Syllabus for Ec 721, Part B

Fall 2007 Boston University

EC 721, Part B  TOPICS IN  DEVELOPMENT ECONOMICS (INEQUALITY AND GOVERNANCE)

Dilip Mookherjee

Class hours: MW 2—3.30, Rm 546
Office Hours: W 11-12.30, Th 2-3.30
Prerequisites: Ec701, 703 (or equivalent)

This is the second half of the first field course in development economics, following on the first part taught by Andy Newman. Topics to be covered: inequality and human capital dynamics, governance and corruption.

The grade for this half of the course will be based on a final exam (40%), problem sets (25%), a referee report on an assigned paper (20%), and class participation (15%). Class participation includes both your involvement in class discussions, and on presentation of one of the key readings (papers marked (SP)) listed below.

You are also expected to attend the IED seminar, 3:30 to 5 p.m. on Mondays in SSW 315. The seminar schedule can be found at http://www.bu.edu/econ/ied/

TOPICS AND READINGS


*: Paper will be used as basis for class lectures; compulsory reading. Papers without * will be referred to and represent supplementary reading

1.  MACRO-DYNAMICS: CAPITAL ACCUMULATION, OCCUPATIONAL CHOICE AND INEQUALITY (5 sessions)


*M Ghatak and J Jiang, A Simple Model of Inequality, Occupational Choice and Development, JDE 2002
Oct 29: *D Mookherjee and D Ray, Persistent Inequality, RES 2003


Nov 5: * (SP) K Munshi and M Rosenzweig, Traditional Institutions Meet the Modern World: Caste, Gender and Schooling Choice in a Globalizing Economy, mimeo, Brown University

2. GOVERNANCE AND CORRUPTION

Median Voter Theory, Interest Groups  (2 sessions)

Nov 7: *T Persson and G Tabellini, Political Economics, Chapter 3
A Alesina and D Rodrik, Distributive Politics and Economic Growth, QJE 1994
*T Besley and S Coate, Sources of Inefficiency in a Representative Democracy, AER 1998

Nov 12: *E Grossman and G Helpman, Electoral Competition and Special Interest Politics, RES 1996
P Bardhan and D Mookherjee, Ideology versus Competition in Redistributive Politics: Land Reform in West Bengal, mimeo, 2006.

Political Institutions: Historical Perspectives (2 sessions)

D Acemoglu, S Johnson and J Robinson, Reversal of Fortune, QJE 2002

Nov 19, 21: no class

P Pandey, Service Delivery and Capture in Public Schools: How Does History Matter, mimeo, World Bank

Corruption (5+ sessions)


Dec 5: * (SP)B Olken, Monitoring Corruption: Evidence from a Field Experiment in Indonesia, JPE, 115(2), 200-249

Dec 10, 12 plus any additional days (based on interest): (SP)

Accountability Problems in Public Service Delivery


S Galiani, P Gertler and E Schargrodsky, School Decentralization: Helping the Good Get Better, But Leaving the Rest Behind, mimeo, 2005

Corruption Reforms

C Ferraz and F Finan, Exposing Corrupt Politicians: Effects of Publicly Released Audits in Brazil on Electoral Outcomes, mimeo, forthcoming QJE.


R Reinikka and L Svensson, Fighting Corruption to Improve Schooling: Evidence from a Newspaper Campaign in Uganda, mimeo, World Bank, 2004

T Besley and A Prat, Handcuffs for the Grabbing Hand? Media Capture and Government Accountability, mimeo, LSE 2005:
http://econ.lse.ac.uk/staff/tbesley/papers/mediacap.pdf