

**440.622 Economic Development and Growth**  
Johns Hopkins University, Fall 2007

**Professor:** Anna Fruttero  
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**Time and Location:** Mondays 6:00-8:45

**Course Requirements and weights**

1. Midterm, October 15th - 50 %
2. In-class exercises - 25 % . There will be two one-hour and a half long in-class exercises between November 5th and November 26th. Only one of the two will be graded and you will be the one to choose which one. If you will not be present for either of the two you will be assigned a point equal to the minimum obtained from the other students.
3. Short paper - 25 %. The paper has to be on a topic of interest related to the class.  
Max 10 pages. It will have to include an introduction, data sources and description, methods of analysis, and results. Due November 26th.  
During the classes of December 3rd and December 10th each student will be given 15 minutes to present his/her project.

**I. Characteristics of Development.** An overview of the aim and issues at the core of development economics. A brief history of development policy and experience. A look at the data.

1. Besley, Timothy and Robin Burgess [2003], "Halving Global Poverty", *Journal of Economic Perspective*, 17(3), 3-22.
2. Ray, Debraj [1998], *Development Economics*, Chapters 1 and 2, Princeton University Press.

**II. Growth: factor accumulation.** Neoclassical growth model: the theory and the evidence.

1. Ray, Debraj [1998], *Development Economics*, Chapters 3, Princeton University Press.
2. Banerjee, Abhijit and Esther Duflo [2004], "Growth theory through the lens of development economics", MIT Department of Economics Working Paper No. 05-01.
3. Islam, Nuzrul [1995], "Growth Empirics: A Panel Data Approach". *Quarterly Journal of Economics*, 111, 1127-70.

4. Mankiw, Gregory, David Romer and David Weil [1992], "A Contribution to the Empirics of Economic Growth" *The Quarterly Journal of Economics*, Vol. 107, No. 2.
5. Sachs, Jeffrey, John W. McArthur, Guido Schmidt-Traub, Margaret Kruk, Chandrika Bahadur, Michael Faye and Gordon McCord [2004], "Ending Africa's Poverty trap" *Brookings Papers on Economic Activity*.

**III. Growth: endogenous growth.** Role of technology and externalities in human capital formation, financial development and trade.

1. Ray, Debraj [1998], *Development Economics*, Chapter 4, Princeton University Press.
2. Aghion, Philippe and Peter Howitt [1998], *Endogenous growth Theory*. Chapters 1 and 2, MIT Press.
3. Aghion, Philippe, Peter Howitt and David Mayer-Foulkes [2003], Effect of Financial Development on Convergence: Theory and Evidence, mimeo Harvard University.

**IV. Poverty and Inequality.** Definition and measures of poverty and inequality.

1. Ray, Debraj [1998], *Development Economics*, Chapters 6, Princeton University Press.
2. Bourguignon, Francois [2001], "The pace of economic growth and poverty reduction", mimeo, Delta University.
3. Bourguignon, Francois and S. Chakravarty [2002], "The measurement of multi-dimensional inequality", *Journal of Economic Inequality*.
4. Bourguignon, Francois and C. Morrison [2001], "The distribution of income among world citizens: 1820-1992", *American Economic Review*.
5. Deininger, Klaus and Lyn Squire [1998], "New ways of looking at old issues: inequality and growth", *Journal of Development Economics*, 57, 259-87.
6. Dollar, David and Aart Kraay [2000], 'Growth is good for the poor', Development Research Group The World Bank.
7. World Bank [2000], *Attacking poverty*, Chapter 1 and 3, World Development Report 2000/2001, Oxford University Press.

**V. Pro-poor growth.**

1. Lopez, Humberto, "Pro Growth, Pro Poor: is there a Trade-off?", Policy Research Working Paper 3378. World Bank, Washington DC.
2. Perry, Guillermo et al [2007] "Poverty Reduction and Growth: Virtuous and Vicious Circles", The World Bank, Washington DC.
3. Ravallion, Martin [2004], "Pro-Poor Growth: A Primer", Policy Research Working Paper 3242. World Bank, Washington DC.

