This class is open to both masters and doctoral students in economics. The prerequisites are ECON 606, 607, 627, and 628. Students from the College of Business Administration, the Political Science Dept., the Dept. of Natural Resources and Environmental Management, and Urban and Regional Planning have successfully taken this course without all prerequisites. If you are a graduate student in another social sciences department, please consult with Professor La Croix before you enroll.

REQUIRED TEXT


RECOMMENDED SOLUTION MANUAL


ATTENDANCE REQUIREMENTS

It is expected that students will attend ALL classes and read ALL assigned readings prior to class. By reading the assigned articles prior to class, students and the instructors have a common foundation for discussion in class. Only selected topics will be covered during class time. The instructor will regularly assign students to make presentations in class on various topics and articles. Most classes will run until 4:25. Please plan to arrive by 3 PM and reserve until 4:30 PM for the class. I promise that classes will not run past 4:30 pm!! The classroom is BUSAD E202.

COURSE GRADES

The course grade is based on four elements of the class.

- Three 3-page referee reports: 25%
- Class participation and presentations: 25%
- An 8-10 page research proposal: 25%
Three problems sets 25%

There is no final exam. The instructor uses +/- grading in awarding final grades.

**LA CROIX CONTACT INFORMATION**
Office tel: 956-7061
Email: lacroix@hawaii.edu
Office: Saunders 515A
Office Hours: Tues: 10:30-11:30, Thurs. 1:15-2:15 and by appointment.

**TEAM RESEARCH PAPER**
Students work with the instructor to form teams of 2-3 students to work on a team research paper. A 2-page outline of the proposed topic must be submitted on 29 September and presented to the class. All data sources for empirical work must be identified and available to the research team at this point. Each team will make a second 5-10-minute presentation to the class summarizing relevant literature on October 13. The first draft of the paper is due on November 15. The final research paper is due on 2 December 2011. Teams present their paper to the class on December 6 and 8.

**COURSE READINGS**
During the first week of class, the instructor will circulate all articles (that are available to students and the instructor via the UH library website or other commonly available sites) to students via flash drive. The articles are not to be further distributed.

**DISABILITY ACCESS**
If you believe that you need reasonable accommodations because of the impact of a disability, please 1) contact the KOKUA Program at 956-7511 or 956-7612 in room 013 of the QL Center for Student Services; and 2) speak with me privately to discuss your specific needs. I will be happy to work with you and the KOKUA Program to meet your access needs related to your disability.

**TOPICS COVERED IN CLASS: SCHEDULE, READINGS AND TOPICS SUBJECT TO REVISION**

**Week I: Aug 23 – 25**

  **Topic:** Stylized Facts of Development and Economic Growth

  **Required Readings**
  Acemoglu, IMEG, Ch. 1.
  Dani Rodrik,

**Week 2: Aug. 30 – Sept. 1**
Topics: Neoclassical and Ramsey growth models

Required Readings
Acemoglu, IMEG, Chs. 2-3, Ch. 8 (selections)

Week 3: Sept. 6 – 8

Topic: Introduction to Institutions and Growth

Required Readings:
Acemoglu, IMEG, Ch. 4.
Albouy, 2008—critique of ARJ’s mortality data

Week 4: Sept. 13 – 15

Topics: Human Capital and Economic Growth

Required Reading:
Acemoglu, IMEG, Ch. 10
Handout on overlapping generations models.

Week 5: Sept. 20 – 22

Topic: Endogenous Growth/Modeling Technological Change

Required Reading:
Acemoglu, Chs. 11-12

Week 6: Sept. 27 – 29

Topics: Expanding Variety Growth Models; Schumpeterian Growth

Required Readings:
Acemoglu, IMEG, Chs. 13 – 14.

Week 7: Oct. 4 - 6

Topic: Endowments v. Institutions

Required Readings:
Engermann and Sokoloff, 2002, 2005
Week 8: Oct. 11 - 13

Topic: Legal Origins and Growth
Required Readings:
La Porta team, JEL, 2009 (selections)
La Porta, Vishny, JPE 1998, (update)

Week 9: Oct. 18 - 20

Topic: Democracy and Growth
Required Readings:
Acemoglu, JME 2009
Persson and Tabellini 2010.

Week 10: Oct. 25 - 27

Topic: Global income inequality: Inequality across and within countries
Required Reading:
Sala-i-Martin, QJE 2006.

Topic: Inequality and Growth
Required Reading:
Forbes, AER, 2000
Banerjee and Duflo, JEG, 2003
Kraay, JDE, 2006

Week 11-12: Nov. 1 - 10

Topic: Intellectual Property Rights and Development
Required Readings:
Do Stronger IPRs promote growth in developing countries?
Helpman, ECONOMETICA, 1993.
Liu and La Croix, UH working paper on pharmaceutical IPR and patenting.
Parello, JDE, 2006 North-South model.

Effect of Stronger IPRd on Exports of Developing Countries
Lai and Maskus, JDE, 2009.
IPRs in Developing Countries as Barriers to Entry?
Hu and Jefferson, JDE, 2008.

