

Economics 240: Economic Development
Winter 2001
MW 2:00-3:20, Econ 300

James Rauch
Office: Econ 220
Hours: MWF 11:15-12:15
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*.
Seventh edition, 2000.

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You should discuss papers written after 1990, published or unpublished. Papers covered in the text or listed in this syllabus are disqualified. You have a (disorganized) list of suggested papers. There are many additional ways to search for papers: *EconLit*; 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, whether or not they are on my suggestion list. Your first report is due Monday February 12. 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 March 19 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 1-4*

A. Measuring Development 5-12*, 13-20, 21-29*, 30-34

B. Economic performance of less developed countries: The recent past 35-68

Kremer, "Creating Markets for New Vaccines, Part II: Design Issues."
<http://papers.nber.org/papers/W7717>

D. Gender and Development 263-270*, 283-284*, 285-288

VI. Migration and the Urban Informal Sector 289-311*, 318-327

*Henderson, "The Effects of Urban Concentration on Economic Growth."
<http://papers.nber.org/papers/W7503>

VII. Agriculture 329-331*

VIII. Income Distribution 375-381*

A. The Impact of Development on Income Distribution 382-386, 387-400*

*Higgins and Williamson, "Explaining Inequality the World Round: Cohort Size, Kuznets Curves, and Openness." <http://papers.nber.org/papers/W7224>

B. The Impact of Income Distribution on Development 401-403, 404-408*

*Forbes, Kristin J. "A Reassessment of the Relationship Between Inequality and Growth." *American Economic Review* 90(4), September 2000, pp. 869-887.

Barro, "Inequality, Growth, and Investment." <http://papers.nber.org/papers/W7038>

C. Case Studies 409-420*

IX. Political Economy 421-425*

A. The (Proper) Role of the State in Less Developed Countries 426-433

B. Rent Seeking and Government Failure 434-441*, 446-470*

C. State Capacity 471-475, 476-515*

X. Development and the Environment 517-530*, 531-534, 544-559