

**Economics 121: The Macroeconomics of Economic Development
with Special Reference to East Asia**

Schedule of Lectures and Readings
(Items marked with asterisks (*) should be given priority;
authors in bold type are Nobel Laureates in Economic Sciences.)

1. Economic Development: An Overview (April 7)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 1, "Introduction".

* **Amartya K. Sen** (1988), "The Concept of Development," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. I, Amsterdam: North-Holland, 9-26.

2. The Historical Experience of Economic Development (April 9)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 3, "Structural Change," and Chapter 7, "Population".

* Kaname Akamatsu (1962), "A Historical Pattern of Economic Growth in Developing Countries," Developing Economies, 3-25.

Hollis B. Chenery (1979), Structural Change and Development Policy, New York: Oxford University Press, Chapters 1-3.

Hollis B. Chenery and L. J. Taylor (1968), "Development Patterns: Among Countries and Over Time," Review of Economics and Statistics, 50: 391-416.

Hollis B. Chenery, S. Robinson and M. Syrquin (1986), Industrialization and Growth: A Comparative Study, New York: Oxford University Press, Chapter 11.

Simon Kuznets (1971), Economic Growth of Nations, Cambridge, MA: Harvard University Press.

* M. Syrquin (1988), "Patterns of Structural Change," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. I, Amsterdam: North-Holland, 203-273.

3. The Sources of Economic Growth (April 14, 16)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 2, "Economic Growth: Theory and Empirical Patterns".

M. Abramovitz and P.A. David (1973), "Reinterpreting Economic Growth: Parables and Realities," American Economic Review, 63: 428-439.

Kenneth J. Arrow (1962), "The Economic Implications of Learning by Doing," Review of Economic Studies, 29: 155-173.

Robert J. Barro (1997), Determinants of Economic Growth: A Cross-Country Empirical Study, Cambridge, MA: The MIT Press.

Robert E. Hall and Charles I. Jones (1999), "Why Do Some Countries Produce So Much More Output per Worker than Others?" Quarterly Journal of Economics, 114 (1): 235-271.

J.-I. Kim and Lawrence J. Lau (1994), "The Sources of Economic Growth of the East Asian Newly Industrialized Countries," Journal of the Japanese and International Economies, 8: 235-271.

* Paul Krugman (1994), "The Myth of Asia's Miracle," Foreign Affairs, 73: 62-78.

* Lawrence J. Lau, "The Sources of East Asian Economic Growth," in F. Gerald Adams and Shinichi Ichimura, eds., East Asian Development: Will the East Asian Growth Miracle Survive?, Westport, CT: Praeger, 1998, pp. 41-67.

Henry S. Rowen (1998), "The Political and Social Foundations of the Rise of East Asia: An Overview," in Henry S. Rowen, ed., Behind East Asian Growth: The Political and Social Foundations of Prosperity, New York: Routledge, 1-36.

The World Bank (1993), The East Asian Miracle: Economic Growth and Public Policy, Oxford: Oxford University Press.

Alwyn Young (1995), "The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience," Quarterly Journal of Economics, 110: 641-680.

4. Models of Economic Development (April 21)

Hollis B. Chenery (1975), "The Structuralist Approach to Economic Policy," American Economic Review, 65: 310-316.

* Hollis B. Chenery and A. Strout (1966), "Foreign Assistance and Economic Development," American Economic Review, 56: 679-733.

S. Devarajan, J. Lewis, and S. Robinson (1990), "Policy Lesson from Trade-Focussed Two-Sector Models," Journal of Policy Modeling, 12: 625-657.

Evsey Domar (1946), "Capital Expansion, Rate of Growth and Employment," Econometrica, 14: 137-147.

Sebastian Edwards (1998), "Openness, Productivity, and Growth: What Do We Really Know?" Economic Journal, 108: 383-398.

* Jeffrey A. Frankel and David Romer (1999), "Does Trade Cause Growth?" American Economic Review, 89 (3): 379-399.

J. Harris and Michael Todaro (1970), "Migration, Unemployment and Development: A Two-Sector Analysis," American Economic Review, 60: 126-142.

* Anne O. Krueger (1984), "Trade Policies in Developing Countries," in R. W. Jones and P. B. Kenen, eds., Handbook of International Economics, Amsterdam: North-Holland, Vol. 1, Ch. 11.

* **W. Arthur Lewis** (1954), "Economic Development with Unlimited Supplies of Labour," The Manchester School of Economic and Social Studies, 22: 139-191.

Robert E. Lucas, Jr. (1988), "On the Mechanics of Economic Development," Journal of Monetary Economics, 22: 3-42.

Ronald I. McKinnon (1964), "Foreign Exchange Constraints and Economic Development," Economic Journal, 74: 488-409.

5. Savings and Capital Accumulation (April 23)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 11, "Capital and Saving".

