

COURSE SYLLABUS

August 2008

Course Description: Two-thirds of the world's people live in so-called "developing countries" under conditions grossly different from those in the richer industrialized countries. We survey and consider the empirical evidence on the leading theories of growth and development. We also study select microeconomic issues that are prevalent in the developing countries.

Instructor: Pham Hoang Van; Cashion 301.1; 710-3521; van.pham@baylor.edu; Office Hours: MW 9:00A-12:00 noon and by appointment.

Course Webpage: Course materials will be posted on Blackboard.

Readings: We will be reading and discussing research papers that are downloadable through J-Stor from any Baylor computer. We will also be reading excerpts from books available on reserve at Moody Library.

On Reserve: The following are available on two-hour reserve at Moody Library:

- Henry Y. Wan Jr., *Economic Development in a Globalized Environment*, Springer, 2005
- William Easterly, *The Elusive Quest for Growth*, MIT Press, 2001.
- Joseph E. Stiglitz, *Globalization and Its Discontents*, W.W. Norton, 2002.
- Dani Rodrik, *Has Globalization Gone Too Far?*, Institute for International Economics, 1997.
- Michael P. Todaro, *Economic development*, 7th edition, Addison Wesley, 2000.
- The World Bank, *World Development Report* (latest issue).
- United Nations Development Program, *Human Development Report* (latest issue).

Grading: Course grades (A, B+, B, C+, C, D, F) are based on the following allocations:

1. In-class writings, homeworks, and participation:	30%
2. Exam #1 (Oct.1):	20%
3. Exam #2 (Nov.5):	20%
4. Final Exam (Dec.12, 9:00A):	30%
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TOTAL	100%

Attendance: Baylor University policy states that students must attend at least 75% of class meetings. Failure to do so can result in a failing grade.

Special Needs: Students with disabilities who request academic accommodations are required to register with the Office of Access and Learning Accommodation (OALA): 254-710-3605.

Outline of Topics

1. Overview (1)
2. Growth (Basics)
 - Solow Model (2)
 - Robert Solow (1956) “A Contribution to the Theory of Economic Growth,” *Quarterly Journal of Economics*, vol. 70, no. 1.
 - N. Gregory Mankiw, David Romer, and David Weil (1992) “A Contribution to the Empirics of Economic Growth,” *Quarterly Journal of Economics*, vol. 107, no. 2, 407-37.
 - Growth Accounting (2)
 - Robert Solow (1957) “Technical Change and the Aggregate Production Function,” *Review of Economics and Statistics*, vol. 39, August.
 - Paul Krugman (1994) “The Myth of Asia’s Miracle,” *Foreign Affairs*, November/December.
 - Alwyn Young (1995) “The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience,” *Quarterly Journal of Economics*, vol. 110, pp. 641-680.
 - Jong-Il Kim and Laurence Lau (1994) “The Sources of Economic Growth of the East Asian Newly Industrialized Countries,” *Journal of the Japanese and International Economies*, vol. 8, pp. 235-71.
 - Chang-Tai Hsieh (2002) “What Explains the Industrial Revolution in East Asia? Evidence from Factor Markets,” *American Economic Review*, Vol. 92, No. 3, pp. 502-526.
 - Pham Hoang Van and Henry Wan, Jr. (1997), “Interpreting East Asian Growth,” in *Dynamics, Economic Growth, and International Trade*, Bjarne Jensen and Kar-yiu Wong (eds.), University of Michigan Press, pp. 265-86.
3. The Role of International Trade
 - Motivational Evidence on Trade and Growth (1)
 - Jeffrey A. Frankel and David Romer, “Does Trade Cause Growth?” *American Economic Review*, Vol. 89, No. 3 (Jun., 1999), pp. 379-399.
 - Catching Up model (Wan, Ch. 1) (2)
 - Product Cycle (1)
 - R. Vernon (1966) “International Investment and International Trade in the Product Cycle,” *Quarterly Journal of Economics*, vol. 80, pp. 190-207.
 - P. Krugman (1979) “A Model of Innovation, Technology Transfer, and the World Distribution of Income,” *Journal of Political Economy*, vol. 87, no. 2., pp. 253-66.
 - Trade Liberalization, Technology Change and the Retail Platform (2)
 - Emek Basker and Pham Hoang Van (2008) “Imports ‘Я’ Us: Retail Chains as Platforms for Developing-Country Imports.” working paper.
 - Emek Basker and Pham Hoang Van (2008) “Putting a Smily Face on the Dragon: Wal-Mart as Catalyst to U.S.-China Trade” working paper.
 - Evidence (2)

– East Asian Countries Case Studies (Wan Ch. 7-11)

4. Geography and Institutions (3)

- Jeffrey D. Sachs (2001) "Tropical Underdevelopment," NBER Working Paper No. 8119.
- Dani Rodrik, Arvind Subramanian, Francesco Trebbi (2002) "Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development" NBER Working Paper No. 9305.
- Daron Acemoglu, Simon Johnson and James A. Robinson (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation," Vol. 91, No. 5 (Dec., 2001), pp. 1369-1401.
- Nathan Nunn (2008), "The Long-Term Effects of Africa's Slave Trades," Quarterly Journal of Economics. (Also available as NBER Working Paper No. 13367).

5. Corruption (2)

- Paolo Mauro (1995) "Corruption and Growth," Quarterly Journal of Economics, Vol. 110, No. 3 (Aug., 1995), pp. 681-712.

6. Inequality (2)

- Simon Kuznets (1955) "Economic Growth and Income Inequality," American Economic Review, vol. 45, pp. 1-28.
- W. A. Lewis (1954) "Economic Development with Unlimited Supplies of Labor," The Manchester School, vol. 28.

7. Credit/MicroCredit (2)

- A. Greif (1993) "Contract Enforceability and Economic Institution in Early Trade: The Maghribi Traders Coalitions," American Economic Review, June.
- J. Morduch (1999) "The Microfinance Promise," Journal of Economic Literature, vol 36, no. 4.

8. Land (1)

- A. Braverman and Joseph Stiglitz (1982) "Sharecropping and the Interlinking of Agrarian Markets," American Economic Review, vol. 72.

9. Labor (2)

- Kaushik Basu and Pham Hoang Van (1998) "The Economics of Child Labor," American Economic Review, vol. 88, no. 3, 1998, pp. 412-27.
- Pham Hoang Van (Forthcoming) "Dutch Disease in the Labor Market: Women's Work and Industrialization," Review of Development Economics. (Also available from my web page).