

Economic Development Policy

Econ 497

Time: M 2-4:30 pm

Location: Tilton 301

Fall 2009

Instructor

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Office Hours: W 1-3pm or by appointment. To request an appointment please send an email to the above address.

Description

This course will analyze the economic challenges faced by low and middle-income countries in their quest for development. The course will be divided into two sections. In the first section, we will address the challenge of economic growth and what might cause some development strategies to succeed and others to fail. In particular, we will focus on the role played by government policies and economic openness in fostering growth. In the second part of the course, we will address the challenges of generating equitable growth. We will examine the trends in poverty and inequality in specific regions and countries, learn about the interconnections between inequality and growth, and analyze how development strategies and government policies may result in more, or less, equitable outcomes. In this course, students will have an opportunity to apply the tools of economic analysis to both broad and specific policy issues, gain an in-depth understanding of the evolution of development thinking, and be able to analyze the experience of specific countries to gain insights on which factors account for their economic success or lack of it.

Prerequisites: Intermediate Macro and Microeconomics or by permission of instructor.

Learning Outcomes

Conceptual Knowledge: By the end of the course, students shall be able to:

- Know the alternative methods to measure development, their advantages and disadvantages, and the importance of the purchasing power parity concept.
- Compare and contrast leading growth theories and development perspectives.
- Be familiar with the “growth diagnostics” approach and its application to specific countries.
- Differentiate between alternative development strategies and identify which factors account for their success or failure in specific countries.
- Understand the link between economic openness, growth and equity and what do empirical studies show so far.
- Know the facts about poverty and inequality in the global economy and specific regions.
- Understand the interconnectedness between inequality, poverty, growth and development.
- Produce a taxonomy of pro-poor/pro-equity government intervention and broadly compare and contrast government interventions based on their effectiveness, efficiency and progressiveness.
- Understand the importance of adverse systemic shocks (economic crises, rising food prices, etc.) as development “stoppers” and identify policy interventions to minimize their impact on the poor.

Skills:

- Access and use resources effectively.
- Think and communicate effectively using appropriate means such as writing, speaking, listening, numbers, and graphics.

Organization of the Course

The course will be conducted as a seminar. Each week the instructor will devote part of the session to introduce the subject. Subsequently, pre-assigned students will be asked to lead the discussion by addressing the questions posed for that session, summarizing the main arguments and conclusions, and posing some additional questions for the class to ponder. Careful and critical reading of the required texts is a major component of this course.

Grading

There will be two tests; each test will count as 30 percent of the grade. The in-class presentations will count as 30 percent. Participation in class will count as 10 percent of the grade.

Readings

Texts: Todaro, Michael and Stephen Smith. 1998. *Economic Development*, Addison-Wesley, 9th & 10th editions, (2005 & 2009). **Recommended:** Ray, Debraj. 1998. *Development Economics*, Princeton University Press.

The Todaro and Smith textbook should be available in the bookstore; relevant chapters will be posted on blackboard. Other reading materials can be downloaded directly (URL or blackboard) or through the library. Books preceded by an asterisk are on reserve at the library.

PART I – THE CHALLENGE OF GENERATING SUSTAINED ECONOMIC GROWTH

AUG 24 - SESSION 1: DEFINING THE DEVELOPING WORLD: MEASURING DEVELOPMENT AND DEVELOPMENT PATTERNS

Michael Todaro and Stephen Smith, *Economic Development*, Addison-Wesley, Chapters 1 and 2.

*Ray, Debraj. 1998. *Development Economics*, Princeton University Press, Chapter 2.

Acemoglu, Daron. 2008. *Introduction to Modern Economic Growth*, Princeton University Press, Chapter 1.

Questions: How do we measure “development”? What has been the evolution of economic performance of countries over time? Has there been convergence in income per capita? Which countries are considered to be part of the developing world? How are developing countries similar and how do they differ?

