

Junior Sophister 2018/19
EC3141
ECONOMICS OF LESS DEVELOPED COUNTRIES

Assignment 2: Essay Assignment

Introduction

This essay accounts for 20 per cent of the final mark for EC3141. The essay is due at 5pm on Thursday March 28th and should be submitted online to www.turnitin.com. To log into turnitin you will require your email address and a password that will be provided in advance. The essay will be between 2,500 and 3,000 words in total and should be single-spaced. Penalties will be applied for every day the assignment is late.

Essay Title and Suggestions for Inclusion

The essay title is “Do Institutions Rule for Economic Development?”

Suggestions for inclusion (not exhaustive)

- Definition and meaning of institutions
- What is more/most important? Institutions, Trade or Geography? Reference to empirical evidence and the models of economic growth
- Explore the relationships between policy, aid and institutions. Is the latter a necessary condition for good policy or effective aid?
- Natural Resources and institutions: Is the curse terminal?
- Explore the relationship between political institutions and development outcomes
- Suggestions for future policy: How to improve local and national institutions?

Marks will be rewarded for

- Structure (including good introduction and conclusion)
- Precision in discussion
- Depth of analysis
- Innovation in content
- Review of the literature
- Use of appropriate examples
- Balance of opinion
- Proper references

Suggested Reading List

1. Douglas, North (2003) The Role of Institutions in Economic Development United Nations Economic Commission for Europe. http://www.unece.org/oes/disc_papers/ECE_DP_2003-2.pdf
2. Evans, Peter (2004) Development as Institutional Change: The Pitfalls of Monocropping and the Potentials of Deliberation, *Studies in Comparative International Development*, Vol. 38, No. 4, pp. 30-52.
3. Rodrik, Dani, Arvind Subramanian and Francesco Trebbi (2004) Institutions Rule: The Primacy of Institutions Over Geography And Integration In Economic Development, *Journal of Economic Growth*, Vol. 9, 131-165.
4. Rodrik, Dani (2000) Institutions for High Quality Growth: What They Are and How We Acquire Them, NBER Working Paper No. 7540. <http://www.nber.org/papers/w7540.pdf>
5. Rodrik, Dani (1999) Where Did All the Growth Go? External Shocks, Social Conflict, and Growth Collapses, *Journal of Economic Growth*, Vol. 4: 385-412.
6. Collier, Paul (2007) *The Bottom Billion*.
7. Birdsall, Nancy (2004) Seven Deadly Sins: Reflections on Donor Failings. Centre for Global Development Working Paper Number 5. <http://www.cgdev.org/content/publications/detail/2737>
8. Easterly, William (2001) *The Elusive Quest for Growth*.

9. Easterly, William (2006) *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*.
10. Acemoglu, Daron, Simon Johnson and James Robinson (2002) Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution. *Quarterly Journal of Economics*, 117 (4), 1231-94.
11. Acemoglu, Daron and James Robinson (2002) Economic Backwardness in Political Perspective, NBER Working Paper No. 8831.
12. Bardhan, Pranab (2004) *Scarcity, Conflicts and Cooperation: Essays in Political and Institutional Economics of Development*.
13. Greif, Avner (1997) Institutions and International Trade: Lessons from the Commercial Revolution. *American Economic Review*, 82 (2), 128-33.
14. Li, JS. (2003) Relation-based Versus Rule-based Governance: An Explanation of the East Asian Miracle and the Asian Crisis. *Review of International Economics*, 11 (4), 651-73.
15. North, D.C. (1981) *Structure and Change in Economic History*.
16. North, D.C. (1990) *Institutions, Institutional Change and Economic Performance*.
17. Collier, Paul and Anthony Venables (2008) Managing the Exploitation of Natural Assets: Lessons for Low Income Countries, Oxford Working Paper.
<http://users.ox.ac.uk/~econpco/research/pdfs/ManagingtheExploitationofNaturalAssets.pdf>
18. Van der Ploeg, Frederick and Anthony Venables (2008) Harnessing windfall revenue in developing economies, Discussion Paper No. 6954, CEPR, London.
19. Sachs, Jeffrey and Andrew Warner (2001) Natural Resource and Economic Development: The Curse of Natural Resources, *European Economic Review*, 45, 827-838.
20. Sala-i-Martin, Xavier and Arvind Subramanian (2003) Addressing the natural resource curse: An illustration from Nigeria, IMF Working Papers 03/139.
21. The Natural Resource Charter <http://www.naturalresourcecharter.org/>
22. Mehlum, Halvor, Karl Moene and Rangar Torvik (2006) Institutions and the Resource Curse, *The Economic Journal*, 116, 1–20.
23. Chanagul, Chittawan (2009) Democracy and Economic Development, University of Vienna Working Paper No. 0911 <http://homepage.univie.ac.at/Papers.Econ/RePEc/vie/viennp/vie0911.pdf>
24. Acemoglu, Daron, Simon Johnson, James Robinson, and Pierre Yared (2008) Income and Democracy. *American Economic Review*, 98:3, 808–842.
25. Persson, Torsten, and Guido Tabellini (2006) Democracy and Development: The Devil in the Details, *American Economic Review*, 96(2): 319-324.
26. Shirley, Mary (2003) Institutions and Development
<http://www.iim.uni-flensburg.de/vwl/upload/lehre/sose08/MaEuS/w-shirley2003institutionsanddevelopment.pdf>
27. Doucouliagos, Hristos and Mehmet Ulubasoglu (2008) Democracy and Economic Growth: A Meta-Analysis, *American Journal of Political Science*, Vol. 52, No. 1, Pp. 61–83.
http://www.out.ac.tz/current/assigns/FASS/320_1.pdf
28. Gerring, John, Philip Bond, William Barndt and Carola Moreno (2005) Democracy and Economic Growth: A Historical Perspective, *World Politics* 57, 323–64.
29. Persson, Torsten (2005) Forms of Democracy, Policy and Economic Development, NBER Working Paper No. 11171.