Econ 366: Economic Development

Outline

This course is designed to provide a summary view of some of the main issues in economic development, using a historical and political economy perspective to enable an understanding of current economic realities. Students are encouraged to read widely: some readings are mentioned below (with important readings marked with an asterisk*) and others will be mentioned in class or suggested individually depending on students’ interests.

Evaluation will be based on response papers on material covered in classes (10%), 2 book reviews (30%), one long paper on a topic chosen by the student in consultation with me (30%) and an end-semester examination (30%).

Topics to be covered

I. What is development?
Different perceptions of development over time (economic, human, social). What are the differences between developed and underdeveloped/developing countries? How do they matter in the world economy today?

Read:
1. *Introduction to “The Elgar Handbook of Alternative Theories of Economic Development”, edited by Erik Reinert, Jayati Ghosh and Rainer Kattel
3. Sakiko Fukuda-Parr, ”The human development paradigm”, In Feminist Economics

II. How do countries develop? Why did some develop and not others?
Emulation and industrialisation, the significance of increasing and decreasing returns, uneven development, the creation of the global division of labour by the mid-20th century, colonialism and imperialism, patterns of trade and capital flows.

Read:
2. *Raj Patel and Jason Moore, “The history of the world in seven cheap things”
3. Amiya Kumar Bagchi, ”Some International Foundations of Capitalist Growth and Underdevelopment” Economic and Political Weekly 1972
4. Prabhat Patnaik, ” Marxist theory and the 'underdeveloped' economies”, in Reinert, Ghosh and Kattel eds, Elgar Handbook on Alternative Theories of Economic Development
III. The agrarian question
What was the classical agrarian question? Is it still valid? What does it require in terms of transforming agriculture and how does it relate to conflicts and concerns today?

Read:
1. *T. J. Byres – The agrarian question in Asia
2. *Henry Bernstein – Agrarian Questions Then and Now
3. Amit Basole – The agrarian question in India
5. Zhun Xu - Chinese agrarian change in world historical context

IV. The role of the state in economic development
The developmental state in East Asia (Japan, Korea, Taiwan); import substitution vs export promotion; market failures, state failures and rent-seeking.

Read:
1. *Chalmers Johnson – The developmental state – Odyssey of a concept
2. *Ziya Onis – The logic of the developmental state
5. *Ha-Joon Chang – Kicking away the ladder

V. The international architecture that shapes development
The Bretton Woods institutions (IMF and World Bank); the World Trade Organization; Free Trade Agreements, Economic Partnership Agreements, Bilateral Investment Treaties.

Read:
1. Graham Bird – The IMF and developing countries
2. *Jong-Il You – Bretton Woods institutions
3. *Martin Khor – Impasse at the WTO
5. Carlos Correa – The TRIPS agreement and developing countries
6. Trade and Development Report 2014, Chapters 4 and 5
VI. The impact of globalisation and neoliberalism
Trade and employment, fiscal austerity, international inequality, convergence or divergence.

Read:
1. *Joseph Stiglitz – Globalisation and its Discontents
2. Macmillan and Verduzco – Trade and employment
3. Branko Milanovic – Global inequality
4. Real World Economics Review – The Inequality Crisis, 2020
5. Walden Bello- Reading Piketty
7. Jayati Ghosh – Brave new world, or same old story with new characters?

VII. Finance and development:
How to finance development internally and externally; cross-border financial flows, sovereign debt concerns and financial crises

Read:
1. *Jan Kregel – Economic development and financial instability
2. *C. P. Chandrasekhar – Financial policies for development
3. *Jayati Ghosh – The social and economic effects of financial liberalisation
4. G Epstein and M Wolfson – The Handbook of the Political Economy of Financial Crises

VIII. Climate change and the environment
Sustainability, green growth and de-growth; the international political economy of climate alleviation

Read:
1. John Mathews and Erik Reinert - Renewables, manufacturing and green growth: Energy strategies based on capturing increasing returns
4. Jason Hickel and Giorgos Kallis – Is green growth possible?
5. *Noam Chomsky and Robert Pollin – Climate Crisis and the Global Green New Deal

IX. Is a feminist perspective necessary to understand economic development?
How patterns of development and economic policies affect men and women differently; how gender constructions of society impact on economic processes

Read:
1. Maria Sagraria Floro – Feminist approaches to development, in Reinert, Ghosh and Kattel eds, Elgar Handbook on Alternative Theories of Economic Development
2. Diane Elson – Male Bias in the Development Process
3. Jayati Ghosh – Video lectures on feminist economics
   https://www.ineteconomics.org/perspectives/videos/feminist-economics

**X. Contemporary issues in development:**
The rise of China; trade wars; the pandemic.

Read:
1. Trade and Development Report 2015, Chapters 1 and 2
2. Trade and Development Report 2021, Chapters 1 and 2
3. Real World Economic Review, Special Issue on the Inequality Crisis 2020
4. Justin Yifu Lin – The China Miracle