1A, Amsterdam: North Holland, 2006, pp. 1015-59.
- Schreiner, Mark and Gary Woller. “Microenterprise Development Programs in the United States and in the Developing World.” *World Development* 31, no. 9 (Sept. 2003): 1567-1580.

Possibly for student presentation:

Foreign Aid

- * Rajan, Raghuram G., and Arvind Subramanian. “Aid and Growth: What Does the Cross-Country Evidence Really Show?” *Review of Economics and Statistics* 90, no. 4 (Nov. 2008): 643-65.
- (*) Easterly, William, and Tobias Pfutze. “Where Does the Money Go? Best and Worst Practices in Foreign Aid.” *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 29-52.
- (*) Easterly, William. “Can the West Save Africa?” *Journal of Economic Literature* 47, no. 2 (June 2009): 373-447.
- Burnside, Craig, and David Dollar. “Aid, Policies, and Growth.” *American Economic Review* 90, no. 4 (Sept. 2000): 847-68.
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Democracy

- Acemoglu, Daron, and James A. Robinson. *Economic Origins of Dictatorship and Democracy*. New York: Cambridge University Press, 2005.
- Besley, Timothy, and Masayuki Kudamatsu. “Health and Democracy.” *American Economic Review* 96, no. 2 (May 2006): 313-8.
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http://isites.harvard.edu/fs/docs/icb.topic637155.files/Besley_060919.pdf
- Rodrik, Dani. “Democracies Pay Higher Wages.” *Quarterly Journal of Economics* 114, no. 3 (Aug. 1999): 707-38.

Nongovernmental Organizations

- * Werker, Erik, and Faisal Z. Ahmed. “What Do Nongovernmental Organizations Do?” *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 73-92.

12. Regional economic development and planning

- * Storper, Michael, and Richard Walker. *The Capitalist Imperative: Territory, Technology and Industrial Growth*. Oxford: Blackwell, 1989. Introduction, pp. 1-5; Chapter 1, “The Inconstant

Geography of Capitalism,” pp. 6-35; Chapter 2, “Industrialization as Disequilibrium Growth,” pp. 36-69; Chapter 3, “How Industries Produce Regions,” pp. 70-98; Chapter 4, “Technological Change and Geographical Industrialization,” pp. 99-124; Chapter 5, “The Territorial Organization of Production,” pp. 125-53.

- * Scott, A. and Storper, Michael. “High Technology Industry and Regional Development: A Theoretical Critique and Reconstruction.” *International Social Science Journal* 112 (May 1987): 215-32.

Student presentation: Local planning and development

Blakely, Edward J. and Nancy Green Leigh (2010). *Planning Local Economic Development: Theory and Practice*, 4th edition.

Glaeser, Edward L., and Joshua D. Gottlieb. “The Wealth of Cities: Agglomeration Economies and Spatial Equilibrium in the United States.” *Journal of Economic Literature* 47, no. 4 (Dec. 2009): 983-1028.

Possibly for student presentation

Sustainability

- * Partha Dasgupta, “The Place of Nature in Economic Development,” in D. Rodrik and M. Rosenzweig, eds., *Handbook of Development Economics*, Vol. 5, North-Holland, 2009. Or as [Working Paper No. 38-39](#). South Asian Network for Development and Environmental Economics. <http://www.esocialsciences.com/data/articles/Document16102009591.896304E-02.pdf>
- Foster, Andrew, and Mark Rosenzweig. “Economic Growth and the Rise of Forests.” *Quarterly Journal of Economics* 118, no. 2 (May 2003): 601-637.
- Jayachandran, Seema. “Air Quality and Early-Life Mortality: Evidence from Indonesia’s Wildfires.” *Journal of Human Resources* 44, no. 4 (Fall 2009): 916-54.

