

University of California, Berkeley
Department of Economics

Spring Semester 2007
Professor Pranab Bardhan
Phone:2-4527
office: 625 Evans
office hours: Tuesdays 10-11:30AM
e-mail: bardhan@econ

ECONOMICS 173 SEMINAR ON ECONOMIC DEVELOPMENT

Course Requirements

(a) **Two** topics from the following list that will be assigned to you for **presentation** in class; (b) active participation in class discussion; and (c) a **term paper** (of not more than 20 double spaced typed pages) on **one** of the presentation topics. Weights in the course grade will be 40% on (a), 20% on (b) and 40% on (c). (If you cannot make it to quite a few of the class discussions, this course is not for you). No final exam. The term paper is due definitely by **May 8**. Prerequisite for the course: Econ 171 (or some equivalent of a general course on economic development) or consent of instructor (in special cases).

Books

It is not absolutely necessary to purchase any books for the course. But the following books may serve as important general reading:

1. Debraj Ray, Development Economics, Princeton University Press, 1998.
2. Pranab Bardhan and Christopher Udry, Development Microeconomics, Oxford University Press, 1999 (paperback).
3. Handbook of Development Economics, vols. 1, 2, and 3, Elsevier Publishers, available on line by going to the Berkeley Library Path Finders site <http://sunsite5.berkeley.edu:8000/>
4. World Bank, World Development Report, Oxford University Press, recent years (paperback).
5. A. Banerjee, R. Benabou and D. Mookherjee (eds.), Understanding Poverty, Oxford University Press, 2006.

Topics

Some very general topics to be discussed in class are indicated below. You may choose a sub-topic within the general area for your term paper. The emphasis should be on economic ANALYSIS (i.e. using tools and concepts you have learned in your study of economics), NOT on descriptive accounts. You may draw upon specific country examples, but the term paper should NOT be exclusively on the development experience of any particular country. The references cited below under each topic are deliberately incomplete (to encourage you to do some literature search yourself) and at best suggestive

(you are entirely at liberty to not follow the references cited and to draw upon alternative readings). All books and articles in this reading list should be on 2-hour reserve at the Moffitt Library Reserve Desk.

**A. Impact of Globalization (including Policies of International Trade and Finance)
February 5**

1. World Development, August 2006.
2. Dani Rodrik, The New Global Economy and Developing Countries: Making Openness Work, Overseas Development Council, Washington DC, 1999.
3. Dani Rodrik, in J. Behrman and T.N. Srinivasan (eds.), Handbook of Development Economics, vol.3B, chapter 45.
4. D. Ray, Development Economics, Chapter 17.
5. S. Collins and C. Graham (eds.) Globalization, Poverty, and Inequality, Brookings Trade Forum 2004, Brookings Institution Press (articles by Ravallion, Goldberg and Pavcnik, and Bardhan)
6. Barry Eichengreen, Capital Flows and Crisis, MIT Press, 2003.

B. Technology Transfers and Foreign Investment / February 12

1. G. Helleiner, in H.B.Chenery and T.N. Srinivasan (eds.), Handbook of Development Economics, vol.2, chapter 27.
2. Kamal Saggi, "Trade, Foreign Direct Investment and International Technology Transfer: A Survey", [go to the World Bank website: <http://www.worldbank.org/research/> then click on "International Economics" and there search for the author's name]
3. A. Harrison, "Determinants and Effects of Direct Foreign Investment in Cote d'Ivoire, Morocco and Venezuela", in M.Roberts and J.Tybout (eds.), Industrial Evolution in Developing Countries, Oxford University Press, 1996.
4. A. Panagariya, "TRIPS and the WTO: An Uneasy Marriage", in the website: <http://www.bsos.umd.edu/econ/Panagariya/song/tripswto2.pdf>
5. C. Fink and K. E. Maskus (eds.), Intellectual Property and Development, Oxford University Press, 2005.

C. International Labor Standards (including those for Child Labor) /February 26

1. K. Basu, "Child Labor: Cause, Consequence and Cure", Journal of Economic Literature, September 1999.
2. T.N. Srinivasan, "International Trade and Labor Standards from an Economic Perspective", in P. van Dijck and G.Faber (eds.), Challenges to the New World Trade Organization, Kluwer, 1996.
3. A. Deardorff, D.K. Brown, and R. M. Stern, "International Labor Standards and Trade: A Theoretical Analysis" in J. Bhagwati and R. E. Hudec (eds.), Fair Trade and Harmonization, MIT Press, 1996.
4. R. Freeman and K. Elliott, Can Labor Standards Improve under Globalization? Institute of International Economics, 2003.
5. D.K.Brown, "Labor Standards", Journal of Economic Perspectives, Summer 2001.

6. E. V. Edmonds and N. Pavcnik, "Child Labor in the Global Economy", Journal of Economic Perspectives, 19(1), 2005.
7. C. Udry, Ch. 16 in A. Banerjee, R. Benabou and D. Mookherjee (eds.) Understanding Poverty.

