CONTENTS

LIST OF EXHIBITS xv
PREFACE xvii
USING THIS BOOK xix

I. INTRODUCTION 1

Overview 1

I.A. MEASURING DEVELOPMENT 5

Note I.A.1. The Evolution of Measures of Development 5
Selection I.A.1. Why Are Services Cheaper in the Poor Countries? 13
Comment I.A.1. The Productivity and Factor Proportions Explanations Again 17
Selection I.A.2. Burden of Poverty 18
Comment I.A.2. Capabilities and Entitlements 30

I.B. ECONOMIC PERFORMANCE OF LESS DEVELOPED COUNTRIES:

THE RECENT PAST 35
Selection I.B.1. The East Asian Miracle 36
Selection I.B.2. East Asian Crisis: An Overview 42
Selection I.B.3. Completing China’s Move to the Market 48
Selection I.B.5. The Launching of the Reforms 58
Note I.B.1. The Triumph of Laissez-Faire? 64
Selection I.B.7. Explaining Africa’s Development Experiences 65

I.C. THE DISCIPLINE OF DEVELOPMENT ECONOMICS 69

Note I.C.1. Evolution of Development Economics 69
Comment I.C.1. Classical Growth Theory 72
Comment I.C.2. Development Economics as a Special Subject 73
Note I.C.2. New Endogenous Growth Theory 75
II. HISTORICAL PERSPECTIVE

Overview: The Division of the World

Selection II.1. The Spread of Economic Growth to the Third World: 1850–1980
Comment II.1. State-owned Enterprises and Privatization

Selection II.2. The Division of the World and the Factoral Terms of Trade

Note II.1. Why Not Export First?
Note II.2. The Lewis Model of the World Economy

Selection II.3. Agricultural Productivity, Comparative Advantage, and Economic Growth
Comment II.2. Income Elasticity of Demand for Food in the Matsuyama Model

Selection II.4. Income Distribution, Market Size, and Industrialization
Comment II.3. Minimum Market Size in the Murphy–Shleifer–Vishny Model

Selection II.5. Divergence, Big Time

III. SAVINGS AND INVESTMENT

Overview: Savings—The Engine of Growth?

Note III.1. The AK Model

Selection III.1. Is Fixed Investment the Key to Economic Growth?

Selection III.2. Interest Rates in the Organized Money Markets of Underdeveloped Countries and Interest Rates Outside the Organized Money Markets of Underdeveloped Countries

Selection III.3. Financial Liberalization in Retrospect: Interest Rate Policies in LDCs
Comment III.1. Financial Liberalization

Selection III.4. Financial Development and Economic Growth in Underdeveloped Countries

Selection III.5. Financial Development and Economic Growth: Views and Agenda

Selection III.6. Good Policy or Good Luck? Country Growth Performance and Temporary Shocks
Comment III.2. Policies Versus Shocks: A Closer Look

IV. INTERNATIONAL TRADE AND TECHNOLOGY TRANSFER

Overview

IV.A. TRADE

Selection IV.A.1. Natural Resource Abundance and Economic Growth
Note IV.A.1. Import-substituting Industrialization and the Infant-Industry Argument
Selection IV.A.2. Typology in Development Theory: Retrospective and Prospects
Selection IV.A.3. An Exposition and Exploration of Krueger’s Trade Model
Comment IV.A.1. Moving Up the Ladder and Changes in Relative Costs of Factors of Production
| Selection IV.A.5. Exchange Control, Liberalization, and Economic Development | 187 |
| Selection IV.A.6. Trade Policy Reform | 191 |
| Comment IV.A.2. Stabilization-cum-Liberalization Programs | 193 |
| Selection IV.A.7. Getting Interventions Right: How South Korea and Taiwan Grew Rich | 195 |
| Note IV.A.2. Tradeability of Intermediate Goods, Linkages, and Bottlenecks | 202 |
| IV.B. FOREIGN CONTACT AND TECHNOLOGY TRANSFER | 204 |
| Note IV.B.1. Learning in International Production Networks | 204 |
| Selection IV.B.1. Technology Gaps Between Industrial and Developing Countries: Are There Dividends for Latecomers? | 206 |
| Selection IV.B.2. The Benefits of FDI | 209 |
| Note IV.B.2. Trade as Enemy, Handmaiden, and Engine of Growth | 211 |
| V. HUMAN RESOURCES | 213 |
| Overview | 213 |
| V.A. EDUCATION | 216 |
| Note V.A.1. Three Views of the Contribution of Education to Economic Growth | 216 |
| Selection V.A.2. Economic Impact of Education | 223 |
| Comment V.A.1. Ability Differences, Spillovers, and the Returns to Education | 226 |
| Comment V.A.2. Education and Development | 227 |
| Selection V.A.3. Interpreting Recent Research on Schooling in Developing Countries | 229 |
| Selection V.A.4. Schooling Quality in a Cross Section of Countries | 234 |
| Selection V.A.5. Creating Human Capital | 237 |
| V.B. POPULATION | 241 |
| Note V.B.1. The Size of the World’s Population and the Size of the Average Family | 241 |
| Selection VB.1. Economic Approaches to Population Growth | 242 |
| V.C. HEALTH AND NUTRITION | 249 |
| Selection V.C.1. Health and Nutrition | 254 |
| Selection V.C.2. Investing in Health | 257 |
| V.D. GENDER AND DEVELOPMENT | 263 |
| Selection V.D.1. Women’s Education in Developing Countries: An Overview | 263 |
Selection V.D.2. Women in the Labor Force 271
Selection V.D.3. Women, Poverty, and Development in the Third World 275
Selection V.D.4. Women in Developing Countries 280
Selection V.D.5. Missing Women 283
Comment V.D.1. The Grameen Bank and “Empowerment” of Women 287
Comment V.D.2. Gender-Aware Analysis 288