13. Poverty, Inequality

Possibly for student presentation

Poverty

- * Banerjee, Abhijit, and Esther Duflo. “Economic Lives of the Poor.” *Journal of Economic Perspectives* 21, no. 1 (Winter 2006): 141-167.
- * Chen, Shaohua, and Martin Ravallion. “How Have the World’s Poorest Fared since the Early 1980s.” *The World Bank Research Observer* 19, no. 2 (Fall 2004): 141-69.
- Banerjee, Abhijit, and Esther Duflo. “What is Middle Class About the Middle Classes Around the World?” *Journal of Economic Perspectives* 22, no. 2 (Spring 2008): 3-28.
- Banerjee, Abhijit Vinayak, Roland Benabou, and Dilip Mookherjee (eds.). *Understanding Poverty*. Oxford, UK: Oxford University Press, 2006.
- Deaton, Angus and Valerie Kozel. “Data and Dogma: The Great Indian Poverty Debate.” *The World Bank Research Observer* 20, no. 2 (Fall 2005): 177-99.
- Deaton, Angus, Jed Friedman, and Vivi Alatas. “Purchasing Power Parity Exchange Rates from Household Survey Data: India and Indonesia.” Mimeo. Princeton. 2004. <http://www.princeton.edu/rpds/papers/pdfs/pppexchangerates.pdf>
- Deaton, Angus. “Purchasing Power Parity Exchange Rates for the Poor: Using Household Surveys to Construct PPPs. Mimeo. August 2006. http://www.princeton.edu/rpds/papers/pdfs/Deaton_PPPP_version_aug_06.pdf
- Deaton, Angus, and Olivier Dupriez. “Purchasing Power Parity Exchange Rates for the Global Poor.” Mimeo. November 2009. http://www.princeton.edu/~deaton/downloads/Purchasing_power_parity_exchange_rates_for_global_poor_Nov11.pdf
- Deaton, Angus. “Measuring Poverty in a Growing World (or Measuring Growth in a Poor World).” *Review of Economics and Statistics* 87, no. 1 (Feb. 2005): 1-19.

- Bourguignon, Francois. "Comment on 'Measuring Poverty in a Growing World (or Measuring Growth in a Poor World)' by Angus Deaton." *Review of Economics and Statistics* 87, no. 1 (Feb. 2005): 20-22.
- Kremer, Michael. "'Measuring Poverty:' Discussion." *Review of Economics and Statistics* 87, no. 1 (Feb. 2005): 23-25.
- Dollar, David, and Aart Kray. "Growth is Good for the Poor." *Journal of Economic Growth* 7, no. 3 (Sept. 2002): 195-225.
- Dollar, David. "Globalization, Poverty, and Inequality since 1980." *The World Bank Research Observer* 20, no. 2 (Fall 2005): 145-75.
- Galor, Oded, and Joseph Zeira. "Income Distribution and Macroeconomics." *Review of Economic Studies* 60, no. 1 (Jan. 1993): 35-52.
- Srinivasan, T. N. "Destitution: A Discourse." *Journal of Economic Literature* 32, no. 4 (Dec. 1994): 1842-55.

Possibly for student presentation:

Inequality

- * Banerjee, Abhijit, and Esther Duflo. "Inequality and Growth: What Can the Data Say?" *Journal of Economic Growth* 8, no. 3 (Sept. 2003): 267-299.
- Mookherjee, Dilip, and Debraj Ray. "Persistent Inequality." *Review of Economic Studies* 70, no. 2 (April 2003): 369-393.
- Forbes, Kristin. "A Reassessment of the Relationship Between Inequality and Growth." *American Economic Review* 90, no. 4 (Sept. 2000): 869-887.

14. Conflict

Possibly for student presentation:

Ethnic and social divisions

- * Easterly, William, and Ross Levine. "Africa's Growth Tragedy: Policies and Ethnic Divisions." *Quarterly Journal of Economics* 112, no. 4 (Nov. 1997): 1203-1250.
- Miguel, Edward. "Tribe or Nation? Nation-building and Public Goods in Kenya versus Tanzania." *World Politics* 56, no. 3 (April 2004): 327-362. Earlier version at http://www.econ.berkeley.edu/~emiguel/miguel_nation.pdf
- Pande, Rohini. "Can Mandated Political Representation Increase Policy Influence for Disadvantaged Minorities? Theory and Evidence from India." *American Economic Review* 93, no. 4 (Sept. 2003): 1132-1151.

