

Economics 116: Economic Development

Department of Economics
University of California San Diego

Summer Session I, 2007

Classes: M, W 8.00-10.50 am (Peterson 104)

Office Hours: M 10.50 am - 12.50 pm

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Text: The recommended text for this course is:

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

Grading and Exams: The grades will be determined on the basis of a mid-term exam (40%), and a final exam (60%). The mid-term will cover the course material taught up till then, and the final will test the subsequent course material. The mid-term will be held on July 18, 2007 (Wednesday), in class during lecture hours. The final will be held on August 3, 2007 (Friday), 8-11 am (venue: tba). There will be no make-up exams.

Course Outline

Readings marked with an asterisk (*) are optional; **all others are required**. The text is available on reserve at the Social Sciences and Humanities Library.

I. Introduction and Historical Perspective

Overview 2-4; (pp. 633-638 might be very useful for some)

A. Measuring Development 5-15, 16-29*, 32-33

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

Overview 81-83

The spread of modern economic growth to LDCs 84–100, 101-131*

II. International Trade and Technology Transfer

Overview 133-136

A. Trade 137-150, 151-155*, 156-162, 163-169*, 170-171

B. Foreign Contact and Technology Transfer 172-174, 178-179

III. Human Resources

Overview 183-186

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

B. Health 212-239

C. Population 240-247, 248-254, 255-259*, 260

Kelley, A. (1988), Population Pressures, Saving and Investment in the Third World: Some Puzzles, *Economic Development and Cultural Change*, 36(3), 449-464 (available at www.jstor.org)

IV. Investment and Finance

Overview 293-296

Fixed investment, International capital flows, Foreign Aid, Micro-credit 300-302, 303-308, 315-330

V. Urbanization and the Informal Sector

Overview 331-335

A. Urban Growth and Infrastructure 336-337, 338-342, 343-352*

B. Rural-Urban Migration and the Informal Sector 355-359, 360-364, 365-370*, 371-375, 376-380*

VI. Income Distribution

Overview 433-443

A. The Impact of Development on Income Distribution 444-464

B. Poverty measures and trends 21-31

C. The Impact of Income Distribution on Development 465-467*, 468-472

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

VII. Political Economy

Overview 489-493

A. The Role of the State in Less Developed Countries 494-498*

B. Rent Seeking and Government Failure 502-520, 521-535*

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

VIII. WTO and the Developing Countries – opening up trade via the WTO; Agreement on Agriculture (AoA), Agreement on Trade-Related Intellectual Property Rights issues (TRIPs)

(a) Daniel Sumner, 1995, *Agricultural Trade Policy*, The AEI Press, Washington, DC, chapter 3 (pp. 28-38 only)

(b) Keith Maskus, 2000, *Intellectual property rights in the global economy*, Institute for International Economics, Washington, DC, chs. 1 and 2

(Links to online reserves have been posted on WebCT for both these readings)