

DESARROLLO ECONOMICO

Dr. Raymundo Campos-Vázquez

Evaluación – 50%

Tarea (1-2)	8%
Revisión crítica de libros y temas (2)	15%
Reportes de lectura (6)	6%
Examen final	15%
Participación y asistencia	6%

Reglamento de lecturas.

La mayoría de las lecturas son obligatorias. Lecturas en negritas son absolutamente necesarias para entrar a la clase. Lecturas en * son muy recomendadas para clase. Lecturas en negritas y asterisco se tiene que hacer reporte de lectura.

Reglamento de tareas

Se entregarán el día y hora acordados. Violar esta regla implica una calificación de cero. Las tareas se entregan engrapadas, y se escriben en computadora (Word o LaTeX).

Week 1 – Introduction: Growth, poverty, inequality and welfare.

Theory: Measuring poverty and inequality

*Debraj Ray (1998) *Development Economics*. Princeton University Press. Capítulos 1, 2, 6 y 7.

Ferreira F.H.G y M. Ravallion (2008) “Global Poverty and Inequality: A Review of the Evidence” *Policy Research Working Paper 4623*. World Bank.

Sala-i-Martin, Xavier. (2006). “The World Distribution of Income: Falling Poverty and Convergence, Period,” *Quarterly Journal of Economics*, 121(2), 351-397.

Banerjee, Abhijit, and Esther Duflo. (2003). “Inequality and Growth: What Can the Data Say?” *Journal of Economic Growth*, 8(3), 267-299.

Theory: How do we measure welfare?

Informe sobre Desarrollo Humano 2010: “La verdadera riqueza de las naciones. Caminos al desarrollo Humano”. PNUD. Nueva York. 2010. Capítulos 1, 2 y 3.

Theory: Is inequality bad? Is poverty bad?

Rodrik, D. (2004). “Growth Strategies”, Handbook of Economic Growth

Oded, G. (2012). “Inequality, Human Capital Formation and the Process of Development”, Handbook of Economics of Education.

Applications for Mexico

*Cortes et al (2003). “Evolución y Características de la pobreza en México en la última década del siglo XX”, Economía Mexicana, XII-2, pp.295-325.

Szekely, M. (2005). Pobreza y Desigualdad en México entre 1950 y 2004, El Trimestre Económico, vol. LXXII (4), issue 288, pages 913-931

Week 2 – Tackling Poverty: Effects of CCTs in Mexico and around the world.

How do the poor live?

Banerjee, Abhijit and Esther Duflo (2006), “Economic Lives of the Poor”, Journal of Economic Perspectives

Theory- How do CCTs work?

***Fizbein and Schady (2009). Conditional Cash Transfers. Reducing Present and Future Poverty. Overview, Chapters 1-3.**

*Parker, S., L. Ruvalcaba, and G. Teruel (2007). “Evaluating Conditional Schooling and Health Programs”, Handbook of Development Economics

Effects in Mexico and the world.

Fizbein and Schady (2009). Conditional Cash Transfers. Reducing Present and Future Poverty. Chapters 4-6.

Parker, S., L. Ruvalcaba, and G. Teruel (2007). “Evaluating Conditional Schooling and Health Programs”, Handbook of Development Economics

Behrman, Skoufias 2006. “Mitigating Myths about Policy Effectiveness: An Evaluation of Mexico’s Antipoverty and human resource investment program” Annals of the American Academy of Political and Social Science.

Álvarez, C., Devoto, F. y Winters, P., 2008. “Why do beneficiaries leave the safety net in Mexico? A study of the effects of conditionality on dropouts,” World Development 36 (4): 641–658.

Filmer, D. y Schady, N., 2010. “Does more cash in conditional cash transfer programs always lead to larger impacts on school attendance?” *Journal of Development Economics*,

***Baird, S., C. McIntosh, y B. Özler, 2011. “Cash or Condition. Evidence from a Cash Transfer Experiment.” *Quarterly Journal of Economics*, 126(4), pp. 1709-1753.**

Do we need more than CCTs? What do we know so far?

*Campos-Vazquez, Chiapa, C., C. Huffman, and A. Santillán (2013). “Evolución de las condiciones socioeconómicas de los hogares en el programa Oportunidades”, El Trimestre Económico, forthcoming, available as Working paper

<http://centros.colmex.mx/cee/images/horizontal/publicaciones/dt/2012/campos-chiapa-huffman-santillan-2012-7.pdf>.

Presentations in

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/0,,contentMDK:23035938~menuPK:2643917~pagePK:64020865~piPK:51164185~theSitePK:282637~isCURL:Y,00.htm>

!