AUG 31 - SESSION 2: GROWTH DETERMINANTS AND THE EVOLUTION OF DEVELOPMENT THINKING

Todaro and Smith, Chapters 3, 4, 11 and 12.

*Ray, Debraj. 1998. *Development Economics*, Princeton University Press, Chapters 2-5.

Lindauer, David and Lant Pritchett. 2002. “What’s the Big Idea? The Third Generation of Policies for Economic Growth.” *Economia*, Volume 3, Number 1, Fall: 1-39.
<http://muse.jhu.edu/journals/economia/v003/3.1lindauer.pdf>

Rodrik, Dani. 2007. *One Economics Many Recipes*, Princeton University Press, Chapters 1-3.

Lustig, Nora. 1988. “From Structuralism to Neostructuralism: The Search for a Heterodox Paradigm” in Meller, Patricio, ed., *The Latin American Development Debate*, Westview Press.

Lin, Justin Yifu. 2007. *Development and Transition: Idea, Strategy, and Viability* Cambridge University, Marshall Lectures, October 31-November 1.

Further readings: Easterly, William. 2001. *The elusive quest for growth: economists' adventures and misadventures in the tropics*. MIT Press. Johnson, Simon, Jonathan D. Ostry, and Arvind Subramanian. 2006. "Levers for Growth", *Finance and Development*, March, Vol. 43, No. 1. <http://www.imf.org/external/pubs/ft/fandd/2006/03/index.htm>
Pack, Howard. 1994. "Endogenous Growth Theory. Intellectual Appeal and Empirical Shortcomings," *Journal of Economic Perspectives*, 8 (1). Ros, Chapter 13. Rodrik, Dani. 2005. "Rethinking Growth Strategies," *WIDER Perspectives on Global Development*, Studies in Development Economics and Policy, UNU-WIDER. Rodrik, Dani and Arvind Subramanian. 2003. "The Primacy of Institutions", *Finance and Development*, International Monetary Fund, Washington, DC. <http://www.imf.org/external/pubs/ft/fandd/2003/06/index.htm>.
Sachs, Jeff. 2003. "Institutions Matter, But Not For Everything," *Finance and Development*, June, International Monetary Fund, Washington, DC. <http://www.imf.org/external/pubs/ft/fandd/2003/06/index.htm>.
Sala-i-Martin, Xavier. 2002. "Fifteen Years of New Growth Economics: What Have we Learned?" in Loayza, N. and R. Soto *Economic Growth: Sources, Trends and Cycles*, Central Bank of Chile, Santiago, Chile. <http://www.gdsnet.org/classes/Sali-i-Martin-15yearsChileVolume.pdf>.
Dreze, Jan and Amartya Sen. 1995. *India. Economic Development and Social Opportunity*, Clarendon Paperbacks, Oxford University Press, 1995, Chapter 2. Commission on Growth and Development. 2008. *The Growth Report. Strategies for Sustained Growth and Inclusive Development*, World Bank. http://www.growthcommission.org/index.php?option=com_content&task=view&id=96&Itemid=169. Sachs, Jeff. 2005. *The End of Poverty: Economic Possibilities*, Penguin Press, NY, Chapter 2.

Questions: What have been the main changes in growth theory? How relevant and in what respect is growth theory for economic development thinking and policy? What have been the main development perspectives in the last fifty years or so? What are the main differences in policy recommendations among alternative development perspectives? Why do different perspectives arrive at opposing policy recommendations? Is it ideology, or is it different assumptions about how the market system and macroeconomic mechanisms work? If the latter, how do they differ? How can we tell who is right?

SEP 14 - SESSION 3: GROWTH DETERMINANTS, THE EVOLUTION OF DEVELOPMENT THINKING AND GROWTH DIAGNOSTICS

Todaro and Smith, Chapters 3, 4, 11 and 12. (blackboard)

*Ray, Debraj. 1998. *Development Economics*, Princeton University Press, Chapters 2-5.