VI. MIGRATION AND THE URBAN INFORMAL SECTOR 289

Overview: The Evolving View of Urban Underemployment, the Informal Sector, and Their Connection with Rural-Urban Migration 289
Selection VI.1. Urban Growth in Developing Countries: A Demographic Reappraisal 293
Selection VI.2. Economic Development with Unlimited Supplies of Labor 297
Selection VI.3. A Model of Labor Migration and Urban Unemployment in Less Developed Countries 300
Note VI.1. The Lewis Versus the Harris–Todaro View of Underemployment in Less Developed Countries 302
Selection VI.4. Wage Spillover and Unemployment in a Wage-gap Economy: The Jamaican Case 307
Note VI.2. Econometric Studies of Migration 312
Selection VI.5. The Informal Sector 313
Selection VI.8. The Role of the Informal Sector in the Migration Process: A Test of Probabilistic Migration Models and Labour Market Segmentation for India 323

VII. AGRICULTURE 329

Overview 329

VII.A. THE IMPORTANCE OF AGRICULTURE FOR ECONOMIC DEVELOPMENT 332
Selection VII.A.1. Development Strategy in a Limping World Economy 332
Note VII.A.1. Food, Hunger, Famine 335

VII.B. DESIGNING AN AGRICULTURAL STRATEGY 336
Selection VII.B.1. Some Theoretical Aspects of Agricultural Policies 336
Comment VII.B.1. The Green Revolution 345
VII.C. MICROECONOMICS OF THE RURAL SECTOR

Selection VII.C.1. The New Development Economics 352
Selection VII.C.3. The New Institutional Economics and Development Theory 359
Selection VII.C.4. Rural Credit Markets and Institutions in Developing Countries: Lessons for Policy Analysis from Practice and Modern Theory 361
Selection VII.C.5. A Survey of Agricultural Household Models: Recent Findings and Policy Implications 364
Comment VII.C.1. Supply Functions and Price Responsiveness 366

VII.D. AGRICULTURAL PRICING POLICY AND URBAN BIAS

Note VII.D.1. Agricultural Pricing Policy 368
Selection VII.D.1. Urban Bias 370
Comment VII.D.1. Rural–Urban Terms of Trade 373
Comment VII.D.2. The Rural–Urban Divide 373

VIII. INCOME DISTRIBUTION

Overview 375

Note VIII.1. Measurement of Income Inequality 379

VIII.A. THE IMPACT OF DEVELOPMENT ON INCOME DISTRIBUTION

Selection VIII.A.1. Economic Growth and Income Inequality 382
Selection VIII.A.2. Inequality, Poverty, and Development 387
Selection VIII.A.3. Growth and Income Distribution 391
Selection VIII.A.4. A Note on the U Hypothesis Relating Income Inequality and Economic Development 394
Selection VIII.A.5. Economic Development, Urban Underemployment, and Income Inequality 395
Comment VIII.A.1. The Informal Sector, Intraurban Inequality, and the Inverted U 399

VIII.B. THE IMPACT OF INCOME DISTRIBUTION ON DEVELOPMENT

Selection VIII.B.1. Distributive Politics and Economic Growth 401
Selection VIII.B.2. Income Distribution, Political Instability, and Investment 404
VIII.C. CASE STUDIES 409
Selection VIII.C.1. Economic Growth and Income Distribution in Taiwan, 1953–64 409
Selection VIII.C.2. Brazilian Size Distribution of Income 417

IX. POLITICAL ECONOMY 421
Overview 421

IX.A. THE (PROPER) ROLE OF THE STATE IN LESS DEVELOPED COUNTRIES 426
Selection IX.A.1. Public Policy and the Economics of Development 426
Comment IX.A.1. Development Planning 431
Comment IX.A.2. Governing the Market 432

IX.B. RENT SEEKING AND GOVERNMENT FAILURE 434
Note IX.B.1. What Are Rents? 434
Selection IX.B.1. The Political Economy of the Rent-Seeking Society 437
Comment IX.B.1. Complete Rent Dissipation Through Competitive Rent Seeking in the Harris–Todaro Model 440
Comment IX.B.2. The Relationship Between Rent Seeking and Corruption 440
Selection IX.B.2. Neoclassical Political Economy, the State, and Economic Development 442
Selection IX.B.3. India 446
Selection IX.B.4. Governments and Agricultural Markets in Africa 450

IX.C. STATE CAPACITY 471
Selection IX.C.1. Institutions and Economic Performance:
Cross-Country Tests Using Alternative Institutional Measures 471
Selection IX.C.2. The State as Problem and Solution:
Predation, Embedded Autonomy, and Structural Change 476
Selection IX.C.3. Taking Trade Policy Seriously:
Export Subsidization as a Case Study in Policy Effectiveness 495
Selection IX.C.4. Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries 508

X. DEVELOPMENT AND THE ENVIRONMENT 517
Overview: Environmental Problems in Less Versus More Developed Countries 517
Selection X.1. Development and the Environment 520
Comment X.1. The “Environmental Kuznets Curve” 529
Selection X.2. North–South Trade and the Global Environment 531
Comment X.2. Empirical Studies of the Impact of International Trade on the 
Environment in Less Developed Countries 533
Selection X.3. Deforestation and the Rule of Law in a Cross Section of Countries 535
Selection X.4. Determinants of Pollution Abatement in Developing Countries: 
Evidence from South and Southeast Asia 544
Selection X.5. Sustainable Development: Ecology and Economic Progress 554
Comment X.3. Weak Sustainability, Genuine Savings, and Green National Accounting 559

