

DEVELOPMENT POLICY

Teaching Team

Instructor:	Dr. Jonathan Pincus	Email: jonathan.pincus@fulbright.edu.vn
Teaching Assistant:	Vu Thuy Vinh	Email: vinh.vu@fulbright.edu.vn
Interpreter:	Do Ngoc Quynh Chi	Email: chi.do@fulbright.edu.vn

Class Meetings & Office Hours

Time: 8:30-10:00 a.m.; 10:15-11:45 a.m.; from July 3 to July 10, 2021.

Office Hours:	Dr. Jonathan Pincus	6.00 p.m – 7.00 p.m, at appointment.
	Vu Thuy Vinh	6.00 p.m – 7.00 p.m

Course Description

Development Policy is an economic development survey course that addresses critical policy choices facing government, businesses and communities. We cover topics largely through the lens of Vietnam's recent experience and that of other large Southeast Asian countries. While richer than they were 50 years ago, these countries have pursued different development trajectories, with contrasting results in terms of economic growth, living standards, and social and economic inequality. Understanding the causes of these divergent outcomes gives us a window on the role of policy and other factors affecting development.

The course emphasizes the careful use of evidence—data collection, quality, modeling and presentation. Formulating sound policies requires rigorous and unbiased use of evidence and a willingness to suspend judgement until the facts are known. This does not always—or even generally—mean sophisticated statistical techniques. Often a simple, well-constructed table of reliable indicators is more useful than a sophisticated econometric model, especially in policy circles and for the media and general public.

A second major theme is the appropriate balance between markets and government. Finding the right mix of instruments requires attention to context and careful assessment of how markets and governments interact, and managing the risks associated with market failure and government failure.

Course Requirements

Students are expected to have read the assigned materials and to participate in class discussions. Assessment will take the form of an individual project and open book final exam. Students' class participation will also be assessed. The final grade will reflect the following weights:

Class participation	20%
Project	50%
Final exam	30%

More details on assessment are provided below.

Required and Supplementary Reading

There is no textbook for the course. One required reading, available in English and Vietnamese, is assigned for each class. Supplementary readings are also listed for each class, but , but most of these will only be available in English. However, to the extent possible they will be made available in electronic form, so non-English speakers can use Google translate or other translation services to get the main points.

Code of Conduct / Academic Integrity

Please refer to the university’s **Student Handbook** for more information about the code of conduct. Plagiarism, or submitting work that is not one's own, is strictly prohibited and if detected will result in expulsion from the course. Plagiarism includes copying the work of a fellow student and using the words or ideas of published work without proper acknowledgement using an appropriate bibliographic attribution.

Course Schedule

<p>Class 1</p> <p>(AM 8.30–10.00, 3 Jul)</p>	<p>Introduction: What is Development?</p> <p>Required Reading: Alex Cobham, <i>The Uncounted</i>, Chapter 1, “Development’s Data Problem”</p> <p>Suggested Readings:</p> <p>Tony Atkinson, <i>Measuring Poverty Around the World</i>, Chapter 4, “The Key Role of Data”</p>
<p>Class 2</p> <p>(AM 10.15–11.45, 3 Jul)</p>	<p>Structural and demographic change</p> <p>Required Reading: Andy Sumner, “Is the Lewis Model of Economic Development Still Relevant to Developing Countries?” https://gpid.univie.ac.at/wp-content/uploads/2018/04/Brief_12.pdf</p> <p>Suggested Readings:</p> <p>Brian McCaig and Nina Pavcnik, “Moving Out of Agriculture: Structural Change in Vietnam”</p> <p>Charles Hirschman and Sabrina Bonaparte, “Population and Society in Southeast Asia: A Historical Perspective”</p>
<p>Class 3</p> <p>(AM 8.30–10.00, 4 Jul)</p>	<p>Agriculture and economic development</p> <p>Required Reading: “Massoud Karshenas, Agriculture and economic development in sub-Saharan Africa and Asia”</p> <p>Suggested Reading: Rob Vos, <i>Asian Transformations</i>, “Agriculture, the Rural Sector and Development”</p>