Possibly for student presentation:

War

- * Stubbs, Richard. *Rethinking Asia's Economic Miracle: the Political Economy of War, Prosperity and Crisis*. New York: Palgrave MacMillan, 2005.
- * Davis, Donald R., and David Weinstein. "Bones, Bombs, and Breakpoints: The Geography of Economic Activity." *American Economic Review* 92, no. 5 (Dec. 2002): 1269-1289. Earlier version at: <http://www.columbia.edu/~drd28/BBB.pdf>
- Blattman, Christopher, and Edward Miguel. "Civil War." NBER Working Paper 14801. March 2009. Forthcoming in the *Journal of Economic Literature*. <http://www.nber.org/papers/w14801>
- Montalvo, José G., and Marta Reynal-Querol. "Ethnic Polarization, Potential Conflict, and Civil Wars." *American Economic Review* 95, no. 3 (2005): 796-816.
- Miguel, Edward, Shanker Satyanath, and Ernest Sergenti. "Economic Shocks and Civil Conflict: An Instrumental Variables Approach." *Journal of Political Economy* 112, no. 4 (Aug. 2004): 725-753. Earlier version at: http://www.econ.berkeley.edu/~emiguel/miguel_conflict.pdf

15. Corporate governance

- * Banerjee, Abhijit, and Esther Duflo. "Reputation Effects and the Limits of Contracting: A Study of the Indian Software Industry." *Quarterly Journal of Economics* 115, no. 3 (Aug. 2000): 989-1017.
- (*) Bertrand, Marianne, Paras Mehta, and Sendhil Mullainathan. "Ferretting Out Tunneling: An Application To Indian Business Groups," *Quarterly Journal of Economics* 117, no. 1 (Feb. 2002): 121-148.
- (*) Khanna, Tarun, and Krishna Palepu. "Is Group Affiliation Profitable in Emerging Markets? An Analysis of Diversified Indian Business Groups." *Journal of Finance* 55, no. 2 (April 2000): 867-91.
- (*) La Porta, Rafael, Florencio Lopez-De-Silanes, and Andrei Shleifer. "Corporate Ownership Around the World." *The Journal of Finance* 54, no. 2 (April 1999): 471-517.
- Burkart, Panunzi, and Andrei Shleifer. "Family Firms." *Journal of Finance* 58, no. 5 (Oct. 2003): 2167-2202.
- Greif, Avner. "Contract Enforceability and Economic Institutions in Early Trade: The Maghribi Traders' Coalition." *American Economic Review* 83, no. 3 (June 1993): 525-548.
- Tirole, Jean. "A Theory of Collective Reputations (With Applications to the Persistence of Corruption and to Firm Quality)." *Review of Economic Studies* 63, no. 1 (Jan. 1996): 1-22.

Further topics for student presentation

Student presentation: Tropical Africa

Bates, Robert H. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley and Los Angeles: University of California Press, 1981. (178pp.)

Student presentation: The Bottom Billion

Collier, Paul. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. Oxford; Hong Kong: Oxford University Press, 2007. (205pp.)

Student presentation: East Asian Economic Development

- * Amsden, Alice H. "Why Isn't the Whole World Experimenting with the East Asian Model to Develop?: Review of *The East Asian Miracle*." *World Development* 22, no. 4 (April 1994): 627-33.
- * Krugman, Paul. "The Myth of Asia's Miracle." *Foreign Affairs* 73, no. 6 (Nov./Dec. 1994).
<http://fullaccess.foreignaffairs.org/19941101faessay5151/paul-krugman/the-myth-of-asia-s-miracle.html> or <http://web.mit.edu/krugman/www/myth.html>.
- * Page, John M. "The East Asian Miracle: An Introduction." *World Development* 22, no. 4 (April 1994): 615-25.
- * Perkins, Dwight H. "There Are At Least Three Models of East Asian Development." *World Development* 22, no. 4 (April 1994): 665-61.
- * Rodrik, Dani. "Getting interventions right: how South Korea and Taiwan grew rich." *Economic Policy* 10, no. 1 (April 1995): 55-107.
- Amsden, Alice H., *Asia's Next Giant: South Korea and Late Industrialization*, Oxford University Press, New York and Oxford, 1989.
- Wade, Robert. "The Visible Hand: the State and East Asia's Economic Growth." *Current History* 92, no. 578 (Dec. 1993): 431-40.
- Wade, Robert. "State Intervention in 'Outward-looking' Development: Neoclassical Theory and Taiwanese Practice," Chapter 2 in Gordon White (ed.), *Developmental States in East Asia*. London: The MacMillan Press, 1988, pp. 30-67.
- Wade, Robert. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton, NJ: Princeton University Press, 1990/2004.
- Wan, Henry Y. Jr. *Economic Development in a Globalized Environment: East Asian Evidences*. Norwell, Ms: Kluwer Academic Publishers, 2004. Chapters 7-10 (Korea, Taiwan, Hong Kong, Singapore), pp. 191-296.