Lindauer, David and Lant Pritchett. 2002. "What's the Big Idea? The Third Generation of Policies for Economic Growth." *Economia*, Volume 3, Number 1, Fall: 1-39. <http://muse.jhu.edu/journals/economia/v003/3.1lindauer.pdf> (blackboard)

Rodrik, Dani. 2007. *One Economics Many Recipes*, Princeton University Press, Chapters 1-3. (blackboard)

Lustig, Nora. 1988. "From Structuralism to Neostructuralism: The Search for a Heterodox Paradigm" in Meller, Patricio, ed., *The Latin American Development Debate*, Westview Press. (blackboard)

Lin, Justin Yifu. 2007. *Development and Transition: Idea, Strategy, and Viability* Cambridge University, Marshall Lectures, October 31-November 1. (blackboard)

Hausmann, R., D. Rodrik and A. Velasco. 2006. "Getting the Diagnosis Right", *Finance and Development*, March, Vol. 43, No. 1.
<http://www.imf.org/external/pubs/ft/fandd/2006/03/index.htm>

Hausmann, Ricardo, Bailey Klinger and Rodrigo Wagner. 2008. "Doing Growth Diagnostics in Practice: A 'Mindbook'," *CID Working Paper No. 177*, September.

Questions: How would you go about designing a development strategy? Do you think the growth diagnostics framework is useful? How would you go about applying it in a specific country? What are its limitations?

SEP 21 - SESSION 4: DEVELOPMENT SUCCESSES: EAST ASIA, CHINA AND INDIA

World Bank. 1993. *The East Asian Miracle. Economic Growth and Public Policy*, World Bank.
http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/1993/09/01/000009265_3970716142516/Rendered/PDF/multi_page.pdf

Ranis, Gustav. 1995. "Another Look at the East Asian Miracle," *World Bank Economic Review*, September, 1995.

*Aoki, Mashiko, Kevin Murdock and Masahiro Okuno-Fujiwara. 1996. "Beyond the East Asian Miracle: Introducing the Market-enhancing View" in Masahiko Aoki, Hyung-Ki Kim, and Masahiro Okuno-Fujiwara *The Role of Government in East Asian Economic Development*, Oxford University Press.

Winters, Alan and Shahid Yusuf. 2007. *Dancing with Giants. China, India and the Global Economy*, World Bank and Institute of Policy Studies (Singapore), Chapters 1 and 2.
http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2007/01/10/000020953_20070110150325/Rendered/PDF/383390Dancing0with0giants01PUBLIC1.pdf

Spence, Michael and Mohamed A. El-Erian. 2008. *Growth Strategies and Dynamics. Insights from Country Experiences, Commission on Growth and Development, Working Paper No. 6, World Bank, 2008.*

*Naughton, Barry. 2007. *The Chinese Economy. Transitions and Growth*, MIT Press, Introduction, Chapter 4, Parts III, IV, V and VI.

*Rodrik, Dani (editor). 2003. *In Search of Prosperity*, Princeton University Press, Chapters 7 and 11.

*Dreze, Jan and Amartya Sen. 1995. *India. Economic Development and Social Opportunity*, Clarendon Paperbacks, Oxford University Press, Chapters 1, 3 and 4.

*Panagariya, Arvind. 2008. *India. The Emerging Giant*, Oxford University Press, Introduction, Chapters 4, 5, 6, 9, 10, 12, 13, 14 and 17. (on reserve)

The Economist, *Arvind vs. Arvind*.
http://www.economist.com/books/displaystory.cfm?story_id=11613958

Questions: Is there an "East Asian model"? How would you characterize it? What policy implications can be derived from it for other countries? Why are China and India growing so fast? Can their experience be translated into policy recommendations for other countries? Which type of countries? What would those policy recommendations be?

