

Economic Development

A Regional, Institutional, and Historical Approach

Richard Grabowski
Sharmistha Self
i Michael P. Shields

^M.E. Sharpe
Armonk, New York
London, England

Contents

Tables, Figures, and Maps	xi
Preface	xiii
Acknowledgments	xv
1. Introduction to Economic Development	3
Growth Versus Development	5
History of Development Theory	12
Changes in Recent Development Thinking	27
What Lessons Have We Learned and Where Do We Go From Here?	31
Key Terms	32
References	33
Appendix: An Alternative Explanation of the Neoclassical Growth Model	35
2. European Emergence	39
Growth During the Industrial Revolution	40
Agricultural Growth	42
Protoindustrialization and Trade	46
Exploitation and Slavery	49
The Evolution and Role of Political Institutions	54
Culture and Nationalism	60
Culture and Technology	64
What We Have Learned	67
Key Terms	69
References	69

3. East Asian Experience	73
Early Experiences of Japan and China	75
Catching Up: A Neoclassical View	83
Catching Up: A Role for the State	88
Catching Up: Japanese Success	94
Catching Up: Early Chinese Failure	99
Taiwan and Korea	103
What We Have Learned	110
Key Terms	111
References	112
Appendix	113
 4. Sub-Saharan Africa	 117
Precolonial Period	118
The Colonial Era	120
Patron-Client Political Structure	124
Urban-biased Policy	129
Urban Bias and Migration	130
Risk Management and Lineage Groups	134
Lineage Groups, Fertility, and the Demographic Transition	139
The Failed State	143
Botswana: A Success Story	145
What We Have Learned	149
Key Terms	150
References	150
 5. South Asia	 153
Preindependence India	155
India After Independence	159
A Theoretical Framework	167
Population Growth and Unemployment	174
Poverty	178
Dependence on Agriculture	179
Religion and Caste	181
Gender Bias	183
Education	187
What We Have Learned	189
Key Terms	192
References	193

6. Latin America	197
The Emergence of Spain	197
The Colonial Period	200
Independence and Trade	202
Export Expansion and Growth	203
Import-Substitution Industrialization	205
Globalization and the International Monetary Fund	208
Inflation	214
Population Growth	216
Solving the Commitment Problem	217
What We Have Learned	220
Key Terms	221
References	222
 7. The Middle East and North Africa	 225
Early Economy in the Precolonial Era	225
The Precolonial and Colonial Eras	228
The Emergence of Nation-States	231
Petroleum Exports and the Petroleum Exporters	232
Petroleum and Nonpetroleum Exporters in MENA	239
What We Have Learned	246
Key Terms	247
References	248
 8. Economies in Transition: Socialist to Market	 251
Economic Systems	253
Economic Performance of Socialism	255
Some Analysts on Transition	259
The Russian Experience	264
The Chinese Experience	266
Explanation for Different Reform Paths	272
Sustainable Growth	273
What We Have Learned	286
Key Terms	287
References	287
 9. Conclusions: What Have We Learned?	 290
Efflorescence	291

Impact of Colonization	291
Role of the State	293
Role of Democracy	, 296
Tying It All Together	299
Key Terms	- 299
References	300
About the Authors	301
Index	303