APPENDIX: HOW TO READ A REGRESSION TABLE 561
INDEX OF SELECTION AUTHORS 567
INDEX 569
EXHIBITS

Exhibit I.A.1. Basic Indicators 8
Exhibit I.A.2. Exchange-Rate-Deviation Index in Relation to Real GDP per Capita, Thirty-four Countries, 1975. 12
Exhibit I.A.3. The Human Development Index 21
Exhibit I.A.4. Similar Income, Different Human Development, 1993 23
Exhibit I.A.5. Human Development Index Rankings 24
Exhibit I.B.1. Balance Sheet of Human Development—Developing Countries 35
Exhibit III.1. Economic and Social Indicators in Fast and Slow Growth Economies 122
Exhibit IV.A.1. Share of Primary Products in Merchandise Exports and Index of Export Concentration 159
Exhibit V.C.1. Health Indicators 249
Exhibit V.C.2. Life Expectancies and Health Expenditures in Selected Countries 262
Exhibit VI.1. Self-employment and Unpaid Family Workers Circa 1990 295
Exhibit VII.D.1. Rural and Urban Poverty in the 1980s 373
Exhibit IX.A.1. Market Failure and State Intervention 431
The economics of development is one of the most exciting subjects in social science. Why, two centuries after the Industrial Revolution, are poverty and its attendant ills so prevalent in most of the world? And what can be done about it? Nobel Prize–winning economist Robert Lucas wrote of the questions addressed by development economics, “Once one starts to think about them, it is hard to think about anything else” [“On the Mechanics of Economic Development,” *Journal of Monetary Economics* 22 (July 1988), p. 5].

Development economics is also a very frustrating subject. Unlike most areas within economics, there exists no consensus on what the student should know. Two scholars can with equal justification write two completely different textbooks.

The aim of this book is to convey as much of the excitement of development economics and as little of the frustration as possible. To this end we have avoided writing the ordinary type of textbook, instead culling the most insightful readings from the diffuse field of development and bringing them into conceptual order. By using this distinctive approach we allow for a variety of perspectives while keeping in sight the most important overarching themes. The section “Using This Book” (p. xix) describes our strategy of combining excerpted readings (“Selections”) with our own “Overviews,” “Notes,” “Comments,” and “Exhibits.”

After being responsible for the previous six editions of *Leading Issues in Economic Development* over the past 35 years, Professor Meier has now selected Professor Rauch to upgrade and modernize this seventh edition and to perpetuate subsequent editions. This edition is mainly Professor Rauch’s effort. It reflects his desire to strengthen the analytical and quantitative dimensions of development economics and to illuminate contemporary—and future—problems of development policymaking. In all, it provides fresh and serious attention to the interplay between development experience, changing views of economists, and policy.

While this seventh edition maintains the format of previous editions, the inclusion of a new author has brought many changes relative to the sixth edition:

- New chapters on income distribution and on development and the environment have been added while other chapters have been consolidated.
- Most of the Selections and Notes are new.
- The representation in the Selections of articles from leading professional journals has increased.
- The Selections make greater use of statistical analysis, and an Appendix, “How to Read a Regression Table,” has been added to ensure that these Selections are easily accessible to all readers.

We wish to express our appreciation to the authors and publishers who have granted permission to use excerpts from publications for which copyrights exist. Specific acknowledgment is given with each Selection. Some parts of the original versions of the excerpted materials have been omitted out of consideration for relevance and to avoid repetition. In some instances, tables and diagrams have been renumbered and the footnotes have been deleted or renumbered.

We would like to thank a number of extremely busy people who generously took time out to provide advice or to comment on portions of the manuscript: Richard Carson, Graham Elliott, Peter Evans, and Dani Rodrik. We would also like to acknowledge the valuable research assistance of Neville Francis, Timothy Kane, Paula Lindsay, and Donald McCubbin. James Rauch wishes to thank his wife, Doris
Bittar, for making room in her life for this book during its final months of preparation. Kenneth MacLeod has been a very helpful and patient editor. Finally, we are grateful to the entire profession of social scientists whose writings on development provide the foundation for this volume.
Instructors and students can use this book more like a main text or more like a supplementary reader. To facilitate the latter approach the contents have been designed to allow individual freedom of choice in deciding what chapters and Selections to read and in what sequence. If the former approach is taken, the organizational and thematic guidance of the chapter Overviews can be followed and the chapters can be read in numerical order.

The chapters include the following materials:

Overviews: These are introductory essays that show how the subsequent chapter materials fit together and elucidate one or more overarching themes. They sometimes contain ideas that are not explicitly presented by the other chapter materials.

Selections: These are the core of the book. They present a broad sample of the major contributions by scholars and practitioners on the central issues in economic development. Each Selection has been edited for the sake of brevity and to highlight the points of greatest relevance for the chapter in which it appears.

Notes: These serve two purposes. One is to expound important ideas that are extant in the literature but are not presented as clearly or simply as we would like. The other is to present more original material that complements the Selections.

Comments: Like the Notes, these serve two purposes. One is to clarify or expand upon the immediately preceding Selection. The other is to suggest additional readings on the subject of the immediately preceding Selection.

Exhibits: These are tables and charts that provide empirical illustrations and data on topics under discussion. Starting with Selection III.1, some Selections include regression tables. Readers without econometric training are urged to refer to the Appendix to get the most insight from these Selections.
INDEX OF SELECTION AUTHORS