OCT 5 - SESSION 5: DEVELOPMENT PUZZLES: POST-NAFTA MEXICO

*Lustig, Nora. 1998. *Mexico. The Remaking of an Economy*, Second Edition, Brookings Institution Press, Introduction, Chapters 4 and 5 and Part 2.

Lustig, Nora. 2001. "Life is not Easy: Mexico's Quest for Stability and Growth," *Journal of Economic Perspectives*, Vol. 15, No. 1, Winter: 85-106.
www.jstor.org/stable/2696542

*Moreno Brid, Juan Carlos and Jaime Ros. 2008. *Mexico: An Economic History*, Oxford University Press, Chapter 10.

Esquivel, Gerardo and Fausto Hernandez. 2008. "How can reforms help deliver growth in Mexico?" Mimeo.

Questions: What are the salient characteristics of Mexico's post-NAFTA economic performance? What has Mexico done right? Done wrong? If you were to apply the growth diagnostics framework, what do you think would be the binding constraint/s? What would you recommend President Calderon to do now?

OCT 12 - SESSION 6: DEVELOPMENT TRAPS AND GROWTH INTERRUPTED: ECONOMIC CRISES, CONFLICT AND FRAGILE STATES

Sachs, Jeff et al. 2004. "Ending Africa's Poverty Trap", *Brookings Papers on Economic Activity* 1: 117-240, The Brookings Institution, Washington, DC.
<http://www.gdsnet.org/classes/AfricasPovertyTrapSachsetal2004.pdf>

*Collier, Paul. 2007. *The Bottom Billion*, Oxford University Press, Parts 1, 4 and 5.

*Todd J. Moss. 2007. *African Development*, Lynne Rienner Publishers.

Todaro and Smith, Chapter 13.

World Bank, *Global Economic Prospects, 2009*.
http://siteresources.worldbank.org/INTGEP2009/Resources/10363_WebPDF-w47.pdf

Questions: Do you think that some countries are caught in "poverty traps"? How would you go about identifying the source of the poverty trap? Would a growth diagnostic framework help you? How would you go about applying it to a specific country? What do you do when poverty traps are the result of conflict? Why do countries face periods of contracting GDP? How important is it to have the right macroeconomic policies for sustained growth? What are the "right" macroeconomic policies?

OCT 19 - SESSION 7

First Test. Ten short essay questions (10 points each). Covers material from sessions 1 to 6.

PART II – THE CHALLENGE OF GENERATING EQUITABLE GROWTH

OCT 26 - SESSION 8: POVERTY AND INEQUALITY: CONCEPTS, MEASUREMENT AND TRENDS

Todaro and Smith, Chapter 5.

World Bank, *World Development Report 2000/01: Attacking Poverty*. (Overview chapter)
<http://siteresources.worldbank.org/INTPOVERTY/Resources/WDR/overview.pdf>

World Bank, *World Development Report 2006: Equity and Development*, (Overview chapter).
http://wdsbeta.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005/09/20/000112742_20050920110826/additional/841401968_200508263001833.pdf

Chen, Shaohua and Martin Ravallion. 2008. "The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty." Policy Research Working Paper 4703. The World Bank.
<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/0,,menuPK:577938~pagePK:64165265~piPK:64165423~theSitePK:469372,00.html>

Ferreira, Francisco H. G. and Martin Ravallion. 2008. "Global Poverty and Inequality: A Review of the Evidence." Policy Research Working Paper 4623. The World Bank, Development Research Group Poverty Team, May.
<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/0,,menuPK:577938~pagePK:64165265~piPK:64165423~theSitePK:469372,00.html>

Branko Milanovic. 2006. "Global Income Inequality. A review." *World Economics* 7, no. 1, January–March.

