

UNIVERSITY OF BRITISH COLUMBIA – Fall 2009 – Department of Economics

Economics 442 – Issues in Economic Development

Instructor: Prof. Berta Esteve-Volart

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Lectures: Tuesday and Thursday 9:30 am – 11:00 am, Buchanan D222

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Evaluation: midterm 35%, final exam 65%. Participation in class gives bonus marks

Why are some countries so much richer than others? The aim of the course is to understand some important features of developing countries. The course provides an introduction to selected issues in economic development including theory, evidence and policy. Topics covered are: economic growth theory, aid, the role of institutions, credit, labour, hunger and public action, and gender.

Prerequisite: One of ECON 201, ECON 206, ECON 301, ECON 304.

READINGS

Textbook: Ray, Debraj (1998), "Development Economics", Princeton University Press

Other: Easterly, William (2002), "The Elusive Quest for Growth", The MIT Press

Lectures will follow the textbook (sometimes loosely, sometimes in a more structured way) as well as some papers from economics journals and articles from *The Economist*. Two chapters of the Easterly book are also required. Lecture notes, slides, papers, articles and assignments will be available at WebCT. The textbook and the Easterly book are on reserve at the Koerner Library.

Introduction

- Ray, Chapter 2

Economic growth

- Ray, Chapters 3 & 4
- Mankiw, G., D. Romer and D. Weil (1992): A Contribution to the Empirics of Economic Growth, *Quarterly Journal of Economics*
- Young, A. (1995): The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience, *Quarterly Journal of Economics*

Aid

- Easterly, Chapters 2 & 3
- Burnside and David Dollar (2000), Aid, Policies, and Growth, *American Economic Review*
- Easterly, Levine and Roodman (2004), Aid, Policies, and Growth: A Comment, *American Economic Review*
- *The Economist*, The \$25 Billion Question (June 30, 2005)
- *The Economist*, An Addictive Lullaby (January 15, 2004)
- *The Economist*, Farm's Support Deep Roots (June 22, 2005)
- Banerjee, Abhijit and Ruimin He (2007), Making Aid Work, Chapter 2

Institutions – macro evidence

- Hall, R. and C. Jones (1999), Why Do Some Countries Produce So Much More Output per Worker than Others?, *Quarterly Journal of Economics*
- Knack, S. and P. Keefer (1997), Does Social Capital Have An Economic Payoff? A Cross-Country Investigation, *Quarterly Journal of Economics*, 112(4), pp. 1251-88.
- Acemoglu, A., S. Johnson and J. A. Robinson (2005), Institutions as the Fundamental Cause of Long-Run Growth, *Handbook of Economic Growth* (Philippe Aghion and Stephen Durlauf, eds., North Holland)

Institutions – micro evidence: land institutions

- Besley, T. and R. Burgess (2000), Land Reform, Poverty Reduction, and Growth: Evidence from India, *Quarterly Journal of Economics*, 115(2), pp. 389-430.
- Banerjee, A. and L. Iyer (2005), History, Institutions and Economic Performance: The Legacy of Colonial Land Tenure Systems in India, *American Economic Review* 95(4)

Credit

- Ray, Chapter 14
- Morduch, J. (1999), The Microfinance Promise, *Journal of Economic Literature*, 37(4), 1569-1614.
- *The Economist*, A Partial Marvel (July 16, 2009)

Nutrition/hunger and public action

- Ray, Chapter 8
- Sen, A.(1990), Public Action to Remedy Hunger, Tanco Memorial Lecture
- Besley, T. and Burgess, R. (2002) The Political Economy of Government Responsiveness: Theory and Evidence from India, *Quarterly Journal of Economics*, 117 (4).

Gender

A. Missing women

- Sen, A. (1990), More Than 100 Million Women Are Missing, *New York Review of Books*

- Miguel, E. (2005), Poverty and Witch Killing, *Review of Economic Studies*
- B. Dowry**
- Rao, V. (1993), The Rising Price of Husbands: A Hedonic Analysis of Dowry Increases in Rural India, *Journal of Political Economy*, 101(4), pp.666-77.
 - Edlund, L. (2000), The Marriage Squeeze Interpretation of Dowry Inflation: A Comment, *Journal of Political Economy*, 108(6), pp.1327-33.
 - Botticini, M. and A. Siow (2003), Why Dowries?, *American Economic Review*
 - Anderson (2003), Why Dowry Payments Declined with Modernization in Europe and Are Increasing in India, *Journal of Political Economy*, 111 (2), p.269-310.