

BA seminar “Development Economics”

Dr. Svenja Flechtner

Summer term 2017

OVERVIEW AND GOALS: This course introduces the subfield of development economics from an encompassing and pluralist perspective. It is the goal of this course to familiarize students with basic concepts, theories and discourses of the economics of economic and human development. Students will be familiar with the history of development economics and development policy and be able to discuss and assess different approaches critically.

REQUIREMENTS AND GRADING: Active participation during the course is required and accounts for 25% of the final grade. The remaining 75% are attributed through the following assignments:

Assignment 1 (due 20 March 2017): 15%

Assignment 2 (due 15 May/ 31 May): 15%

Final assignment: 45%

COURSE OUTLINE AND LITERATURE

Required reading = literature all students need to read, either during the course, in preparation of a session or for an assignment (as indicated)

Further reading = sources used during the course, and/or recommendations for those who are interested to learn more.

Friday, 03.03.2017, 14:00-17:30

0	Introduction to the course and organizational matters	
1	What is ‘development’?	
	<i>Required reading</i>	Peet, Richard & Hartwick, Elaine (2015): <i>Theories of Development. Contentions, Arguments, Alternatives</i> , New York/London: Guilford Press. Chap. 1: “Introduction: Growth versus Development”, pp. 1-5. Ziai, Aram (2016): <i>Development Discourse and Global History. From colonialism to the sustainable development goals</i> , Abingdon/New York: Routledge. Chap. 5: “The concept of ‘development’ and why it should be abandoned.”
	<i>Further reading</i>	Sen, Amartya (1999): “Entwicklung als Freiheit”, in Karin Fischer, Gerald Hödl & Wiebke Sievers (eds), <i>Klassiker der Entwicklungstheorie: Von Modernisierung bis Post-Development</i> , Wien: Mandelbaum, pp. 281-291.
2	Measuring and comparing ,development‘	
	<i>Required reading</i>	-
	<i>Further reading</i>	Cypher, James M. (2014): <i>The Process of Economic Development</i> , London/New York: Routledge. Chap. 2: “Measuring economic growth and development”. Peet & Hartwick (2015), pp. 6-16. Todaro, Michael P. & Smith, Stephen C. (2011): <i>Economic Development</i> , Harlow/UK et al.: Pearson. Chap. 1: “Introducing Economic Development: A Global Perspective” & chap. 2: “Comparative Economic Development”.

Saturday, 04.03.2017, 10:00-16:00

3	History of development theories and policies	
<i>Required reading (during group work)</i>	<p>Cypher, James M. (2014): chap. 5: "Developmentalist theories of economic development", chap. 6: "Heterodox theories of economic development", chap. 7: "The state as a potential agent of transformation".</p> <p>Rodrik, Dani (2006): "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's <i>Economic Growth in the 1990s: Learning from a Decade of Reform</i>", <i>Journal of Economic Literature</i> 44(4), 973-987.</p>	
<i>Further reading</i>	<p>Peet & Hartwick (2015), chap. 2-5</p> <p>Frank, André Gunter (1966): "Die Entwicklung der Unterentwicklung", in Karin Fischer et al., pp. 148-167.</p> <p>Myrdal, Gunnar (1957): "Ökonomische Theorie und unterentwickelte Regionen", in Karin Fischer et al., 73-89.</p> <p>Prebisch, Raúl (1964): "Für eine bessere Zukunft der Entwicklungsländer", in Karin Fischer et al., 131-146.</p> <p>Rosenstein-Rodan, Paul N. (1944): "Die international Entwicklung ökonomisch rückständiger Gebiete", in Karin Fischer et al., 27-39.</p> <p>Rostow, Walt W. (1960): "Die fünf Wachstumsstadien – eine Zusammenfassung", in Karin Fischer et al., 40-52.</p> <p>Stiglitz, Joseph E. (2008): "Is there a Post-Washington Consensus Consensus?", in Nancis Serra & Joseph E. Stiglitz (eds), <i>The Washington Consensus Reconsidered. Towards a New Global Governance</i>, Oxford: Oxford University Press, 41-56.</p>	