Merrill Lynch Wealth Management *World Wealth Report*, 2008 and 2009.
 2008 - <http://www.ml.com/media/100472.pdf>
 2009 - <http://www.ml.com/media/113831.pdf>

Further readings: World Bank. *Basic Poverty Measurement and Diagnostic Course*, Chapters 1-6 and 10. <http://go.worldbank.org/N93EKH6UP0>. Cowell, Frank. 1998. "Measurement of Inequality". Discussion paper no. DARP/36 prepared for *Handbook of Income Distribution*, edited by Anthony B. Atkinson and François Bourguignon. Elsevier. Deaton, Angus. 2005. "Measuring Poverty in a Growing World (or Measuring Growth in a Poor World)." *The Review of Economics and Statistics* (MIT Press) 87, no. 1: 1-19. Szekely, Miguel et al. 2004. "Do We Know How Much Poverty There Is?" *Oxford Development Studies* 32, no. 4: 523-558.

Questions: what are the most frequently used poverty and inequality measures? What are their limitations? What has happened to poverty and inequality in the world? Are there any noticeable trends?

NOV 2 - SESSION 9: POVERTY, INEQUALITY, DEVELOPMENT AND GROWTH

Kahhat, Jaime. 2009. "Markets and the Dynamics of Inequality: Theoretical Perspectives." Discussion paper prepared for the UNDP Project *Markets, the State and the Dynamics of Inequality: How to Advance Inclusive Growth*, co-ordinated by Luis Felipe Lopez-Calva and Nora Lustig. (<http://undp.economiccluster-lac.org/>).

Ray, Debraj. 1998. *Development Economics*. Princeton University Press, Chapters 7 and 8.

Arias, Omar, Nora Lustig and Jamele Rigolini. 2002. "Poverty Reduction and Economic Growth: the Two-Way Causality," *Inter-American Development Bank, Technical Papers Series*, February. <http://www.iadb.org/sds/doc/GrowthIneqDualCaus.pdf>

World Bank, *World Development Report 2000/01: Attacking Poverty*. Part II.
<http://siteresources.worldbank.org/INTPOVERTY/Resources/WDR/>

World Bank, *World Development Report 2006: Equity and Development*. Part II.
<http://wdsbeta.worldbank.org/external/default/WDSContentServer/IW3P/IB/2005>

World Bank, *World Development Report 2008: Agriculture for Development*, Part I.
<http://siteresources.worldbank.org/INTWDR2008/Resources/2795087-1192111580172/WDROver2008-ENG.pdf>

Questions: how is inequality expected to evolve in a market economy? Do inequality and poverty fall with economic growth? Are poverty and inequality bad for growth? What is so special about agriculture in relation to development and poverty?

NOV 9 - SESSION 10: PUBLIC POLICY, POVERTY AND INEQUALITY

Goldberg, Pinelopi Koujianou and Nina Pavcnik. 2007. "Distributional Effects of Globalization in Developing Countries." *Journal of Economic Literature*, Vol. 45, March, pp. 39–82.

Winters, Alan L., Neil McCulloch and Andrew McKay. 2004. "Trade Liberalization and Poverty: The Evidence so Far," *Journal of Economic Literature*, Vol. 42,

Birdsall, Nancy, Augusto de la Torre and Rachel Menezes. 2008. *Fair Growth: Economic Policies for Latin America's Poor and Middle Income Majority*, Brookings Institution Press.

Fiszbein, Ariel and Norbert Schady with Francisco H.G. Ferreira, Margaret Grosh, Nial Kelleher, Pedro Olinto, and Emmanuel Skoufias. 2009. *Conditional Cash Transfers. Reducing Present And Future Poverty*, World Bank.

Grosh, Margaret, Carlo del Ninno, Emil Tesliuc, and Azedine Ouerghi. 2008. *The Design And Implementation Of Effective Safety Nets*, World Bank.

Robinson, James. 2009. "The Political Economy of Redistributive Policies." Discussion paper prepared for the UNDP Project *Markets, the State and the Dynamics of Inequality: How to Advance Inclusive Growth*, co-ordinated by Luis Felipe Lopez-Calva and Nora Lustig. (<http://undp.economiccluster-lac.org/>).