Summary here:

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALPROTECTION/0,,contentMDK:23038737~menuPK:2643917~pagePK:64020865~piPK:51164185~theSitePK:282637~isCURL:Y~isCURL:Y,00.html>

Week 3 and 4 – Migration, Human Capital and Remittances

Theory Migration.

*Debraj Ray, (1998). *Development Economics*. Princeton University Press. Capítulo 10

Bodvarsson, O., and H. Van den Berg (2009). *The Economics of Immigration. Theory and Policy*. Springer. Chapters 2, 4, 8.

Hanson, G. (2011). “International Migration and the Developing World”, *Handbook of Development Economics*, Ch. 66.

Applied papers: Migration and the effect of remittances and schooling.

Acosta et al (2008). “What is the impact of International Remittances on Poverty and Inequality in Latin America?”, *World Development*

*World Bank 2009. *Remittances and Development. Lessons from Latin America*, Caps 1 al 5.

*Esquivel, G. A. Huerta (2006). *Remittances and Poverty in Mexico*.

***Lopez-Cordoba, E. (2005). “Globalization, Migration, and Development: The Role of Mexican Migrant Remittances”, *Economia*.**

***McKenzie, D., H. Rapoport. (2011). “Can migration reduce educational attainment? Evidence from Mexico”, *Journal of Population Economics*.**

Alcaraz, C. D. Chiquiar, A. Salcedo (2011). “Remittances, Schooling and Child Labor in Mexico”, *Journal of Development Economics

Week 5 – Cooperation, Social Norms, Public Goods and Culture

Theory: Government Action

*Any microeconomic textbook: Public Goods.

Banerjee et al. (2007). “Public Action for Public Goods”, *Handbook of Development Economics*, Ch. 49.

Macro: The importance of culture and social norms

Algan, Y., and P. Cahuc (2010). “Inherited Trust and Growth”, *American Economic Review*, 100, pp. 2060-2092.

Licht, Amir N., Chanan Goldschmidt, and Shalom H. Schwartz (2007), “Culture rules: The foundations of the rule of law and other norms of governance,” *Journal of Comparative Economics*, 35 659–688

***Tabellini, Guido (2008), “Institutions and Culture,” *Journal of the European Economic Association*, Vol. 6 (2-3), pp. 255-294.**

Dohmen, Thomas, Armin Falk, David Huffman and Uwe Sunde, 2006, “The Intergenerational Transmission of Risk and Trust Attitudes,” IZA DP 2380.

Guiso, L., P. Sapienza and L. Singales (2006). “Does culture affect economic outcomes?” *Journal of Economic Perspectives*, 20 (2), pp. 23-48.

Micro: Cooperation and Public Goods

*Fehr, E., and K. Schmidt (2006). “The Economics of Fairness, Reciprocity, and Altruism – Experimental Evidence and New Theories”, in *Handbook of the Economics of the Giving, Altruism and Reciprocity*, Vol. 1, Ch. 8, pp. 615-691.

***Fehr, E., and H. Gintis (2007). “Human Motivation and Social Cooperation: Experimental and Analytical Foundations”, *Annual Review of Sociology*, 33, pp. 43-64.**

*Fischbacher, U., and S. Gächter. (2010). “Social Preferences, Beliefs, and the Dynamics of Free Riding in Public Goods Experiments”, *American Economic Review*, 100(1), pp. 541-556.

Meier, S. (2006). “A Survey of Economic Theories and Field Evidence on Pro-Social Behavior”, Working Paper.

Ostrom, Elinor (2000) ‘Collective action and the evolution of social norms.’ *Journal of Economic Perspectives*, 14(3), 137–158

Fehr, E. (2010). “On the Economics and Biology of Trust”, *Journal of the European Economic Association*, 7(2-3), pp. 235-266.

Discussion of books.

Week 6 – Corruption

*Banerjee, A., S. Mullainathan, and R. Hanna (2012). “Corruption”, NBER Working Paper.

*Olken, B., and R. Pande (2012). “Corruption in Developing Countries”, NBER Working Paper.

***Reinikka, Ritva, and Jakob Svensson. (2004). “Local Capture: Evidence from a Central Government Transfer Program in Uganda”, *Quarterly Journal of Economics*, 119 (2).**

***Ferraz, C., Finan, F. & Moreira, D.B. (2010). "Corrupting Learning: Evidence from Missing Federal Education Funds in Brazil." mimeo, Berkeley.**

Ferraz, C. & Finan, F. (2010) "Motivating Politicians: The Impacts of Monetary Incentives on Quality and Performance."

Olken, Ben and Patrick Barron. (2009). “The Simple Economics of Extortion: Evidence from Trucking in Aceh”, *Journal of Political Economy*, 117(3), 417-452.

