

**ITRN 718 Global Economic and Human Development
Study Guide
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Updated: November 29, 2016

Introduction

Concepts of development

Growth, human development, poverty alleviation, expanded basic goods provision

Dimensions of poverty and deprivation

Income, education, health, empowerment/agency, basic goods

Relative vs. absolute terms

Income poverty: poor vs. extremely poor

Concepts of Economic Development

Improvement in human well-being

Economic development as growth in per capita income

GDP, GNI, net factor payments

Per capita GDP/GNI and its growth rate

Limitations of per capita GDP/GNI as a development indicator

PPP adjustment

Lorenz curve and Gini coefficient

Economic development as human development

The human development concept (capabilities approach)

The human development index (HDI)

Criticisms of the HDI

Defenses of the HDI

Additional human development indices

Nussbaum's conception of human development

Economic development as structural transformation

Kuznets and the "basic idea" behind structural transformation

Changes in agriculture, manufacturing, and services as a percent of GDP

The importance of producer services

Economic development as basic goods provision

Progress in gender equity (World Bank WDR)

Globalization and development (basic patterns)

History and Colonial Legacies

Institutions in economic development

The elements of institutions (North's conception)

Path dependence

China's unrealized colonial potential

Mercantilism

Colonial systems of Spain and Portugal

- Columbian exchange

- Roles of disease, mining, sugar plantations, and slavery in the New World

- Demographic catastrophes in Latin America and Africa

- Role of slavery and differing natures of Old and New World slavery

- Mining

Holland's merchant colonialism- role of Dutch East India Company

England's "free trade" colonialism- forced deindustrialization in India

New colonialism and the "Scramble for Africa" in late 1800s

- Belgian Congo

The Middle East

The set of colonial legacies or elements of path dependence

- lack of productive investments, biased international division of labor,

- manipulated terms of trade, demographic catastrophes, active

- deindustrialization, economic dualism, destruction of indigenous

- knowledge/culture, colonial education systems

Classical Theories of Economic Development

Important elements of Adam Smith's theory of development

- What is wealth and how is it best provided?

- Vision of accumulation process

Important elements of Thomas Malthus' ideas on population and development

- Geometric vs. arithmetic increases

- Views on "moral restraint" and social policies

- Validity in light of historical evidence (fertility rates and agricultural productivity)

David Ricardo's ideas of conflicts within capitalist development

- Law of diminishing returns

- Landowners vs. industrialists (conflict in development)

Karl Marx's theory of technical change in capitalist development

- Positive and negative legacies

- Dependency/underdevelopment theory

Joseph Schumpeter and "creative destruction"

Max Weber's theory of "the spirit of capitalism."

- Culture as an explanatory factor

Neoclassical Growth Theory

Neoclassical growth theory

- $Y = AF(L,K)$

- $y = Af(k)$

- Actual investment vs. breakeven investment in the fundamental equation

- Steady state

- Graphical determination of the steady state k

- Effects of changes in n , s , and A

Conditional convergence hypothesis and Solow residuals
New or endogenous growth theory
 Alternative aggregate production function (role of human capital)
 New growth theory and human development
Trade and growth
Institutions and growth
“What do you need to remember?” page of handout.

Technology

Endogeneity of technological development
Szirmai decomposition
Sources of labor productivity
Neoclassical vs. evolutionary perspective on technological development
 Global public goods variety of neoclassical perspective
 Limits of neoclassical perspective
Intellectual property rights
Technology diffusion/transfer and learning
Information and communication technology (ICT)
~~Biotechnology~~
Clusters and local innovation
~~Global location of R&D~~
~~Insights from Global Economics Prospects 2008~~

Population and Development

Promoting women’s agency from the World Bank WDR (2011)
Malthunianism and neo-Malthusianism
Basic definitions
 crude birth rate, crude death rate, natural rate of population growth, net migration,
 actual rate of population growth, population doubling time, total fertility rate,
 life expectancy, dependency ratio
Population pyramids and age-gender structures
Determination of crude death rate
Determination of crude birth rate
Demographic transitions
Population policies
Maternal mortality
UN population policy history, including Cairo ICPD 1994
~~Migration process~~

Midterm Exam to Here

Sample Questions Below

Health and Development

Human development perspective and ends versus means

Quantitative indicators of health

Demographic, morbidity and service indicators

Life expectancy and infant and child mortality

Morbidity characteristics in developing countries

Gender issues in health, including World Bank (2011)

Water and sanitation

TB, malaria, HIV/AIDs

Nutrition and micronutrients

Education and Development

Human development perspective and ends versus means

Quantitative indicators of education

Gross vs. net

Human capital theory

Rate of returns to education (RORE) and its associated policy implications

Gender and education, including girls' and women's education

Effect on infant and child mortality

Effect on fertility rates

World Bank (2011)

Role of education in growth and development, including measurement issues as they relate to education and growth

Qualities of education in developing countries

Education policy lessons from East Asia, Latin America and Africa

~~Gender differences in employment from World Bank (2011)~~

Agricultural and Rural Development

Basic facts and implications

Structural transformation

Agricultural productivity

Extensive versus intensive agricultural development

Food crisis and food security

Induced technological change: Boserup, Hayami and Ruttan

The Green Revolution, including criticisms

The CGIAR

Policies for agricultural development

Streeten's 6 "Ins"

Rural nonfarm development and the role of agriculture vs. manufacturing

Land redistribution

Genetic engineering vs. agroecology

~~Land grabs~~

Industrialization and Trade

Manufacturing indicators

Ricardian model

Lewis model (modified Ricardian model)

 The model itself

 Its implications

 Criticisms of the model

Balanced Growth, the Big Push, and large-scale industrialization

 Criticisms of large-scale industrialization

The informal sector and approaches to it

~~Import substitution industrialization and export promotion~~

~~Infant industry protection~~

~~Exports and manufacturing productivity~~

~~Globalization and gender from World Bank (2011)~~

And finally...

 What main lessons do you take from the course?

Sample Questions

1. We have discussed the “classical” theories of economic development, covering the work of Smith, Malthus, Ricardo, and Marx. For each of these four economists, write a *brief* paragraph, summarizing their main ideas as they relate to economic development.
2. Please consider the following quotation from our main text by Szirmai: “Social scientists have stated that development should not be viewed in terms of economics only, and that attention should also be paid to changes in family structures, attitudes and mentalities, cultural changes, demographic developments, the transformation of rural societies and processes of urbanization” (p. 6).
 - a. In a concise paragraph, please comment on this quotation from the perspective of *population and development*.
 - b. In a concise paragraph, please comment on this quotation from the perspective of *health and development*.
 - c. In a paragraph, please comment on this quotation from the perspective of the roles of *rural development*.