Ahluwalia, Montek S., 387–90
Alesina, Alberto, 401–3, 404–8
Balassa, Bela, 180–86
Banerjee, Biswajit, 323–27
Barbier, Edward, 554–59
Bardhan, Pranab, 359–60, 446–49
Barro, Robert J., 234–36
Bates, Robert H., 450–55
Behrman, Jere R., 254–56
Benhabib, Jess, 218–22
Bhagwati, Jagdish N., 13–17, 187–90
Binswanger, Hans P., 356–58
Birdsall, Nancy, 242–48
Blomström, Magnus, 126–28
Braverman, A., 361–63
Deacon, Robert T., 535–43
Dearlof, Alan V., 175–78
Deolalikar, Anil B., 254–56
Easterly, William, 147–53, 456–70
Edwards, Sebastian, 58–60
Evans, Peter B., 476–94, 508–15
Fei, John C. H., 409–16
Fields, Gary S., 318–22, 391–93
Fishlow, Albert, 52–57, 417–20
Guasch, J. L., 361–63
Hanushek, Eric A., 229–33
Harrison, Ann, 209–10
Hettinge, Hemamala, 544–53
Hill, M. Anne, 263–70
Huq, Mainul, 544–53
ILO Mission, 313–15
International Labour Office, 271–74
Johnston, Bruce F., 340–45
Keefer, Philip, 471–75
Khalily, Badi, 285–87
Khan, Zahed, 285–87
Khandker, Shahidur R., 285–87
King, Elizabeth M., 263–70
Knack, Stephen, 471–75
Kremer, Michael, 147–53
Krug, Anne, 187–90, 437–40
Kuo, Shirley W. Y., 409–16
Kuznets, Simon, 382–86
Lee, Jong-Wha, 234–36
Levine, Ross, 141–46, 456–70
Lipsey, Robert E., 126–28
Lipton, Michael, 370–72
Livingstone, Ian, 316–17
Lycette, Margaret A., 275–79
McKinnon, Ronald L., 133–36
Markandya, Anil, 554–59
Matsuyama, Kiminori, 107–9
Murphy, Kevin M., 111–13
Overseas Development Institute, 65–68
Pack, Howard, 206–8
Pargal, Sheoli, 544–53
Patrick, Hugh T., 138–40
Pearce, David, 554–59
Perkins, Dwight, 48–51
Perotti, Roberto, 404–8
Preston, Samuel H., 293–94
Pritchett, Lant, 114–18, 147–53
Psacharopoulos, George, 223–26
Ranis, Gustav, 170–74, 409–16
Rauch, James E., 395–99, 508–15
Reynolds, Lloyd G., 80–95
Robinson, Sherman, 394
Rodrik, Dan, 195–201, 401–3, 495–507
Rosenzweig, Mark R., 356–58
Sachs, Jeffrey D., 161–67
Sen, Amartya, 283–84
Shleifer, Andrei, 111–13
Singh, Inderjit, 364–66
Spiegel, Mark M., 218–22
Squire, Lyn, 364–66
Srinivasan, T. N., 61–63, 442–45
Stern, Nicholas, 426–30
Strauss, John, 364–66
Summers, Lawrence, 147–53
Tidrick, Gene M., 307–11
Timmer, C. Peter, 347–49
Todaro, Michael P., 300–301
Vishny, Robert W., 111–13
Wai, U Tun, 129–32
Warner, Andrew M., 161–67
Wheeler, David, 544–53
Zejan, Mario, 126–28
INDEX

Acquired immune deficiency syndrome (AIDS), 257, 260
Adverse selection effect, 362
Afghanistan, 88, 91, 263, 536
Africa, 104. See also East Africa; North Africa; South Africa; Sub-Saharan Africa; West Africa; agriculture and, 97, 100, 333; divergence and, 115; economic environment in, 430; economic growth in, 84–85, 86–87, 89, 91, 92, 94; education in, 219, 225; environment and, 526, 528; health in, 258; industrialization and, 98, 99, 451–52; population of, 244; poverty in, 18; rural-urban migration in, 293, 294; state intervention in agricultural markets, 450–55; typology of development in, 170–74; unemployment in, 310; women in, 274, 275, 276, 281
Agency for Marginal Farmers and Agricultural Labour (MFAL), 310
Agricultural household models, 331, 364–66
Ahlulwalia, Montek, 209
Air quality, 521–22, 525
AK model, 120, 121, 123–25, 151, 178
Algeria, 86, 87
Alliance for Progress, 54
Amakudari, 481
Amazon Basin, 532
Argentina, 99, 406; agriculture and, 108; economic development in, 52; economic growth in, 86, 92, 94, 473; economic reforms in, 58; industrialization and, 98, 182, 183; poverty in, 55; trade and, 192, 202
Asia, 2, 104. See also East Asia; South Asia; Southeast Asia; Argentina, agriculture and, 97, 100, 333, 344; economic growth in, 80, 84, 86, 93; education in, 429; environment and, 526; industrialization and, 99; interest rates in, 129, 134; population of, 242; rural-urban migration in, 294; women in, 271, 272–73, 274, 275, 276, 283, 284
Assassinations, 458, 540
Association of Southeast Asian Nations (ASEAN), 43
Australia, 88, 99, 101, 105, 183
Automobile industry, 202, 500–501
Backwash, 98
Bahrain, 166
Balanced growth, 69–70
Bangladesh: economic growth in, 88; family planning programs in, 247; famine in, 335; foreign direct investment and, 210; Grameen Bank of, 215, 285–88; infrastructure of, 429; pollution abatement in, 544–45, 548–51; population in, 244, 245; poverty in, 18; technology transfer and, 204; women in, 271, 283, 284; women’s education in, 269
Bangladesh Chemical Industries Corporation (BCIC), 548
Banks, 139; central, 46, 142, 502; in East Asia, 36, 37, 44, 45; financial development and, 142; in India, 61; interest rates in, 129, 131, 132
BAPEDAL, 547
Barbados, 297
Basic indicators, 8–11
BEFLEX program, 499–500
Belgium, 107
Benin, 264
Big push, 69
Bimodal agricultural strategy, 330, 340–42, 343, 345, 347
Biodiversity, 523–24
Birth rates, 2, 82, 298. See also Fertility rates
Black markets, 162, 424, 458, 459, 460, 461, 463
Bolivia, 144; education in, 237, 240; export subsidies and, 495, 503, 505; poverty in, 18; women in, 276; women’s education in, 264
Botswana, 65; economic growth in, 147, 152; ethnic diversity in, 463; political system of, 406; trade and, 156; women in, 275; women’s education in, 263, 268
Branco, Castello, 417
Brazil, 5, 6; deforestation in, 536; economic development in, 52; economic growth in, 84, 86, 91, 92, 93, 94; economic reforms in, 58, 60; education in, 230, 231, 232, 239, 419; environment and, 527, 528, 531; export subsidies and, 495, 499–501; health in, 427; income distribution in, 56, 378, 417–20; industrialization and, 98, 99; poverty in, 36, 55; state intervention in, 488–91, 493, 494; trade and, 189, 192, 202; women in, 273, 276
Bribery, 438, 461, 509
Brundtland Report, 555

