

# Contents

<i>Notes on contributors</i>	xiii
<i>Preface</i>	xvii
<i>Acknowledgements</i>	xxi

## PART ONE

### Economic growth, economic development, and human development

1	<b>World Bank</b>	
	NEW DIRECTIONS IN DEVELOPMENT THINKING	9
2	<b>Mahbub ul Haq</b>	
	THE HUMAN DEVELOPMENT PARADIGM	28
3	<b>Amartya Sen</b>	
	PERSPECTIVES ON THE ECONOMIC DEVELOPMENT OF INDIA AND CHINA	34
4	<b><i>The Economist</i></b>	
	THE POOR AND THE RICH	42
5	<b>Paul M. Romer</b>	
	BEYOND CLASSICAL AND KEYNESIAN MACROECONOMIC POLICY*	49
6	<b>Vincent Ferraro</b>	
	DEPENDENCY THEORY: AN INTRODUCTION	58
	Suggestions for further reading	65

## PART TWO

### Geography, institutions, and governance

7	Daron Acemoglu	
	ROOT CAUSES: A HISTORICAL APPROACH TO ASSESSING THE ROLE OF INSTITUTIONS IN ECONOMIC DEVELOPMENT	73
8	Dani Rodrik and Arvind Subramanian	
	THE PRIMACY OF INSTITUTIONS (AND WHAT THIS DOES AND DOES NOT MEAN)	79
9	Jeffrey D. Sachs	
	INSTITUTIONS MATTER, BUT NOT FOR EVERYTHING: THE ROLE OF GEOGRAPHY AND RESOURCE ENDOWMENTS IN DEVELOPMENT SHOULDN'T BE UNDERESTIMATED	86
10	Robert J. Barro	
	DEMOCRACY AND GROWTH	92
11	Hernando de Soto	
	THE MYSTERY OF CAPITAL	99
12	Timur Kuran	
	WHY THE MIDDLE EAST IS ECONOMICALLY- UNDERDEVELOPED: HISTORICAL MECHANISMS OF INSTITUTIONAL STAGNATION	107
	Suggestions for further reading	126

## PART THREE

### Beyond growth: inequality and poverty

13	Nancy Birdsall	
	INEQUALITY MATTERS	135
14	Abhijit V. Banerjee and Esther Duflo	
	THE ECONOMIC LIVES OF THE POOR	146
15	<i>The Economist</i>	
	NEW THINKING ABOUT AN OLD PROBLEM	172
16	World Bank	
	ENGENDERING DEVELOPMENT: THROUGH GENDER EQUALITY IN RIGHTS, RESOURCES, AND VOICE	177

17	Amartya Sen	
	WOMEN'S AGENCY AND SOCIAL CHANGE	184
	Suggestions for further reading	200

## PART FOUR

### People in development: population growth, health, education, and child labor

18	John Tierney	
	FANISI'S CHOICE	213
19	Julian L. Simon	
	THE ULTIMATE RESOURCE 2,	233
20	David E. Bloom, David Canning, and Dean T. Jamison	
	HEALTH, WEALTH, AND WELFARE	248
21	Michael Kremer	
	PHARMACEUTICALS AND THE DEVELOPING WORLD	258
22	Kenneth J. Arrow	
	NEW ANTIMALARIAL DRUGS: BIOLOGY AND ECONOMICS MEET	281
23	<i>The Economist</i> - > , < r- *	
	THE LEARNING DEFICIT	285
24	Clive Crook	
	THE TEN-CENT SOLUTION	288
25	<i>The Economist</i>	
	A WORLD OF OPPORTUNITY	292
26	Martha Nichols	
	THIRD-WORLD FAMILIES AT WORK: CHILD LABOR OR CHILD CARE?	296
27	Kaushik Basu	
	INTERNATIONAL LABOR STANDARDS AND CHILD LABOR	300
28	Eric V. Edmonds and Nina Pavcnik	
	CHILD LABOR IN THE GLOBAL ECONOMY	308

## X CONTENTS

Suggestions for further reading	330
---------------------------------	-----

### **PART FIVE**

#### **Agriculture, the environment, and sustainable development**

29	Vernon W. Ruttan	
	PRODUCTIVITY GROWTH IN WORLD <sup>1</sup> AGRICULTURE: SOURCES AND CONSTRAINTS	337
30	Norman E. Borlaug	
	THE NEXT GREEN REVOLUTION	359
31	Robert Paarlberg	
	FROM THE GREEN REVOLUTION TO THE GENE REVOLUTION: REVIEW OF AGRICULTURAL BIOTECHNOLOGY: MEETING THE NEEDS OF THE POOR?	362
32	Robert W. Kates, Thomas M. Parris, and Anthony A. Leiserowitz	
	WHAT IS SUSTAINABLE DEVELOPMENT?: GOALS, INDICATORS, VALUES, AND PRACTICE	367
	Suggestions for further reading	388

### **PART SIX**

#### **Financial markets and microcredit**

33	Diana Farrell and Susan Lund	
	UNLEASHING INDIA'S POTENTIAL: THE KEY IS TO MODERNIZE THE FINANCIAL SYSTEM	395
34	Muhammad Yunus	
	BANKER TO THE POOR: MICRO-LENDING AND THE BATTLE AGAINST WORLD POVERTY	401
35	Daniel Pearl and Michael M. Phillips	
	SMALL CHANGE: BANK THAT PIONEERED LOANS FOR THE POOR HITS REPAYMENT SNAG	412
36	<i>The Economist</i>	
	THE HIDDEN WEALTH OF THE POOR	418
	Suggestions for further reading	424

**PART SEVEN****Globalization and financial crises**

- 37 Anne O. Krueger  
WHY TRADE LIBERALISATION IS GOOD FOR GROWTH 433
- 38 Jagdish Bhagwati  
POVERTY: ENHANCED OR DIMINISHED? 443
- 39 Dani Rodrik  
TRADING IN ILLUSIONS 460
- 40 Joseph Stiglitz  
SOCIAL JUSTICE AND GLOBAL TRADE 469
- 41 Martin Feldstein  
ARGENTINA'S FALL 474
- 42 Jeffrey D. Sachs  
HOW TO RUN THE INTERNATIONAL MONETARY FUND 480
- Suggestions for further reading 485

**PART EIGHT****Foreign aid and debt relief**

- 43 Steven Radelet, Michael Clemens, and  
Rikhil Bhavnani  
AID AND GROWTH 495
- 44 Abhijit Vinayak Banerjee  
MAKING AID WORK 503
- 45 Ian Goldin, F. Halsey Rogers, and Nicholas Stern  
WE MUST TACKLE DEVELOPMENT PROBLEMS AT THE LEVEL  
OF THE ECONOMY AS A WHOLE 510
- 46 Jeffrey Sachs  
UPSTAIRS, DOWNSTAIRS 513
- 47 William Easterly  
DEBT RELIEF 516
- 48 Jeffrey D. Sachs  
CAN EXTREME POVERTY BE ELIMINATED? 524

## Xii CONTENTS

49	Nancy Birdsall, Dani Rodrik, and Arvind Subramanian • • • • •	530
	HOW TO HELP POOR COUNTRIES	

	Suggestions for further reading	542
--	---------------------------------	-----

<i>Index</i>		544
--------------	--	-----