<p>Class 4</p> <p>(AM 10.15–11.45, 4 Jul)</p>	<p>Poverty</p> <p>Required Reading: Tony Atkinson, <i>Measuring Poverty Around the World</i>, “Clarifying Concepts”, Chapter 3 in <i>Measuring Poverty</i>.</p> <p>Suggested Readings:</p> <p>John Sender, Chris Cramer and Arkebe Oqubay, <i>African Economic Development</i>, Chapter 8, “Working Out the Solution to Rural Poverty”</p>
<p>Class 5</p> <p>(AM 8.30–10.00, 5 Jul)</p>	<p>Within-country inequality</p> <p>Required Reading: Tony Atkinson, <i>Inequality: What Can Be Done?</i>, Chapter 3, “The Economics of Inequality”</p> <p>Suggested Reading:</p> <p>Stephen Kidd, Diloa Athias, Silvia Nastasi and Anca Pop, “Inequality and Social security in the Asia-Pacific Region</p> <p>J.G. Palma, Homogeneous Middles vs. Heterogeneous Tails, and the End of the ‘Inverted-U’: It’s All About the Share of the Rich</p>
<p>Class 6</p> <p>(AM 10.15–11.45, 5 Jul)</p>	<p>Human development: Education and health</p> <p>Required Reading: Angus Deaton, <i>The Great Escape</i>, Chapter 3, “Escaping Death in the Tropics”</p> <p>Suggested Readings:</p> <p>Sudipto Mundle, <i>Asian Transformations</i>, “Education and Health”</p> <p>UNDP, <i>Human Development Report, 2019</i>, “Beyond Income, Beyond Averages, Beyond Today: Inequalities in Human Development in the 21st Century”</p>
<p>Class 7</p> <p>(AM 8.30–10.00, 6 Jul)</p>	<p>The theory of economic growth</p> <p>Required Reading: A.P. Thirlwall, <i>The Nature of Economic Growth</i>, Neoclassical and New Growth Theory: A Critique</p> <p>Suggested Reading: Robert Skidelsky, <i>What’s Wrong with Economics?</i>, “Economic Growth”</p>
<p>Class 8</p> <p>(AM 10.15–11.45, 6 Jul)</p>	<p>Convergence in income</p> <p>Required Reading: Lant Pritchett, “Divergence, Big Time”</p> <p>Suggested Reading: Branko Milanovic, <i>Global Inequality</i>, “Globalization is Making the World More Equal”</p>
<p>Class 9</p> <p>(AM 8.30–10.00, 7 Jul)</p>	<p>Manufacturing and economic growth</p> <p>Required Reading: J.G. Palma and Jonathan Pincus, <i>Is Southeast Asia Falling Into a Latin American-style Middle Income Trap?</i></p> <p>Suggested Readings:</p> <p>Nguyen Thang and Jonathan Pincus, <i>Economic Recovery and Progress Toward the SDGs</i></p> <p>A.P. Thirlwall, Chapter 3: Manufacturing industry as the engine of growth, <i>The Nature of Economic Growth</i>.</p>

<p>Class 10</p> <p>(AM 10.15–11.45, 7 Jul)</p>	<p>Trade and economic growth</p> <p>Required Reading: A.P. Thirlwall, <i>The Nature of Economic Growth</i>, “A Demand-Oriented Approach to Economic Growth”</p> <p>Suggested Reading: A.P. Thirlwall, <i>The Nature of Economic Growth</i>, “Balance of Payments Constrained Growth: Theory and Evidence”</p>
<p>Class 11</p> <p>(AM 8.30–10.00, 8 Jul)</p>	<p>Institutions and development</p> <p>Required Reading: Mushtaq Khan, <i>Asian Transformations</i>, Chapter 13, “Institutions and Development”</p> <p>Suggested Reading: Robert Skidelsky, <i>What’s Wrong with Economics?</i> Chapter 8, “Institutional Economics”</p>
<p>Class 12</p> <p>(AM 10.15–11.45, 8 Jul)</p>	<p>Technology and innovation</p> <p>Required Reading: Dan Breznitz, <i>Innovation in Real Places</i>, Chapter 5, “Four Are Better than One—But First Let Us Plan It Strategically</p> <p>Suggested Reading: Dan Breznitz and Michael Murphree, <i>Run of the Red Queen</i>, Chapter 1, “The White Knight Avoided: Economic Reforms and Innovation for Growth in China”</p>
<p>Class 13</p> <p>(AM 8.30–10.00, 9 Jul)</p>	<p>Financing Development</p> <p>Required Reading: Jonathan Pincus, “Financing Development”</p> <p>Suggested Reading: Fernando Cardim de Carvalho et al., <i>The Palgrave Handbook of Development Economics</i>, Chapter 14, “Development Finance: Theory and Practice”</p>
<p>Class 14</p> <p>(AM 10.15–11.45, 9 Jul)</p>	<p>Climate change and sustainability</p> <p>Required Reading: Frank Incropera, <i>Climate Change: A Wicked Problem</i>, Chapter 7, “Public Policy Options”</p> <p>Suggested Reading: Nicholas Stern, <i>Measuring Poverty Around the World</i>, Afterword, “Poverty and Climate Change”</p>
<p>Class 15</p> <p>(AM 8.30–11.45, 10 Jul)</p>	<p>Final Exam</p>

Books

Many of the required and supplementary readings are drawn from the following books. These are the instructor's personal copies, which you may borrow for your personal use as long as you do not distribute them.