Hsieh, Chang-Tai, Edward Miguel, Daniel Ortega, and Francisco Rodriguez. (2009). “The Price of Political Opposition: Evidence from Venezuela’s Maisanta”,

Fisman, Raymond, and Edward Miguel (2007). “Corruption, Norms, and Legal Enforcement: Evidence from Diplomatic Parking Tickets”, *Journal of Political Economy*, 115 (2007), 1020-1048.

Svensson, Jakob (2005). “Eight Questions about Corruption,” *Journal of Economic Perspectives*, 19(3), 19-42.

Week 7 – Policies on Employment, Earnings and Inequality

Theory: Neoclassical model, fixed costs, general equilibrium, etc.

Cahuc, P., and Zylberberg (2008). *Labor Economics*, Ch. 2.

Boeri, T (2011). “Institutional Reforms and Dualism in European Labor Markets”, *Handbook of Labor Economics*, 4B

*Campos-Vazquez, R. (2010). “Employment and Macroeconomic Shocks”, *Estudios Económicos*,

Inequality: Roles of Supply and Demand and other institutional factors.

*Campos-Vazquez, R. (2012). “Why did Wage Inequality decrease in Mexico After Nafta?”
Economía Mexicana, forthcoming.

Employment Laws and Deregulation

*Djankov, S., and R. Ramalho (2009). “Employment Laws in Developing Countries”, *Journal of Comparative Economics*, 37(1), pp. 3-13.

Heckman J. and Pages C. 2000. “The Cost of Job Security Regulation: Evidence from Latin American Labor Markets.” *Economía* v. 1 no. 1, pp. 109-154.

Hsieh, Chang-Tai, and Peter Klenow. (2009). “Misallocation and Manufacturing TFP In China and India”, *Quarterly Journal of Economics*.

Jayachandran, S. (2006) “Selling Labor Low: Wage Responses to Productivity Shocks in Developing Countries,” *Journal of Political Economy*, 114(3), June 2006, pp. 538-575.

***Bruhn, M. (2011). “License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico”, *Review of Economics and Statistics*, February, 93(1), pp. 382-386.**

*Colin Xu, Lixin (2011). “The Effects of Business Environments on Development: Surveying New Firm-Level Evidence”, *World Bank Research Observer*, 26(2), pp. 310-340.

Eiffert, B. (2009). “Do Regulatory Reforms Stimulate Investment and Growth?”, Working Paper, Center for Global Development, WP 159, January.

Djankov, S. (2009). “The Regulation of Entry: A Survey”, *World Bank Research Observer*, 24(2), pp. 183-203.

*Freeman, R. (2009). “Labor Regulations, Unions, and Social Protection in Developing Countries: Market Distortions or Efficient Institutions?”, NBER WP 14789, March.

Kahn, L. (2012). “Labor Market Policy: A Comparative View on the Costs and Benefits of Labor Market Flexibility”, *Journal of Policy Analysis and Management*, 31 (1), pp. 94-110.

Employment Policies

*World Bank (2011). A primer on jobs.

OECD (2006). Jobs Report.

***Levy, S. (2007). “¿Pueden los programas sociales disminuir la productividad y el empleo en México?”, *El Trimestre Económico*, vol, LXXIV (3), no. 295, julio-septiembre 2007, pp, 491-540.**

Week 8 – Early Interventions in Health and Education. Property rights

Early childhood interventions.

*Almond, D., and J. Currie (2011). “Human Capital Development before Age Five”, *Handbook of Labor Economics*, 4B

Heckman (2007). “The Economics, Technology, and neuroscience of Human Capability Formation”, *PNAS*.

Heckman and Cunha (2011). “Investing in our Young People”.

Property rights

*Besley, T., and M. Ghatak. (2010). “Property Rights and Economic Development”, in *Handbook of Development Economics*, Ch. 68, pp.4525-4595.

Di Tella, Rafael, Sebastian F. Galiani, and Ernesto S. Schargrotsky (2007). "The Formation of Beliefs: Evidence from the Allocation of Land Titles to Squatters." *Quarterly Journal of Economics* 122, no. 1 (February 2007): 209-241.

Field, Erica. "Entitled to Work: Urban Property Rights and the Labor Supply in Peru." *Quarterly Journal of Economics* 122, no. 4 (November 2007): 1561-1602.

*Johnson (2001), "Tierra y Libertad: Will Tenure Reform Improve Productivity in Mexico's Ejido?", *Economic Development and Cultural Change*, 49(2): 291-309.

Finan, F., B. Sadoulet y A. de Janvry (2005), "Measuring the Poverty Reduction Potential of Land in Rural Mexico", *Journal of Development Economics*, 77(1): 27-51.

*Castañeda-Dower, P., and T. Pfütze (2011). “Specificity of Control: The Case of Mexico’s Ejido Reform”, Working Paper, Oberlin College.

Week 9 – Historical Legacies and the future: Development, Political Economy and Growth.