569
Burkina Faso, 263, 276, 526
Burma, 86, 89, 93, 99
Burundi, 115
Busia, Kofi, 453, 462–63
Business Environmental Risk Intelligence (BERI), 471, 472, 508, 514
Business International (BI), 508
Buyer-driven chains, 204–5
Cameroon, 276
Canada, 88, 99, 101, 183, 417
Capital accumulation, 72, 73, 178–79
Capital availability, 42–43
Capital formation, 126–28
Carbon taxes, 527
Caribbean, 19, 59, 263, 266, 271, 275, 459
Catch-up effects, 218, 220, 221, 459–60
Central banks, 46, 142, 502
Central Europe, 98, 99, 181, 182
Ceylon, 86, 98, 99
Chad, 115
Chaebols, 45, 197, 483–84
China, 3, 99, 105, 409. See also Hong Kong; Taiwan; divergence and, 115; economic crisis in, 42; economic growth in, 36, 38–39, 80, 81, 83–84, 85, 88, 89, 90, 91, 92, 93; environment and, 523, 524, 527; famine in, 335; health in, 427–29; industrialization and, 98; move to the market, 48–51; poverty in, 19; rural-urban migration in, 293, 294; women in, 271, 283–84; women’s education in, 263
China Productivity Center, 207
China Steel, 485
Chinese Petroleum Corporation (CPC), 198
Chlorofluorocarbons (CFCs), 521
Chrysler, 182
Classical economics: development economics and, 69; growth theory and, 72–73; income inequality and, 387
Closed economies, 77–78, 98, 107, 108
Cocoa Marketing Board, 455
Coeicient of our ignorance, 225
Collective choice analysis, 443
Colombia: economic development in, 52; economic growth in, 91, 93, 94; industrialization and, 99, 112; trade and, 202; women’s education in, 263
Colonialism, 170
Colosio, Luis Donaldo, 58
Commodity markets, 450–51
Commonwealth of Independent States (CIS), 48
Communist Party (China), 48
Community Development Programmes, 446–47
Comparative advantage, 107–9
Competitiveness hypothesis, 355
Constrained Pareto efficiency, 354, 360
Contracts: enforceability of, 472; investment policies for, 198–200
Crash Scheme for Rural Employment (CSRE), 448
Credit: in agricultural market, 338, 340; in East Asia, 43–44; in rural sector, 361–63, 447; women and, 280–81, 285–86
Cuba, 90, 91
CUF, 549
Cultural Revolution, 50, 115
Deadweight losses, 422, 435, 443
Death rates. See Mortality rates
Decollectivization, 49–50
Default risk, 244–45, 539
Deforestation, 518, 523, 531–32, 535–43; income and, 538–39; population and, 536–38, 541–42
Demand-following supply response, 138–40
Democracies, 402, 404
Deng Xiaoping, 48
DENR, 545, 546
Departmento Administrativo de Servicio Publico (DASP), 489
Deterioration phase of income inequality, 389
Developmental states, 480–88
Development economics, 69–76; evolution of, 69–74; in rural sector, 532–55
Development measures, 5–34; burden of poverty in, 18–35; evolution of, 5–7; price of services as, 13–17
Development theory, 359–60
Dictatorships, 402, 404
Direct taxes, 368, 386, 418
Disability-adjusted life year (DALY), 257, 259
Disguised unemployment, 297, 317
Divergence, 114–18
Division of labor: classical growth theory on, 72; by gender, 272–73
Domestic investment, 36
Domestic resource cost (DRC) ratio, 182
Dominican Republic, 52, 263
Dutch disease model, 161, 164, 165, 173
Earnings. See Wages/earnings
East Africa, 92, 275–76
East Asia: economic crisis in, 42–47; economic growth in, 36–41, 147, 152; education in, 36, 234–35, 236, 237–39; family planning programs in, 36, 246; income distribution in, 407; market governance in, 432; poverty in, 19; state intervention in, 480, 482, 486–87, 494; Sub-Saharan Africa compared with, 456, 460, 466, 467; typology of development, 170–74; women’s education in, 263, 266
Eastern Europe, 2; China compared with, 48; environment and, 526; import substitution and, 181; industrialization and, 182
Econometric studies of migration, 312
Economic booms, 85–88
Economic Commission for Latin America, 52–53
Econometric studies of migration, 312
Economic booms, 85–88
Economic Commission for Latin America, 52–53
Africa, 65–68; typology of, 170–74; underemployment and, 395–99; unlimited labor supply and, 297–99
Economic environment, 429–30
Economic growth: in India, 61–63; in Sub-Saharan Africa, 80, 84, 86, 89, 90, 93, 94; education in, 230, 231, 232; poverty in, 18; trade and, 189; women in, 283
Elasticity of demand, 107–8, 109, 110
Electronic Research and Service Organization (ERSO), 199
El Salvador, 52
Embedded autonomy, 478, 480, 481–82, 484, 485–86, 487, 490, 491, 493, 494
Employment. See also Labor force; Underemployment; Unemployment: in India, 448; in rural sector, 356–58
Enclosure, 532
Endogenous growth theory, 4, 75–76, 120, 121, 218; two-sector model of, 107–9
Endogenous politicians, 443
Endowment ratio, 15–16
Engel’s law, 78, 109
England, 97, 138, 244–45. See also Great Britain/United Kingdom; environment and, 531, 532; industrialization and, 111
Environment, 517–59; balance sheet of, 35; economic development and, 520–29; Kuznets curve for, 517, 529–30; sustainable development and, 519, 554–59; trade and, 518, 531–34
Environmental Protection Agency (EPA), 529, 547, 548
Ethiopia, 88, 115, 335
Ethnic diversity, 423–24, 456–58, 460–66; bureaucracy and, 514; concepts and country examples, 460–63; measuring, 463
Europe, 88. See also Central Europe; Eastern Europe; Southern Europe; Western Europe; agriculture and, 59–100; divergence and, 114; education in, 225; environment and, 528; trade and, 202; women in, 283
Exchange-rate deviation index, 6, 12
Exchange rates, 43–44, 45, 46, 54
Exploitation hypothesis, 354–55, 361
Export crops, 450–51
Export processing zones (EPZs), 50, 165, 210
Export promotion: direct, 192; import substitution versus, 187–88
Exports, 180, 184–85; China and, 48, 50, 51; East Asia and, 36, 37, 46, 47; economic growth and, 87–88, 90, 93–94; fictitious, 503, 504; as first trade move, 102–3; foreign direct investment and, 210; India and, 61, 62; industrialization and, 183–84; Korea and, 105; Latin America and, 53; natural resources and, 162; primary products in, 155–56, 159–60; Sub-Saharan Africa and, 65, 68; Taiwan and, 105
Export subsidies, 424, 495–507; failures in, 502–3; intermediate cases, 503–6; successes in, 496–501
Export substitution: primary, 171, 173; secondary, 171–72, 173
Expropriation risk, 471, 472, 473–74
