

Economics 240: Economic Development James Rauch

Fall 2005 Office: Econ 220

MW 2:00-3:20, Econ 300 Hours: MWF 1:00-1:50

or by appointment

SYLLABUS

This course is intended to provide an introduction to the problems of economic development in the (former) Third World and to the economic relations between it and the mature industrial societies. The text for the course is:

Meier, Gerald M. and James E. Rauch. Leading Issues in Economic Development. Eighth edition, 2005.

Economic development is a field for which there exists relatively little consensus within the mainstream economics profession concerning what is important to know. For this reason it would be inappropriate to give problem sets and exams at the graduate level. Instead, the course requirements are two discussant reports, each 1000-2000 words long. The discussions in the Annual World Bank Conference on Development Economics series, available in both the IR/PS and SSH libraries (call number HC 59.69 W66), are good models for your reports. Your report should combine comments on the paper being discussed with your own ideas for how to approach the issues addressed by the paper.

You should discuss papers written after 1995, published or unpublished. Papers covered in the

text or listed in this syllabus are disqualified. There are many ways to search for papers: EconLit; Google Scholar, general interest journals such as the AER, JPE, QJE, or EJ; special interest journals such as Journal of Development Economics; or web sites of institutions such as the World Bank and the Center for International Development at Harvard. You must get my approval of the papers in advance. Your first report is due Monday, October 31. I will make suggestions for revision and the revision will be due one week after receipt of my suggestions. Your second report is due Monday, December 5 and will not be revised. No late reports will be accepted.

COURSE OUTLINE

In the following outline, my plan is to cover the items marked with an asterisk (*); unmarked items are recommended reading that I will not cover.

I. Introduction xviii-ix*, 2-4*

A. Measuring Development 5-14*, 15-29, 32-33*

B. Economic performance of less developed countries: The recent past 34-44*

II. Historical Perspective 81-131*

III. International Trade and Technology Transfer 133-136*

A. Trade 137-150*, 151-162, 163-171*

B. Foreign Contact and Technology Transfer 172-174*

IV. Human Resources 183-186*

A. Education 187-193*, 194-197, 198-200*, 201-205, 206-211*

B. Health 212-230, 231-239*

C. Population 240-247*, 248-259, 260*

D. Gender and Development 261-291*

V. Investment and Finance 293-296*, 300-302*, 303-308, 315-330*

VI. Urbanization and the Informal Sector 331-335*

A. Urban Growth and Infrastructure 336-337, 338-352*

B. Rural-Urban Migration and the Informal Sector 353-354*, 355-359, 360-364*,
365-370, 371-380*

VII. Agriculture 381-392*, 404-406

VIII. Income Distribution 433-443*

A. The Impact of Development on Income Distribution 449-464*

B. The Impact of Income Distribution on Development 465-472*

C. Case Studies 473-480*, 481-488

IX. Political Economy 489-493*

A. The (Proper) Role of the State in Less Developed Countries 494-498

B. Rent Seeking and Government Failure 502-535*

C. State Capacity 536-572, 573-580*

Acemoglu, Daron; Johnson, Simon; and Robinson, James. "The Colonial Origins of Comparative Development: An Empirical Investigation." *American Economic Review* 91(5), December 2001, pp. 1369-1401.

Easterly, William and Levine, Ross. "Tropics, Germs, and Crops: How Endowments Influence Economic Development." *Journal of Monetary Economics* 50(1), January 2003, pp. 3-39.

Rodrik, Dani; Subramanian, Arvind; and Trebbi, Francesco. "Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development." *Journal of Economic Growth* 9(2), June 2004, pp. 131-165.

X. Development and the Environment 581-602*, 612-621, 622-631*