Two-page interpretative précis

Maximum two pages (approximately 500 words/page; 1-inch margins and font size 12 if using Times New Roman).

Ideally, a précis does three things:

- (1) It summarizes the key arguments of the text(s).
- (2) It provides a critique of these arguments.
- (3) It suggests how to improve the argument(s), or it suggests additional / new research starting from the text(s).

An introductory sentence or short paragraph should provide a clear frame for the argument(s).

- Provide your name, student ID, and the course number at the top of the first page.
- Provide full bibliographic information of the text(s) on which your précis is based.
- Start your précis with a 1-5 sentence summary statement of what the text is about, phrased in a way that allows your grandparents to understand what you are talking about and what the argument is.
- Email your précis to fellow students at least 24 hours before the class meets.

Fellow students are expected to read each précis before coming to class, and to be prepared to comment, expand on the précis/underlying text, and raise questions.

Term paper

Deadlines

See the section “requirements and grading” at the beginning of the course outline. Penalties for late submission of the final term paper are listed below.

Task

Investigate a selected economic development issue, tool or approach, situated in the framework of economic development literature.

Feel free to explore one or more of the required/optional/additional readings as a starting point for your paper—for example, they may point you to a case study, or to establishing a critique of some particular (narrow) aspect in the literature.

Try to keep the topic simple and interesting. There is no need to bedazzle, but a need to be clear and meaningful.

- (i) Try to phrase the topic (or question) of the paper precisely. Can you further elaborate on it in three sentences in a way that your grandparents understand what you are doing in the paper? (ii) Describe what you want to describe, or make the points that support your argument or answer your questions. (iii) Conclude / draw out possible implications (why should we care about what you found). (iv) Properly format the references.

- It’s OK for the paper to be primarily descriptive. Then try to coax out some implications at the end.
- It’s OK to rely solely on secondary literature. If your topic has to do with numbers, feel free to explore the website and the print publications of your country’s statistical authority.
- You may build an argument using non-numerical information.
- (Or) you may build an argument using numerical information and conduct statistical/econometric analysis.

A very rough guide to the number of pieces of literature to consult: 5-30 depending on if you rely on primary sources or review the secondary literature..

You are welcome to choose a topic as a group. If the group hands in one identical paper for every member, standards are expected to be slightly higher and the length can be slightly longer than if each member writes his/her own.

Paper length: max. ten 1.5 or double-spaced pages, excluding tables, figures, and references.

Criteria for the grading of the term paper

Start with a total of 32 points, then subtract up to a maximum as stated below.

- A. Is the question clearly formulated? (maximally subtract 8 points)
 - B. Is the question original/ interesting/ non-trivial? (15)
 - C. Is the question answered as unambiguously as possible?
Is the argument compelling? (12)
1. Does the literature review show that you
are aware of the main literature relevant to your topic,
have understood it,
and can relate your own research to the body of existing literature?
(10; if the term paper is a literature review, 20)
 2. Is the choice of data collection method justified, and is the method appropriate? (No
'overkill,' but appropriate.) (6)
 3. Is the data analysis logically consistent? (10)
 4. Do the findings follow from the argument/ facts? (10)
 5. Does the interpretation of the findings answer the question? Compellingly/ convincingly?
(10)
 6. Is the conclusion clearly formulated? (Can an interested reader understand what you are
doing just by reading the conclusion of your paper?) Is your research "significant" in
some respect? What are shortcomings and limitations of your research? What are
alternative hypotheses – can you rule them out? (10)
 7. Are the references properly formatted (follow a specific journal's style)? (5, strict)

Penalties for handing in late: hand in

on due day, *after* noon and *before* 5:30pm when the general office closes: -10%.

Between 5:30pm of the due day and 5:30pm on the next day: -30%.

Then continue by subtracting 10 percentage points for every further day, with the day
running from 5:30pm one day to 5:30pm the next day.