Extensive growth, 80–85
Externalities, 259, 336
Extinction, 523–24
Factorial terms of trade, 99–101
Factor prices, 82, 83; education and, 226; family planning programs and, 246–47; infant mortality and, 245–46; nutrition and, 255
Fornalizer plants, 544, 548–49
Fictitious exports, 503, 504
Financial development, 138–40, 141–46
Financial liberalization, 133–37
Five-Year Plan, 431
Fixed investment, 126–28
Fixed-rate tenancy, 357, 358
Food and Agriculture Organization (FAO), 535
Food crops, 451
Food prices, 254–55
Food security, 82–84, 88–89, 91
Foreign direct investment (FDI), 90, 102, 157–58; benefits of, 209–10; China and, 50–51; East Asia and, 39, 44; Latin America and, 53, 58; technology transfer and, 209–10
Formal sector, 313, 317, 319; mobility from informal sector to, 323–26; relation between informal sector and, 314–15, 321
Four Tigers, 3, 36. See also Hong Kong; Korea; Singapore; Taiwan
France, 90, 97, 138, 283
Francia, 65
Free-rider problem, 168, 442, 443, 445
Freighters, 97
Full income, 365
Functional approach to economic growth, 40–41
Gabon, 166
Gabon, 481
Gandhi, Indira, 62
Gandhi, Rajiv, 62
Gakubatsu, 481
Gabon, 166
Functional approach to economic growth, 40–41
Full income, 365
Freighters, 97
Free-rider problem, 168, 442, 443, 572
INDEX
Goldenberg (firm), 502–3
Gold Coast, 298
Global warming, 521
Gini indices, 56, 57
Global warming, 521
Gold Coast, 298
Goldenberg (firm), 502–3
Government, See Policies; State intervention
Government failure, 336, 348, 401–2, 416, 417
Gini coefficient, 376, 380, 392, 395, 409–11, 416, 417
Gini indices, 56, 57
Global warming, 521
Gold Coast, 298
Goldenberg (firm), 502–3
Government, See Policies; State intervention
Government failure, 336, 348, 422–24
Granger-causes growth, 120, 126
Great Bengal Famine, 335
Great Britain/United Kingdom, 90, 97, 98, 100, 101, 105, 107, 168, 170. See also England; divergence and, 115; environment and, 531; import substitution and, 184; income distribution in, 375–76, 382–83, 386; interest rates in, 124
Ghana: divergence and, 115; economic growth in, 86, 87, 94; environment and, 533–34; ethnic diversity in, 462–63; health in, 257; import substitution and, 180; industrialization and, 99; state intervention in agricultural markets, 453, 454, 455; trade and, 189; women in, 273
Gini coefficient, 376, 380, 392, 395, 401–2, 416, 417
Gini indices, 56, 57
Global warming, 521
Gold Coast, 298
Goldenberg (firm), 502–3
Government, See Policies; State intervention
Government failure, 336, 348, 422–24
Granger-causes growth, 120, 126
Great Bengal Famine, 335
Great Britain/United Kingdom, 90, 97, 98, 100, 101, 105, 107, 168, 170. See also England; divergence and, 115; environment and, 531; import substitution and, 184; income distribution in, 375–76, 382–83, 384, 386, 419; industrialization and, 180; Jamaican emigration to, 307; women in, 283, 298
Great Depression, 52, 87, 170
Greece, 191
Greenhouse warming, 517, 524
Green national accounting, 559
Green Revolution, 109, 272–73, 330, 333, 340, 345–46, 430
Gross domestic product (GDP): absorption in form of services and commodities, 14; agriculture and, 368; in AK model, 123, 125; bureaucracy and, 508; calculating a lower bound for, 114–16; of China, 48, 49; of East Asia, 36; economic growth and, 84–95, 142–45; education and, 234, 235; environment and, 523; exchange rate deviation in relation to, 6, 12; fixed investment and, 126; of India, 61, 62, 63; interest rates and, 134–36; investment and, 406, 407; of Latin America, 52, 53; natural resources and, 161, 162, 163–65
Gross national product (GNP), 2; as development measure, 5–7; in East Asia, 37; economic growth and, 92, 93, 94; education and, 237, 239; health care and, 258; inverted-U hypothesis and, 387, 389; women’s education and, 263
Growth accounting, 219–22
Grupo Executivo para Industria Automobilistica (GEIA), 490–91
Guatemala, 18, 58
Gulf War, 62
Haiti, 58, 307, 310, 529, 536
Handicrafts, 81, 84, 89
Harris-Todaro model, 423; rent seeking in, 440; of underemployment, 291, 302–6, 396, 399
Headcount index, 19
Health insurance, 258, 259
High-income economies: basic indicators in, 11; development measures in, 5; Gini coefficient in, 392; health indicators in, 252–53; population and labor force in, 34; self-employment and unpaid family workers in, 295–96
High-performing East Asian Economies (HPAEs), 3, 36–41, 237–39. See also Hong Kong; Indonesia; Korea; Malaysia; Singapore; Taiwan; Thailand
Historical perspective, 77–118; on division of the world, 97–99; on factorial terms of trade, 99–101; on spread of economic growth, 80–96
Honduras, 55, 276, 473
Hong Kong, 3, 51, 460, 466; economic crisis in, 43; economic development in, 52; economic environment in, 430; economic growth in, 36, 39, 94, 147; education in, 237; family planning programs in, 246; import substitution and, 184; industrialization and, 180; natural resources and, 164; trade and, 184; women’s education in, 270
Hot Oil Act, 532
Household model, 243, 244
Household production, 80–81
Human capital: creating, 237–39; economic development and, 218–22; knowledge acquisition, 207–21; of Latin America, 453–36
Human development: balance sheet of, 35; income and, 23
Human Development Index (HDI), 2, 7, 21–22, 24–29, 119, 123
Human resources, 2, 7, 68, 240. See also Literacy
Ibidan, 81–82
Illiteracy, 7, 68, 240. See also Literacy
Imperfect information, 336, 353, 355, 357–58, 359–60, 361
Imports, 54, 89, 90, 157
Import-substituting industrialization, 156, 168–69
Import substitution, 92–93, 170, 185, 189, 499; export promotion versus, 187–88; first stage of, 180–81; India and, 61, 181; Latin America and, 52, 53, 54, 181, 185; primary, 171, 173; secondary, 171–72, 173; second stage of, 181–83, 184, 186, 202; Sub-Saharan Africa and, 67
INBio, 532
Income: balance sheet of, 35; deforestation and, 538–39; education and, 221–22; environment and, 524–26; family, 244; family distribution of, 409, 415–16; full, 365; human development and, 23; in India, 61, 448–49; per capita. See Per capita income; secular levels of, 382, 383, 384, 386; subsistence, 115
INDEX