Further readings:

Boix, Carles. 2009. "Political Origins of Economic Inequality," mimeo, April. Azemoglu, Daron, Maria Angelica Bautista, Pablo Querubin and James A. Robinson. 2007.

"Economic and Political Inequality in Development: The Case of Cundinamarca, Colombia," June. De Ferranti, David, Guillermo Perry, Francisco H. G. Ferreira, and Michael Walton. 2004. *Inequality in Latin America and the Caribbean. Breaking with History?* World Bank. chapters 5 and 6.

Questions: has trade liberalization and globalization been associated with higher inequality and poverty? Which are the main components of pro-poor/pro-equity public policy? Are conditional cash transfers a form of effective pro-poor intervention? Which are the best instruments available to provide social protection to the poor in the event of adverse shocks?

NOV 16 - SESSION 11: DEVELOPMENT PATTERNS, POVERTY AND INEQUALITY

Gustav Ranis, Frances Stewart and Alejandro Ramirez. 2000. "Economic Growth and Human Development", *World Development*, 28 (2).

World Bank. 1993. *The East Asian Miracle. Economic Growth and Public Policy*, World Bank Research Report. Chapter 1.

http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/1993/09/01/000009265_3970716142516/Rendered/PDF/multi_page.pdf

Sokoloff, Kenneth, and Joyce Robinson. 2004. "Historical Roots of Inequality in Latin America". In *Inequality in Latin America and the Caribbean. Breaking with History?* coordinated

by David De Ferranti, Guillermo Perry, Francisco H. G. Ferreira, and Michael Walton. Chapter 4. Washington, D. C: World Bank.
http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2004/06/22/000160016_20040622141728/Rendered/PDF/28989.pdf

Lopez-Calva, Luis Felipe and Nora Lustig. Forthcoming. *The New Dynamics of Inequality in Latin America*. Brookings Institution Press, Introduction.

Chaudhuri, Shubham and Martin Ravallion. 2007. "Partially Awakened Giants: Uneven Growth in China and India." In *Dancing with Giants: China, India, and the Global Economy*, edited by L. Alan Winters and Shahid Yusuf. World Bank.

Mitra, Pradeep and Ruslan Yemtsov. 2006. "Increasing Inequality in Transition Economies: Is There More to Come?" World Bank Policy Research Working Paper 4007, September.
http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2006/09/14/000160016_20060914143004/Rendered/PDF/wps4007.pdf

Christiaensen, Luc and Lionel Demery. 2007. *Down to Earth. Agriculture and Poverty Reduction in Africa*, World Bank.
http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/02/27/000090341_20070227155603/Rendered/PDF/387810AFR0Down101OFFICIAL0USE0ONLY1.pdf

Atkinson, Anthony B., Thomas Piketty and Emmanuel Saez. 2009. *Top incomes in the long run of history*. Oxford University Press, Chapter 13.

Gary Burtless. 2007. "Globalization and income polarization in rich countries." *Issues in Economic Policy* (April) no. 5. Brookings Institution.

Further readings: Guanghai, Wan and Anthony Shorrocks, eds. *Inequality and Growth in Modern China*, Oxford University Press, 2008, Chapters 1, 2 and 3. Naughton, Barry. 2007. *The Chinese Economy. Transitions and Growth*, MIT Press, chapter 9. Panagariya, Arvind. 2008. *India. The Emerging Giant*, Oxford University Press, Part II. De Ferranti, David, Guillermo Perry, Francisco Ferreira and Michael Walton. 2004. *Inequality in Latin America: Breaking with History?* World Bank. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2004/06/22/000160016_20040622141728/Rendered/PDF/28989.pdf. Round, Jeffrey I. 2007. "Globalization, Growth, Inequality and Poverty in Africa. A Macroeconomic Perspective," *UNU WIDER Research Paper No. / 55*, September.