D. Issues in Poverty Alleviation/March 5

1. M. Lipton and M. Ravallion in J. Behrman and T.N. Srinivasan (eds.), Handbook of Development Economics, vol. 3B, chapter 41.
2. P. Bardhan and C. Udry, Development Microeconomics, Oxford University Press, chapter 11.
3. J. Dreze and A. Sen, Hunger and Public Action, Oxford University Press, 1989.
4. D. van de Walle and K. Nead (eds.), Public Spending and the Poor: Theory and Evidence, Johns Hopkins University Press, 1995.
5. World Development Report 2000, 2004 World Bank.
6. D. Ray, Development Economics, chapter 8.
7. Chapters 14 and 15 in A. Banerjee, R. Benabou and D. Mookherjee (eds.), Understanding Poverty.

E. Credit Market Imperfections and Policy (including the Micro-credit Movement) / March 12

1. J. Morduch, "The Microfinance Promise", Journal of Economic Literature, December 1999.
2. M. Ghatak and T.W. Guinnane, "The Economics of Lending with Joint Liability: Theory and Practice", Journal of Development Economics, October 1999.
3. The Economist, November 5, 2005, special survey.
4. D. Ray, Development Economics, chapter 14.
5. B. Armendariz de Aghion and J. Morduch, The Economics of Microfinance, MIT Press, 2005.
6. Chapter 23 in A. Banerjee, R. Benabou and D. Mookherjee (eds.), Understanding Poverty.

F. Agricultural Transformation / March 19

1. P. Timmer in H. Chenery and T.N. Srinivasan (eds.), Handbook of Development Economics, vol. 1, chapter 8.
2. H. Binswanger, K. Deininger, and G. Feder in J. Behrman and T.N. Srinivasan (eds.), Handbook of Development Economics, vol. 3B, chapter 42.
3. I. Adelman, World Development, September 1984.
4. J.M. Rao and J.M. Caballero, World Development, June 1990.
5. Chapter 8 in A. Banerjee, R. Benabou and D. Mookherjee (eds.), Understanding Poverty.

G. Population / April 2

1. N. Birdsall in H. Chenery and T.N. Srinivasan (eds.), Handbook of Development Economics, vol. 1, chapter 12.
2. P. Dasgupta, "The Population Problem: Theory and Evidence", Journal of Economic Literature, December 1995.
3. A. Sen, The New York Review of Books, September 22, 1994.
4. D. Ray, Development Economics, chapter 9.
5. P. Bardhan and C. Udry, Development Microeconomics, chapter 3.

6. Chapters 9 and 10 in A. Banerjee, R. Benabou and D. Mookherjee (eds.), Understanding Poverty

H. Rural-urban Interaction (including Migration) / April 9

1. H. Chenery and T.N. Srinivasan, Handbook of Development Economics, vol. 1, chapter 7.
2. D. Ray, Development Economics, chapter 10.
3. P. Bardhan and C. Udry, Development Microeconomics, chapter 5.

I. State and Development (Including Liberalization and Privatization) / April 16

1. World Development Report, World Bank, 1997, 2003.
2. Symposium on the state and economic development in Journal of Economic Perspectives, Summer 1990.
3. P. Evans, Embedded Autonomy, Princeton University Press, 1995.
4. J. Stiglitz in A. Heertje (ed.), The Economic Role of the State, Blackwell, 1989.
5. A. Shleifer, "State versus Private Ownership", NBER working paper no. 6665, 1998 from the website: <http://www.nber.org/papers/w6665>
6. B. Pleskovic and J. Stiglitz (ed.), Annual World Bank Conference on Development Economics, 1997, section on Incentives and Performance in Public Organization.
7. Chapter 19 in A. Banerjee, R. Benabou and D. Mookherjee (eds.) Understanding Poverty.

J. Corruption / April 23

1. P. Bardhan, "Corruption and Development: A Review of Issues", Journal of Economic Literature, September 1997.
2. S. Rose-Ackerman, Corruption and Government: Causes, Consequences and Reform, Cambridge University Press, 1999.
3. B. Pleskovic and J. Stiglitz (ed.), Annual World Bank Conference on Development Economics, 1997, section on Corruption.
4. World Development, February 2006.

K. Gender Issues in Development / April 30

1. Symposium in World Development, July 2000, and July 1989.
2. G. Hart, "Gender and Household Dynamics: Recent Theories and their Implications", in M.G. Qubria (ed.), Critical Issues in Asian Development, Oxford University Press, 1995.
3. I. Tinker (ed.), Persistent Inequality: Women and World Development, Oxford University Press, 1990.
4. Human Development Report 1999, Oxford University Press.

L. Environment and Development / May 7

1. P. Bardhan and C. Udry, Development Microeconomics, chapter 13.
2. J.M. Baland and J.P. Platteau, Chapter 4, Handbook of Environmental Economics.
3. P. Dasgupta and K.G. Maler in J. Behrman and T.N. Srinivasan (eds.), Handbook of Development Economics, vol. 3A, chapter 39.
4. P. Bardhan, "Analytics of the Institutions of Informal Cooperation in Rural Development", World Development, April 1993.

5. World Development Report, 1992, World Bank.
6. S. Dasgupta et al, "Confronting the Environmental Kuznets Curve", Journal of Economic Perspectives, Winter 2002.