Theories

*Acemoglu, Daron, Simon Johnson and James Robinson, “Institutions as the Fundamental Cause of Long-Run Growth”, in Aghion and Durlauf, *Handbook of Economic Growth*,
<http://elsa.berkeley.edu/~chad/handbook9sj.pdf>

Nunn, Nathan, “The Importance of History for Economic Development”, October 2008,
http://www.economics.harvard.edu/faculty/nunn/files/Annual_Review_of_Economics.pdf

Comin, Diego, William Easterly, and Erick Gong (2009), “Was the Wealth of Nations Determined in 1000 B.C.?” , 2009, *American Economic Journals: Macro*, forthcoming.

***Engerman, Stanley L., and Kenneth L. Sokoloff (1997). “Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States,” in Stephen Harber, ed., *How Latin America Fell Behind* (Stanford University Press, Stanford, 1997), 260–304.**

Olson, Mancur Jr., 1996, “Distinguished Lecture on Economics in Government: Big Bills Left on the Sidewalk: Why Some Nations are Rich, and Others Poor,” *Journal of Economic Perspectives*, 10, 3-24

Historia de México

***Campos-Vazquez y Velez, R. (2012) “Did Population Well Being improve during Porfirian Mexico: A Regional Analysis using a Quasi-Human Development Index”, *Journal of Human Development and Capabilities*,**
<http://www.tandfonline.com/doi/abs/10.1080/19452829.2012.693066>

***Marquez, G. (2012). “Growth and Living Standards: Evidence from post-revolutionary Mexico”, Working paper,**
http://www.uc3m.es/portal/page/portal/instituto_figuerola/home/research/poverty_growth2012/participants/GM.pdf

*Moramay. *Historical Standards of Living in Mexico*

*Reporte Naciones Unidas. UNDP in Mexico, 1950-2000.

What is ahead?

*Simposium en Nexos, ¿Porque no somos ricos?

Hanson (2010), "Why Isn't Mexico Rich?", Journal of Economic Literature, 48(4): 987-1004.

*Rodrik, D. (2010), "Diagnostics before Prescription", Journal of Economic Perspectives, 24(3): 33-44.

Discussion of books.

Reglas para libros

Se tienen 6 libros en total, 4 en long-run development y 2 en cooperation. Se les pide que lean 4 libros en total. El único libro que es obligatorio dentro de esos 4 es el libro de Jared Diamond, y los demás los puedes escoger de acuerdo a tus gustos. Por lo que se te pide revises los libros antes de empezarlos.

Se piden 2 reportes de lectura para los libros si escoges de ambos temas. Si escoges únicamente 1 tema se te pide 1 reporte de libro pero más extenso. Cada reporte debe ser de aproximadamente 4-6 páginas a espacio y medio letra 12. Si solo escoges un tema, el reporte deberá ser de 9-14 páginas. El reporte debe contener: introducción, resumen breve de cada libro, luego que expliques diferencias y similitudes entre los libros, luego que menciones lo que le hizo falta al libro o bien si te convenció el argumento del autor o autores (en esta sección puedes utilizar lo leído durante la clase, así como tu lógica económica y uso de datos o figuras), finalmente se concluye.

El reporte (o los reportes) se entregan el día del examen final.

Development Long-Run perspective:

1. Diamond, J (2005). "Guns, Germs and Steel: The Fate of Human Societies", Norton, Chapters: 1-14, plus conclusion/epilogue.
2. Morris, I. (2010). "Why the West Rules—for Now: The Patterns of History and What they Reveal about the future." Farrar, Strauss and Girox.
3. Acemoglu, D., and J. Robinson (2012). "Why Nations Fail: The Origins of Power, Prosperity and Poverty", Crown Business.

- Fukuyama, F. (2011). "The Origins of Political Order." Farrar, Strauss and Girox. Puedes hojear (pasar más rápido) las secciones de historia China, India.

Cooperation and Social norms:

- Nowak, M., and R. Highfield (2011). "Super Cooperators: Altruism, Evolution and Why we need each other to succeed", Free Press, Chapters: 0-5, 9-11, 14.
- Fukuyama, F. (1996). "Trust: The Social Virtues and the Creation of Prosperity". Free Press.

Calendario

Agosto	8	RMCV y AYN
Agosto	15	RMCV
Agosto	22	RMCV
Agosto	29	RMCV
Sept	5	AYN
Sept	12	AYN
Sept	19	AYN
Sept	26	AYN
Oct	3	AYN
Oct	10	AYN (EXAMEN)
Oct	17	RMCV
Oct	24	RMCV
Oct	31	Asueto por Nov 1 y 2
Nov	7	RMCV
Nov	14	RMCV
Nov	21	RMCV
		RMCV y AYN Ultima
Nov	28	clase