**VI. Institution and Economic Performance.** What are institutions and how they shape the pattern of development.

1. Acemoglu, Daron, Simon Johnson and James A. Robinson [2001], "The Colonial Origins of Comparative Development: And Empirical Investigation", *American Economic Review*; 91(5), 1369-1401.
2. Easterly, William and Ross Levine [1997], "Africa's growth Tragedy: Policies and ethnic Divisions", *Quarterly Journal of Economics*, 107, 1203-1250.
3. Glaeser, Edward L., Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer [2004], "Do Institutions Cause Growth?", mimeo Harvard University.
4. Hall, Robert and Charles Jones [1999], "Why do some countries produce so much more output per worker than others?" *Quarterly Journal of Economics*, vol 114, 83-116.
5. Shleifer, Andrei, K. M. Murphy and R. W. Vishny [1991], "The Allocation of Talent: Implications for Growth" *Quarterly Journal of Economics*.

**VII. Governance.** Good government as a key element of effective development. Evidence on corruption and its effect on development.

1. Acemoglu, Daron and James Robinson [2002], "Economic Backwardness in Political Perspective" NBER Working paper 8831
2. Easterly, William [2001], *The elusive quest for growth*, Chapter 12, MIT Press.
3. Knack, Stephen, and Philip Keefer [1995], "Institutions and Economic Performance: Cross-country tests using Alternative Institutional Measures," *Economics and Politics*, Vol. 7, No. 3, 207-228.
4. Mauro, Paolo [1995], "Corruption and growth", *Quarterly Journal of Economics* 110, no 3.
5. Triesman, Daniel [2000], "The Causes of Corruption: A Cross National Study", *Journal of Public Economics*, 76, 399-457.

**VIII. Impact Evaluation.** Tools for development economists.

1. Duflo, Esther and Michael Kremer [2003], "Use of Randomization in the Evaluation of Development Effectiveness", mimeo MIT.
2. Duflo, Esther [2003], "Scaling Up and Evaluation", mimeo MIT.

**IX. Education.** Educational outcomes and development strategies.

1. Case, Anne and Angus Deaton [1999], "School Inputs and educational Outcomes in South Africa", *Quarterly Journal of Economics*, 114(3), 1047-84.
2. Duflo, Esther [2001], "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment", *American Economic Review*, 91(4).
3. Krueger, Alan B. and Mikael Lindhal [2001], "Education for Growth: Why and for Whom", *Journal of Economic Literature*, 34(4), 1101-1136.
4. Kremer, Michael [2004], "Randomized Evaluations of Educational programs in Developing Countries: Some lessons", *American Economic Review*.

**X. Health.** Poor health as central to underdevelopment.

1. Deaton, Angus [2004], "Health in an age of globalization", mimeo, Princeton University.
2. Kremer, Michael and Edward Miguel [2004], "Worms: Identifying Impacts of Education and Health in the Presence of Treatment Externalities", *Econometrica*.
3. Hamoudi, Amar A. and Jeffrey D. Sachs [1999], "Economic Consequences of Health Status: A review of the Evidence", mimeo Harvard University.
4. Strauss, John and Duncan Thomas [1998], "Health, Nutrition and Economic Development", *Journal of Economic Literature*, 36(2), 766-817.

**XI. Migration and Remittances.** .

1. Adams, Richard and John Page. [2003], "International Migration, Remittances, and Poverty in Developing Countries", Policy Research Working Paper 3179. World Bank, Washington, DC.
2. Borjas, George J. [1987], "Self-Selection and Earnings of Immigrants", *American Economic Review*, 77(4) 531-53.
3. Borjas, George J. [1994], "The Economics of Immigration", *Journal of Economic Literature*, 32, 1667-1717.

**XII. International Aid.** How aid is delivered and how aid can be made more effective.

1. Alesina, Alberto and David Dollar [2000], "Who Gives Foreign aid to Whom?", *Journal of Economic Growth*, 5(1), 33-63.
2. Burnside, Craig and David Dollar [2000], "Aid, Policies and Growth", *American Economic Review*, 90(4), 847-868.
3. Svensson, Jacob [2003], "Why conditional aid doesn't work and what can be done about it?", *Journal of Development Economics*, 70(2).

**XIII. International Trade.** Importance of trade in a global economy.

1. Ray, Debraj [1998], *Development Economics*, Chapter 16, Princeton University Press.
2. Sundberg, Mark et al [2006], *Global Monitoring Report 2006 Strengthening Mutual Accountability: Aid, Trade Governance*, Chapter 3, The World Bank, Washington DC.