Week 13: Nov. 15 – Nov. 17

Topic: Education and Growth

Required Readings:
Primary and Secondary Education
Glick and Sahn, JDE, 2004)—Madagascar
Kremer, Thornton, and Miguel, RESTAT, 2009—Experiment in Kenya
Deaton, Comments on Randomization, 2010.

Week 14: Nov. 22

Team Meetings on Research Paper
No readings

Week 15: Nov. 29 – Dec. 1

Topic: Investment and Growth: Why do low-income countries invest a small percentage of their income?

Required Reading:

Topic: Climate Change and Growth

Required Reading:

Week 16: Dec. 6 – 8

Team Paper Presentations
No readings.

EXPANDED LIST OF READINGS ON TOPICS RELATING TO ECONOMIC GROWTH
Neoclassical growth revival and its critics
(Jones, JPE, 1995)
Measuring Growth and Productivity Growth
Controversies over sources of high growth in Asia
(Young, QJE, 1995)
(Hsieh, AER, 2002)

Institutional foundations of economic growth
Constitutions and Commitment
(North and Weingast, JEH, 1988)
Restraints on power of executive
(Acemoglu, Robinson, Johnson, AER, 2001)
(Albouy, 2008—critique of ARJ’s mortality data)
Property rights v. contracts
(Acemoglu, Robinson, JPE, 2007)
Institutions or geography?
(Rodrik, JEG, 2004)
(Glaeser and Schleifer, JEG, 2004)
(Bloom, JEG, 2003)

Democracy and Growth
(Acemoglu, JME, 2009)
(Acemoglu, AER, 20)
Endowments v. Institutions
(Engermann and Sokoloff, 2002, 2005)
Legal Origins and Growth
(La Porta team, JEL, 2009; other articles better for class)

Ethnic Divisions and Growth
(Easterly and Levine, QJE, 1997)
(Miguel, World Politics, 2004)

Investment and Growth
Why do low-income countries invest a small percentage of their income?
(Hsieh and Klenow, AER, 2007)

Climate Change and Growth
(Nordhaus, JEL, 2007)
(ONE MORE—growth model with technological change)
Income Inequality and Growth
  Global income inequality and within country income inequality
  (Sala-i-Martin, QJE, 2006)
  (Debraj Ray textbook; Ch. 6--Inequality measures)
  Earlier ASEAN development w/increasing equality
  (World Bank 1992 Report on Asia Miracle)
  Inequality and Growth
  (Forbes, AER, 2000)
  (Banerjee and Duflo, JEG, 2003)
  (Kraay, JDE, 2006)

IPRs—Cross-Country Differences, Impact on Growth, Exports, FDI
  Optimal IPRs for developed and developing countries
  (Helpman, ECONOMETICA, 1993)—IPR growth model
  Grossman and Lai, AER, 2004)—rationalizes TRIPS
  (La Croix and Konan, Book, 2007)—WTO & TRIPS
  (Parello, JDE, 2006) North-South model

Effect of Stronger IPRd on Exports of Developing Countries
  (Lai and Maskus, JDE, 2009)

IPRs in Developing Countries as Barriers to Entry?
  (Hu and Jefferson, JDE, 2008)

Trade and Growth
  (Frankel and Romer, AER, 1999)
  (Taylor, JEH, 1996—import substitution)
  (MANY OTHERS)

FDI and Growth, Spillovers, Crowding-Out
  (Aitken and Harrison, AER, 1998)
  (Kugler, JDE, 2006)
  (Liu, JDE, 2007)
  (Suyanto, WD, 2009)

Industrial Policy
  (Rodrik, EP, 1995)
  (Mukhand and Rodrik, AER, 2005)
  (Schleifer, Murphy JPE, 1989)—Big Push
  (Hodler, JDE, 2009)

Primary and Secondary Education
  (Glick and Sahn, JDE, 2004)—Madagascar
(Duflo, Randomization in Experiments Manual, NBER, 2006?)
(Kremer, Thornton, and Miguel, RESTAT, 2009)—Experiment in Kenya
Deaton, Comments on Randomization, 2010.

Foreign Aid—Official and NGOs

AIDS as a development /human capital issue

Savings constraints

Government Spending/Taxation and LR growth

Dual economies and dual labor markets

China and India development-specific issues

East Asian Miracle

Asian Financial Crisis

GREAT SOURCES, ASSIGNED READINGS, AND ADDITIONAL READINGS

Handbooks: Excellent References


Two Blogs by Development Economists


Dani Rodrik’s Weblog: Unconventional thoughts on economic development and globalization [http://rodrik.typepad.com/]

READINGS
Sumner La Croix and Denise Eby Konan. 2007. “Is IP Protection Unfair to Developing Countries?” In Peter A. Petri and Sumner La Croix, eds. Challenges to the Global Trading
Parelo--JDE 2006--IPR and Skills


The Frankel-Romer-Rose gravity-based instrumental variable for trade openness, as updated in Frankel-Rose, 2002


Maurice Kugler. 2006. “Spillovers from Foreign Direct Investment: Within or Between Industries,” JDE, 444-477. (UH libweb)
Deaton paper on random experiments.