Title	Author	Publisher	Year
Inequality: What Can Be Done?	Tony Atkinson	Harvard University Press	2015
Measuring Poverty Around the World	Tony Atkinson	Princeton University Press	2019
Innovation in Real Places	Dan Breznitz	Oxford University Press	2021

Title	Author	Publisher	Year
Run of the Red Queen: Government, Innovation and Economic Growth in China	Dan Breznitz and Michael Murphree	Yale University Press	2011
The Uncounted	Alex Cobham	Polity	2020
The Great Escape: Health, Wealth and the Origins of Inequality	Angus Deaton	Princeton University Press	2013
Climate Change: A Wicked Problem	Frank Incropera	Cambridge University Press	2015
Global Inequality	Branko Milanovic	Harvard University Press	2016
Asian Transformations	Deepak Nayyar	Oxford University Press	2019
The Palgrave Handbook of Development Economics: Critical Reflections on Globalization and Development	Machiko Nissanke and Jose Antonio Ocampo	Palgrave	2019
African Economic Development	John Sender, Christopher Cramer and Arkebe Oqubay	Oxford University Press	2020
What's Wrong with Economics?	Robert Skidelsky	Yale University Press	
The Nature of Economic Growth	Anthony Thirlwall	Edward Elgar	2002
The Routledge Handbook of Industry and Development	John Weiss and Michael Tribe, eds.	Routledge	2016
The Great Upheaval: Resetting Development Policy and Institutions for the Decade of Action in Asia and the Pacific	Kanni Wignaraja and Swarnim Wagle	Cambridge University Press	2022
The Spirit Level	Richard Wilkinson and Kate Pickett	Bloomsbury	2010

Data sources

Good sources of development statistics

Name	Source	URL	Description
World Development Indicators	World Bank	https://databank.worldbank.org/source/world-development-indicators	Most comprehensive development database
UN Comtrade	United Nations	https://comtrade.un.org/	Comprehensive database for trade in goods

Name	Source	URL	Description
International Financial Statistics	IMF	https://data.imf.org/?sk=4c514d48-b6ba-49ed-8ab9-52b0c1a0179b	Detailed country- level data on finance and macroeconomics
ILOSTAT	International Labor Organization	https://ilostat.ilo.org/	International statistics on employment and earnings
FAOSTAT	Food and Agriculture Organization	http://www.fao.org/faostat/en/	International statistics on food production and trade
UNCTADSTAT	UNCTAD	https://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx	Good source of data for investment flows
Penn World Tables	University of Groningen	https://www.rug.nl/ggdc/productivity/pwt/?lang=en	Publishes national accounts data for 182 countries 1950 to present
World Inequality Database	WID	https://wid.world/	Collects and shares national inequality data
Historical data on economic growth	Groningen Growth and Development Centre	https://www.rug.nl/ggdc/	International data on productivity, value chains and historical development
Human Development Index	UNDP	http://hdr.undp.org/en/data	Data used to compile the Human Development Index 1990-2018

Assessment

Class Participation: Students' *constructive* participation in class will be assessed by the instructor. Evidence of familiarity with the required and supplementary readings, and comments and questions that raise important points and or helpful to fellow students, will earn a higher score.

Project: Students will prepare a policy memo on a topic of their choice. The memo should be addressed to the prime minister, minister or provincial leaders and should support a specific policy innovation in Viet Nam or a specific province. The memo will present evidence in favor of the policy innovation and assess costs and benefits. The project will be NO MORE THAN SIX double-spaced pages in the 12-point font in English or Vietnamese (about 3000 words) of your choice. The Project is a teamwork assignment with each group from 3-4 members. The list of group members and the title of the project topic must be submitted to the teaching team before 8.20 a.m. 10 July (Sunday). The project outline should be submitted before 8.20 a.m. Wednesday, 13 Aug and the final paper before 8.20 a.m. Friday, 15 July. The students are advised to choose, but are not limited to, one of the 14 development policy areas which are introduced in the class for their project topic.

Final exam: The final session of class will consist of an open-book final exam. Students will be given five to eight questions and will be required to answer three in essay form. Students will write their

answers long hand, but may use their computers to refer to class notes and readings or to access data and other information. Students must be careful to answer questions in their own words as any copied text that is not enclosed in quotation marks and accompanied by an appropriate bibliographic citation will be regarded as plagiarism resulting in a zero mark.