Friday, 31.03.2017, 14:00-17:30

4	Trade, growth, and development	
<i>Case Study Literature</i>	<p>limi, Atsushi (2007): "Escaping from the Resource Curse: Evidence from Botswana and the Rest of the World", <i>IMF Staff Papers</i> 54(4).</p> <p>Larsen, Erling Røed (2004): "Escaping the Resource Curse and the Dutch Disease? When and Why Norway Caught up with and Forged ahead of its Neighbours", <i>American Journal of Economics and Sociology</i> 65(3), 605-640.</p> <p>Sala-i-Martin, Xavier & Subramanian, Arvind (2003): "Addressing the Natural Resource Curse: An Illustration from Nigeria", <i>Journal of African Economics</i> 22(4), 570-615.</p>	
<i>Further Reading</i>	<p>Blattman, Christopher, Hwang, Jason & Williamson, Jeffrey G. (2007): "Winners and losers in the commodity lottery: The impact of terms of trade growth and volatility in the Periphery 1870-1939", <i>Journal of Development Economics</i> 82, 156-179.</p> <p>Chang, Ha-Joon (2007): <i>Bad Samaritans</i>, London: Random House. Chap. 3: "My six-year-old son should get a job", 65-83.</p> <p>Chang, Ha-Joon (2003): <i>Kicking Away the Ladder. Development Strategy in Historical Perspective</i>, London: Anthem Press.</p> <p>Reinert, Erik (2007): <i>How Rich Countries Got Rich . . . and Why Poor Countries Stay Poor</i>, New York: Public Affairs.</p> <p>Rodrik, Dani (2007): <i>One Economics, Many Recipes: Globalization, Institutions, and Economic Growth</i>, Princeton: Princeton University Press. Chap. 8: „The Global Governance of Trade as if Development Really Mattered“, 213-236.</p> <p>Rodrik, Dani (2011): <i>The Globalization Paradox</i>, New York: W. W. Norton & Company.</p> <p>Rodrik, Dani & Rodríguez, Francisco (2000), "Trade Policy and Economic Growth: A skeptic's Guide to the Cross-National Evidence", <i>NBER Macroeconomics Annual</i> 15.</p> <p>Selwyn, Benjamin (2014): <i>The Global Development Crisis</i>. Cambridge: Polity Press.</p>	

Saturday, 01.04.2017, 10:00-16:00

5	Inequality
<i>Required reading (during course)</i>	<p>Berik, Günseli, van der Meulen Rodgers, Yana & Seguino, Stephanie (2009): "Feminist Economics of Inequality, Development, and Growth", <i>Feminist Economics</i> 15(3), 1-33.</p> <p>Duflo, Esther (2012): "Women Empowerment and Economic Development", <i>Journal of Economic Literature</i> 50(4), 1051-1079.</p>
<i>Further reading</i>	<p>Ferreira, Francisco H.G. & Gignoux, Jérémy (2011): "The Measurement of Inequality of Opportunity: Theory and an Application to Latin America", <i>Review of Income and Wealth</i> 57(4), 622-657.</p> <p>Marteletto, Leticia J. (2012): "Educational Inequality by Race in Brazil, 1092-2007: Structural Changes and Shifts in Racial Classification", <i>Demography</i> 49(1), 337-358.</p> <p>Roemer, John E. (1998): <i>Equality of Opportunity</i>, Cambridge/London: Harvard University Press.</p> <p>Todaro & Smith (2011), chap. 5.</p>
6	A short discussion of behavioural approaches
<i>Required reading</i>	-
<i>Further reading</i>	<p>Beaman, Lori, Duflo, Esther, Pande, Rohini & Topalova, Petia (2012): "Female Leadership Raises Aspirations and Educational Attainments for Girls: A Policy Experiment in India", <i>Science</i> 335(6068), 582-586.</p> <p>Bernard, Tanguy, Dercon, Stefan, Orkin, Kate & Taffesse, Alemayehu Seyoum (2014): "The Future in Mind: Aspirations and Forward-Looking Behaviour in Rural Ethiopia", Paper presented at the World Bank ABCDE Conference 2014, 3rd June 2014.</p> <p>Duflo, Esther (2006): "Poor but Rational?", in Abhijit V. Banerjee, Roland Bénabou & Dilip Mokherjee (eds), <i>Understanding Poverty</i>, Oxford & New York: Oxford University Press, 367-378.</p> <p>Duflo, Esther, Kremer, Michael & Robinson, Jonathan (2011): "Nudging Farmers to Use Fertilizer: Theory and Experimental Evidence from Kenya", <i>American Economic Review</i> 101(6), 2350-2390.</p> <p>Dupas, Pascaline & Robinson, Jonathan (2013): "Why Don't the Poor Save More? Evidence from Health Savings Experiments", <i>American Economic Review</i> 103(4), 1138-1171.</p> <p>Kahneman, Daniel (2011): <i>Thinking, Fast and Slow</i>, London et al.: Allen Lane. [also available in German].</p> <p>Thaler, Richard T. (2015): <i>Misbehaving: The Making of Behavioral Economics</i>, New York: W. W. Norton & Company.</p> <p>World Bank (2015): <i>World Development Report 2015: Mind, Society and Behavior</i>. Washington D.C.: World Bank.</p>

