

Development Economics (prof. Perali)

Syllabus

Reference books are:

Development Economics, Debraj Ray;, Princeton University Press

Microdevelopment Economics by Pranab Bardhan and Christopher Udry;

Quantitative Development Economics by Alain De Janvry and Betty Soudolet.

Readings in the Theory of Economic Development edited by Dilip Mookherjee and Debraj Ray, Blackwell Publisher, 2001.

Extra teaching material is provided below.

An interesting site for the course by Banjee and Duflo: <http://pooreconomics.com/>

Students are asked to prepare a weekly homework. The grade will be based on the evaluation of a scientific term paper of not less than 15 pages excluding tables.

1. Economic Development and Growth: an introduction and selected topics

1.1 History and Development

- Income polarization and property rights
- History, property rights and development

1.2 Human capital, Social capital, education and growth

- The role of human and social capital
- Education, technological change and labor MKT
- Learning by doing, human capital and technical change

Suggested Readings

- Keefer, Philip & Knack, Stephen, 2000. "Polarization, politics, and property rights : links between inequality and growth," *Policy Research Working Paper Series 2418*, The World Bank.
- Acemoglu, Daron, Simon Johnson and James A. Robinson, 2001 "The Colonial Origins Of Comparative Development: An Empirical Investigation," *American Economic Review*, v91(5,Dec), 1369-1401.
- Focus-University of Wisconsin-Madison Research Center on Poverty, Vol.23, N.3 2005.
- David Autor, Lawrence Katz and Alan Krueger 1998. "Computing Inequality: Have Computers Changed the Labor Market?" *Quarterly Journal of Economics*, 113 (4), 1169-1214.
- John Maluccio & Lawrence Haddad & Julian May, 2000. "Social capital and household welfare in South Africa, 1993-98," *The Journal of Development Studies*, vol. 36(6), pages 54-81.
- Foster, Andrew D & Rosenzweig, Mark R, 1995. "Learning by Doing and Learning from Others: Human Capital and Technical Change in Agriculture," *Journal of Political Economy*, vol. 103(6), pages 1176-1209.
- Foster, Andrew D & Rosenzweig, Mark R, 1996. "Technical Change and Human-Capital Returns and Investments: Evidence from the Green Revolution," *American Economic Review*, vol. 86(4), pages 931-53.

2. Inequality, Poverty and Development

2.1 Inequality, poverty and human development

- Inequality, welfare and poverty measurement
- Multidimensional inequality, functionings and capabilities

2.1 Equality of opportunity, education and development

- The Roemer approach to EOp
- Inequality, growth and social mobility
- Democracy, education and social mobility

Suggested Readings

- Andrea Brandolini, 2008. "On applying synthetic indices of multidimensional well-being: health and income inequalities in selected EU countries," Economic working papers) 668, Bank of Italy, Economic Research Department.
- Dardanoni, V., Fields, G. S., Roemer, J. E. & Sanchez Puerta, M. L. (2006). How demanding should equality of opportunity be, and how much have we achieved? In S. Morgan, D. Grusky & G. S. Fields (Eds.), *Mobility and inequality: Frontiers of research from sociology and economics* (pp. 59-82). Palo Alto, CA: Stanford University Press. □ <http://digitalcommons.ilr.cornell.edu/articles/270/>
- Francisco Ferreira, 2010. "Distributions in motion: Economic growth, inequality, and poverty dynamics," Working Papers 183, ECINEQ, Society for the Study of Economic Inequality.
- Ferreira, Francisco H. G. & Walton, Michael, 2006. "Inequality of opportunity and economic development," Policy Research Working Paper Series 3816, The World Bank.
- Fernandez, Raquel & Rogerson, Richard, 1995. "On the Political Economy of Education Subsidies," *Review of Economic Studies*, vol. 62(2), pages 249-62.

3. Household Economics and Dual Sector Models

3.1 Household Economics

- Household models
- Household Enterprise and development

Suggested Readings

- Matteazzi, E. M. Menon, and F. Perali (2012): "The Collective Household Enterprise Model: A Simulation Analysis," DSE Working Paper, University of Verona, Italy.
- de Janvry, A., and E. Sadoulet (2006): "Progress in the Modeling of Rural Households' Behavior Under Market Failures," *Poverty, Inequality and Development. Essays in Honor of Erik Thorbecke*, edited by A. de Janvry and R. Kanbur, US: Springer.
- Haddad, L., J. Hoddinott and A. Alderman (eds.) (1997): "Intrahousehold Resource Allocation in Developing Countries: Models, Methods, and Policy," Johns Hopkins University Press, Baltimore MD, USA.

3.2 Dual Models: rural-urban migration

- Dual Economy
- Dualism and Migration

Suggested Readings

- Gustav Ranis and John C. H. Fei, 1961. "A Theory of Economic Development" *The American Economic Review*, Vol. 51, No. 4 pp. 533-565
- John R. Harris and Michael P. Todaro, 1970 Migration, Unemployment and Development: A Two-Sector Analysis. *The American Economic Review*, Vol. 60, pp. 126-142
- Marco G. Ercolani & Zheng Wei, 2010. "An Empirical Analysis of the Lewis-Ranis-FEI Theory of Dualistic Economic Development for China," Discussion Papers 10-06, Department of Economics, University of Birmingham.
- BJ Riadh, 2009 "Rural-Urban Migration: On The Harris-Todaro Model".- arab-api.org

4. Land and inequality: contracts and incentives,

4.1 Land reform and property rights

- Property rights on land and economic development
- Land reform, property rights and the Social Doctrine of the Church

4.2 Sharecropping, Risk and incentives

- Property rights and informational rents
- Land markets and contracts
- Sharecropping and risk sharing

Suggested Readings

- Avishay Braverman and Joseph E. Stiglitz, 1982 "Sharecropping and the Interlinking of Agrarian Markets" *American Economic Review*, Vol. 72, pp. 695-715
- Joseph E. Stiglitz, 1974 "Incentives and Risk Sharing in Sharecropping" *The Review of Economic Studies*, Vol. 41, No. 2 pp. 219-255.

5. Labor Market: Failures and efficiency

- Labor Market Failures Incomplete labor markets
- A Theory of Two-tier Labor Markets
- Inequality as a determinant of malnutrition and unemployment

6. Credit Markets

- Access to capital and Agrarian Organisation
- Transaction costs and agrarian institutions
- Credit rationing in developing countries

Suggested readings

- Mukesh Eswaran and Ashok Kotwal, 1986 "Access to Capital and Agrarian Production Organisation" *The Economic Journal*, 96, 482-498

- Macours, Karen, Alain, de Janvry, Elisabeth, Sadoulet, 2010. Insecurity of property rights and social matching in the tenancy market. *European Economic Review* 54, 880–899.

7. Impact evaluation of large development projects: the case study of the Jenin sustainable industrial area

- Guidelines for the Evaluation of Large Projects, 2010, European Commission.