573

Industrialization. See also Manufacturing: Africa and, 98, 99, 451–52; agricultural productivity and, 107–9; alternative development strategies for, 180–86; division of world into agriculture and, 97–99; economic growth and, 81, 82, 183–84; import-substituting, 156, 168–69; income distribution and, 111–13, 384, 385, 386, 414–16; India and, 61, 63, 98, 99; market size and, 111–13; Taiwan and, 111, 414–16; women and, 273–74

Industrialized Products Tax (IPI), 500

Industrial Revolution, 97–99, 107, 114

Infanticide, 283

Infant mortality, 115–16; in Chile, 429; in China, 427; female, 284; in India, 61; in Latin America, 56; population and, 245–46

Inflation, 63


Information costs, 355, 359, 361

Infrastructure, 426, 427, 429; of India, 446, 447; institutional, 411–12; quality of, 472; rural, 332; of Sub-Saharan Africa, 460; of Taiwan, 411–12

Institutional indicators, 471–75

Insurance: agricultural, 336; health, 258, 259; social, 258

Intensive growth, 80, 88–95

Interest rates: in East Asia, 47; financial liberalization and, 133–37; in Latin America, 54; in organized money markets, 129–32

Interlinkage, 352, 353, 354, 355, 361–62

Intermediate goods, 202–3

International commodity arbitrage, 5

International Commission Project (ICP), 6, 13, 114

International Country Risk Guide (ICRG), 471, 472, 508, 514

International Panel on Climate Change (IPCC), 524

International production networks, 204–5

International trade and development school, 443

Interrelated strategy in agriculture, 347–48

Inverted-U hypothesis, 375–77, 391, 394; explained, 387–90; intrarural inequality and, 395–98, 399–400

Investment, 119–22; in AK model. See AK model; domestic, 36; East Asia and, 44–46; fixed, 126–28; foreign direct. See Foreign direct investment; in health, 257–62; income distribution, political instability and, 404–8; India and, 446–47, 448; institutional indicators of, 471, 473–75; knowledge acquisition, human capital and, 207–8; policies to subsidize and coordinate, 198–200; public, 199–200, 446–47; in rural sector, 332, 448

Investment licenses, 438–39

Inward-oriented industrial development, 181–86

Iran, 88, 89

Iraq, 88, 89

Ishikawa curve, 83

Israel, 2, 191

Italy, 138, 473

Ivy Coast: bureaucracy in, 514; deforestation in, 536; economic growth in, 86, 87, 94; environment and, 533; import substitution and, 180; poverty in, 18; women’s education in, 268

Jamaica: informal sector in, 318; unemployment in, 291, 307–11

Japan, 2, 3, 102, 139, 170, 405, 480–82, 484, 485, 486, 487; agriculture and, 340, 342, 344, 348, 414; divergence and, 114; economic crisis in, 45, 46, 47; economic growth in, 36, 41, 86, 89; education in, 225; environment and, 531, 532; import acquisition, human capital and, 207–8; policies to subsidize and coordinate, 198–200; public, 199–200, 446–47; in rural sector, 332, 448

Jamaican: informal sector in, 318; unemployment in, 291, 307–11

Java, 18, 98, 268, 523, 524

Joint Commission on Rural Reconstruction (JCRR), 412, 414

Kenya: economic growth in, 86, 87; education in, 230, 239; environment and, 526; ethnic diversity in, 462, 463; export...
INDEX 575

Middle-income economies: basic indicators in, 9–11; development measures in, 5; health indicators in, 250–52; health systems in, 258–59; income inequality in, 389–90; population and labor force in, 32–34; self-employment and unpaid family workers in, 295; women’s education in, 263–64

Migration. See Rural-urban migration

Mill, John Stuart, 73

Minerals, 79, 86, 164, 165, 241

Minimum wage, 448

Ministry of International Trade and Industry (MITI), 480–81, 487, 491

Ministry of Trade and Industry (MTI), 483, 485

Mobutu Sese Seko, Joseph, 479, 480

Moi, Arap, 453, 462

Monopolies and Restrictive Trade Practices (MRTP) Act, 62

Morocco, 87; bureaucracy in, 514; economic growth in, 86, 87; environment and, 529; ethnic diversity in, 464; women in, 273