Questions: what made it possible for East Asian countries to combine growth with low inequality? Why has China not been able to replicate the experience of South Korea and Taiwan in this respect? Why has Latin America experienced persistently high inequality? Are recent declines in inequality a break with the past? What do we learn from the experience of advanced countries? Which policies may be the most important ones to address poverty and inequality? Do developing countries have the administrative capacity and resources to implement such policies?

NOV 23 - SESSION 12: THE IMPACT OF ECONOMIC CRISES AND RISING FOOD PRICES ON INEQUALITY AND POVERTY

Lustig, Nora. 2000. "Crises and the Poor: Socially Responsible Macroeconomics," *Economía*, The Journal of the Latin American and Caribbean Economic Association, 1(1): 1-45, Fall.

Ravallion, Martin. 2008. "Bailing out the World's Poorest," *Working Paper No.4763*, The World Bank, Washington, DC.

http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/12/16/000158349_20081216092058/Rendered/PDF/WPS4763.pdf

World Bank. *World Development Report 2000/01: Attacking Poverty*. (chapter 6)
<http://siteresources.worldbank.org/INTPOVERTY/Resources/WDR>

Lustig, Nora "Thought for Food: the Challenges of Coping with Soaring Food Prices," *Working Paper No. 155*, Center for Global Development, Washington, DC, November 2008.

<http://www.cgdev.org/content/publications/detail/967250>

Wodon, Quentin and Hassan Zaman. "Rising Food Prices in Sub-Saharan Africa: Poverty Impact and Policy Responses," *Working Paper No. 4738*, The World Bank Human Development Network & Poverty Reduction and Economic Management Network, October 2008.

http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2008/10/01/000158349_20081001111809/Rendered/PDF/WPS4738.pdf

Ivanic, Maros and Will Martin. "Implications of higher global food prices for poverty in low-income countries." *Agricultural Economics* 39 (2008).

Question: how do economic crises impact transitory and chronic poverty? What can governments do to protect the poor from the costs of economic crises? How do rising food prices affect the poor? What can governments do to protect them from rising food prices? Do developing countries have adequate safety nets?

NOV 30 - SESSION 13

Second Test. Ten short essay questions (10 points each). Covers material from sessions 8 to 12.

Resourceful websites:

<http://www.worldbank.org> (The World Bank website. Look for the World Development Reports and World Development Indicators).

<http://www.undp.org> (United Nations Development Programme website)

<http://www.adb.org> (Asian Development Bank website)

<http://www.afdb.org/> (African Development Bank website)

<http://www.wider.unu.edu/> (United Nations World Institute for Development Economic Research)

<http://iber.berkeley.edu/wps/ciderabs.htm> (UC Berkeley Center for International and Development Economic Research)

ActionAid

<http://www.actionaid.org>

Center for Global Development

<http://www.cgdev.org/section/topics/globalization>

Globalization and Inequality Group hosted by the Brookings Institution and the Center for Global Development

http://www.brookings.edu/gs/research/projects/glig/glig_hp.htm

Oxfam

<http://www.oxfam.org/eng>

World Bank Globalization page

<http://www1.worldbank.org/economicpolicy/globalization/index.html>

Ann Harrison's Poverty, Inequality, and Globalization page

<http://are.berkeley.edu/~harrison/globalpoverty/index.html>

Inter-American Development Bank

<http://www.iadb.org/>

OECD

<http://www.oecd.org/>

Websites to monitor impact of crisis and policy response:

<http://www.imf.org/external/fin.htm>

<http://www.imf.org/external/pubs/ft/survey/so/home.aspx>

<http://african.worldbank.org/>

<http://crisistalk.worldbank.org/>

<http://www.eclac.org/>

<http://www.afdb.org/>

<http://baselinescenario.com/>

<http://www.calculatedriskblog.com/>

<http://www.nakedcapitalism.com/>

<http://www.portfolio.com/views/blogs/market-movers/>

<http://www.voxeu.org/#>