Friday, 20.04.2017, 14:00-17:30

7	Institutions	
	<i>Required reading</i>	Acemoglu, Daron (2007): <i>Introduction to Modern Economic Growth</i> , Princeton: Princeton University Press. Chap. 4: „Fundamental Determinants of Differences in Economic Performance“.
	<i>Further reading</i>	<p>Acemoglu, Daron, Naidu, Suresh, Restrepo, Pascual & Robinson, James A. (2017): “Democracy does cause Growth”, forthcoming in <i>Journal of Political Economy</i>.</p> <p>Acemoglu, Daron & Robinson, James A. (2006): <i>Economic Origins of Dictatorship and Democracy</i>, Cambridge: Cambridge University Press.</p> <p>Chang, Ha-Joon (2011): “Institutions and economic development: theory, policy and history”, <i>Journal of Institutional Economics</i> 7(4), 473-498.</p> <p>Collier, Paul (2008): <i>The Bottom Billion. Why the poorest countries are failing and what can be done about it</i>, Oxford: Oxford University Press.</p> <p>Easterly (2008): “Institutions: Top Down or Bottom Up?”, <i>American Economic Review, Papers & Proceedings</i> 98(2), 95-99.</p> <p>Flechtner, Svenja & Panther, Stephan (2017): „Global and domestic inequalities and the political economy of the middle-income trap“, Working Paper.</p> <p>Kelsall, Tim (2008): “Going with the Grain in African Development?”, <i>Development Policy Review</i> 26(6), 627-655.</p> <p>Przeworski, Adam (2000): <i>Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990</i>, Cambridge: Cambridge University Press.</p> <p>Przeworski, Adam (2005); “Democracy and Economic Development”, in Edward D. Mansfield & Richard Sisson (eds), <i>The evolution of political knowledge. democracy, autonomy, and conflict in comparative and international politics</i>, Columbus: Ohio State University Press, 300-324.</p> <p>Rodrik, Dani, Subramanian, Arvind & Trebbi, Francesco (2004): “Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development”, <i>Journal of Economic Growth</i> 9, 131-165.</p>

Saturday, 21.04.2017, 10:00-15:00

8	Development Aid	
	<i>Further reading</i>	<p>Banerjee, Abhijit and Duflo, Esther (2006): “Addressing Absence”, <i>Journal of Economic Perspectives</i> 20(1), 117-132.</p> <p>Burnside, Craig & Dollar, David (2000): “Aid, Policies, and Growth”, <i>American Economic Review</i> 90(4), 847-868.</p> <p>Clemens, Michael, Radelet, Steven, Bhavnani, Rikhil (2004/2011): “Counting chicken when they hatch: The short term effect of aid on growth”, Center for Global Development, Working Paper no. 44.</p> <p>Easterly, William (2003): “Can Foreign Aid Buy Growth?”, <i>Journal of Economic Perspectives</i> 17(3), 23-48.</p> <p>Easterly, William (2010): <i>The White Man’s Burden. Why the West’s Efforts to Aid the Rest have done so much ill and so little good</i>, Oxford: Oxford University Press.</p> <p>Easterly, William, Ross, Levine & Roodman, David (2004): “Aid, Policies, and Growth: Comment”, <i>American Economic Review</i> 94(3), 774-780.</p> <p>Kvangraven, Ingrid H. (2016): “Philanthropy in Development: Undermining Democracy?”, <i>Developing Economics</i>, 16.10.2016.</p>

	<p>Miguel, Edward and Kremer, Michael (2004): "Worms: Identifying Impacts on Education and Health in the Presence of Treatment Externalities", <i>Econometrica</i> 72(1), 159-217.</p> <p>Moss, Todd, Pettersson, Gunilla & van de Walle, Nicolas (2006): "An Aid-Institutions Paradox? A Review Essay on Aid Dependency and State Building in Sub-Saharan Africa", Center for Global Development, Working Paper no. 74.</p> <p>Moyo, Dambisa (2010): <i>Dead Aid: Why aid is not working and how there is another way for Africa</i>, London: Penguin Books.</p> <p>Rajan, Raghuram G. & Subramanian, Arvind (2005): "Aid and Growth: What does the cross-country evidence really show?", NBER Working Paper No. 11513.</p> <p>Sachs, Jeffrey D. (2006): <i>The End of Poverty. Economic Possibilities for Our Time</i>, New York: Penguin Books.</p> <p>Sachs, Jeffrey D. (2014): "The Case for Aid", <i>Foreign Policy</i> 21.01.2014.</p>
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