Milton Friedman (1971), "Government Revenue from Inflation," Journal of Political Economy, 79: 846-856.

A. Giovanni (1983), "The Interest Elasticity of Savings in Developing Countries," World Development, 11: 601-608.

* Ronald I. McKinnon (1973), Money and Capital in Economic Development, Washington, D.C.: Brookings, Chapters 2.

* **Robert M. Solow** (1956), "A Contribution to the Theory of Economic Growth," Quarterly Journal of Economics, 70: 65-94.

MID-TERM EXAMINATION (April 28)

6. The Role of Money and Finance (April 30)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 13, "Financial Policy".

Timothy Besley (1995), "Savings, Credit and Insurance," in J. R. Behrman and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. IIIA, Amsterdam: North-Holland, 2123-2207.

Maxwell J. Fry (1982), "Models of Financially Repressed Developing Economies," World Development 10: 731-750.

Maxwell J. Fry (1995), Money, Interest, and Banking in Economic Development, Baltimore: Johns Hopkins University Press.

Ronald I. McKinnon (1973), Money and Capital in Economic Development, Washington, D.C.: Brookings, Ch. 2 and Ch. 6-8.

7. Stabilization in Closed and Open Economies (May 5, 7)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 14, "Private Foreign Capital Flows, Debt, and Financial Crises," and Chapter 19, "Managing an Open Economy".

* P. Arida and L. Taylor (1989), "Short-Run Macroeconomics," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. II, Amsterdam: North-Holland, 855-884.

* Stanley Fischer (1993), "The Role of Macroeconomic Factors in Growth," Journal of Monetary Economics, 32: 485-512.

* Lawrence J. Lau (1998), "The Sky Isn't Falling," ICBC Economic Review, No. 305, September-October, 1-12.

8. Development Policies and Strategies (May 12, 14)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 5, "Guiding Development: Markets vs. Controls," and Chapter 18, "Trade and Development".

Bela Balassa (1989), "Outward Orientation," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. II, Amsterdam: North-Holland, 1645-1690.

Christopher Bliss (1989), "Trade and Development," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. II, Amsterdam: North-Holland, 1187-1240.

* Anne O. Krueger (1995), "Policy Lessons from Development Experience Since the Second World War," in J. R. Behrman and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. IIIB, Amsterdam: North-Holland, 2497-2550.

Lawrence J. Lau (1997), "The Role of Government in Economic Development: Some Observations from the Experience of China, Hong Kong, and Taiwan," in M. Aoki, H.-K. Kim and M.

Okuno-Fujiwara, eds., The Role of Government in East Asian Economic Development: Comparative Institutional Analysis, Oxford: Clarendon Press, 41-73.

* Lawrence J. Lau, Yingyi Qian and Gerard Roland (2000), "Reform without Losers: An Interpretation of China's Dual-Track Approach to Transition," Journal of Political Economy, 108: 120-143.

9. Human Capital, Intangible Capital, Infrastructural Capital and Other Forms of Capital (May 19)

* Dwight H. Perkins, Steven Radelet, Donald R. Snodgrass, Malcolm Gillis and Michael Roemer, Economics of Development, 5th edition, New York: W. W. Norton, 2001, Chapter 9, "Education," and Chapter 10, "Health and Nutrition".

* Robert J. Barro and J.-W. Lee (1993), "International Comparisons of Educational Attainment," Journal of Monetary Economics, 32: 363-394.

Nancy Birdsall (1989), "Economic Approaches to Population Growth," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. I, Amsterdam: North-Holland, 477-542.

Charles I. Jones (1995), "R&D-Based Models of Economic Growth," Journal of Political Economy, 103: 759-784.

Dean T. Jamison and Lawrence J. Lau (1982), Farmer Education and Farm Efficiency, Baltimore: Johns Hopkins University Press, Chapters 1-2.

T. Paul Schultz (1989), "Education Investments and Returns," in Hollis B. Chenery and T. N. Srinivasan, eds., Handbook of Development Economics, Vol. I, Amsterdam: North-Holland, 543-630.

T. W. Schultz (1961), "Investment in Human Capital," American Economic Review, 51: 1-17.

10. The New Growth Theory (May 21)

* Gene M. Grossman and Elhanan Helpman (1991), "Endogenous Innovation in the Theory of Growth," Journal of Economic Perspectives, 8: 23-44.

Gene M. Grossman and Elhanan Helpman (1991), Innovation and Growth in the Global Economy, Cambridge, MA: The MIT Press.

* Paul M. Romer (1986), "Increasing Returns and Long-Run Growth," Journal of Political Economy, 94: 1002-1037.

* Paul M. Romer (1990), "Endogenous Technological Change," Journal of Political Economy, 98: S71-S102.

11. The New Economy and Its Implications for Developing Countries (May 28)

REVIEW (June 4)

FINAL EXAMINATION (June 10)