Nkrumah, Kwame, 462

Nongovernmental organizations (NGOs), 258, 259

North Africa, 1; economic growth in, 80; poverty in, 19; women in, 272, 275, 283, 284; women’s education in, 264, 266

North America, 97, 98, 225, 283

Nutrition, 214–15, 254–56, 344, 348; balance sheet of, 35; famine and hunger, 335; policies on, 427–29; women’s earnings and, 277

Off-shore companies, 44, 45

Oil and petroleum, 7, 50, 54, 165, 185, 532

Old-age security, 244–45

Open economies, 108

Organization for Economic Cooperation and Development (OECD), 54, 87, 94, 406, 485; agriculture and, 347; economic growth in, 147; environment and, 527, 548; income distribution in, 401

Organized money markets, 129–32

Outward-oriented industrial development, 184–86

Ozal, Turgut, 503, 504

Pakistan: economic growth in, 85, 88, 91, 92, 93; education in, 237; family planning programs in, 246; women in, 283

Panama, 273

Park Chung Hee, 197, 497, 498, 499

Partialism, 426

Penn World Tables, 114, 115, 116, 117

Per capita income. 3. See also Gross domestic product (GDP); Gross national product (GNP); in AK model, 123–25; as development measure, 5–7; divergence and, 114–18

Peru: economic growth in, 89, 91; economic reforms in, 58; health in, 258–59; poverty in, 18; women in, 276, 278

Petite bourgeoisie, 423, 449

Petrobas, 491

Philippines, 3; agriculture and, 414; deforestation in, 536; economic crisis in, 44; economic growth in, 39, 86, 90, 91, 92, 93; environment and, 523; family planning programs in, 247; industrialization and, 98; pollution abatement in, 545, 546–47; trade reform in, 192; women in, 273: women’s education in, 263, 268

Physical Quality of Life Index (PQLI), 7

Plantations, 86, 100, 180, 271

Pluralist theory, 453–54

Poland, 527, 529


Policy coherence, 496

Political stability/instability: deforestation and, 539–41; income distribution, investment and, 404–8; institutional indicators of, 472, 473, 474–75; in Sub-Saharan Africa, 458, 464–66

Pollution abatement, 544–53

Polonoreste projects, 528

Population, 2, 214, 241–48; agriculture and, 332, 333; deforestation and, 536–38, 541–42; of East Asia, 36; economic approaches to, 242–48; economic growth and, 82–84, 88–89, 91; environment and, 521; labor force and, 31–34; size of, 241

POSCO, 200

Poverty: balance sheet of, 35; burden of, 18–35; capabilities and entitlements in, 30; decline in, 36; environment and, 521; extent of, 19–20; health and, 259; income inequality, economic development and, 387–90; in India, 18, 36, 61; in Latin America, 54–57; women and, 18, 215, 275–79

Poverty gap, 19

Poverty line, 6, 18, 19, 54–55, 115

Prebisch, Raul, 52

Predation, 476, 479–80, 481, 487, 491

Price controls, 451

Price distortions, 36–37, 526

Prices: agricultural, 331, 337–38, 366–67, 368–69, 448; factor, 175, 176, 178; food, 254–55; in India, 448–449; service, 13–17

Primary export substitution (PES), 171, 173

Primary import substitution (PIS), 171, 173

Primary products, 155–56

Primary school education, 234, 237–39, 240, 263–64, 265, 266

Primary sector surplus, 180

Principle-agent approach, 508, 509

Privatization, 96

Probabilistic migration model, 292, 323–27
Producer-driven chains, 204
Productivity. See also Agricultural productivity: factor proportions explanations, 17; growth accounting with human capital stocks in, 220–22; Kravis-Heston-Summers explanation for, 13–15
Profit effect, 366
Programa de Integração Nacional (PIN), 418
Programa de Integração Social, 418
PROKASHI, 545
Property rights, 442, 444, 518, 526, 527, 532, 535, 539–41
Prussia, 383
Public choice school, 443
Public goods, 259, 336
Public sector: economic growth and, 438–40; corruption in, 430; defined, 434–36; in economic environment in, 43; economic development in, 293–94; econometric studies of, 312; informal sector role in, 292, 323–27; model of urban unemployment and, 300–301; unlimited labor supply and, 297–99
Russia, 139
Sanitation, 521
Saudi Arabia, 165, 166
Savings: in AK model. See AK model; in East Asia, 36, 42; as engine of growth, 119–22; financial liberalization and, 133–37; genuine, 559; in India, 63; women and, 280–81
Savings clubs, 280
Saxony, 383
Schulz, Theodore, 300
Secondary export substitution (SES), 171–72, 173
Secondary import substitution (SIS), 171–72, 173
Secondary school education, 237–39, 265, 266
Second best solutions, 337
Second Indian Plan, 371
Secular levels of income, 382, 383, 384, 386
Seemingly-unrelated-regression (SUR) technique, 234
Self-employment, 295–96, 313, 318, 319, 397
Semi-democracies, 404
Service prices, 13–17
Shaman Pharmaceuticals, 532
Shocks, 147–53
Sierra Leone, 254
Singapore, 2, 3; economic crisis in, 188–90, 191
Risk aversion, 352, 357, 358
Rural sector. See also Agriculture: contractual arrangements in, 330, 356–58; credit in, 361–63, 447; informal, 314–15, 316–17; investment in, 332, 448; microeconomics of, 330, 352–67; new development economics and, 352–55; new institutional economics and development theory in, 359–60; recent tenancy models in, 356–58; reform in, 49–50; strategies for welfare improvement in, 343–45
Rural-urban divide, 373–74
Rural-urban migration, 289–327; demographic reappraisal of urban growth and, 293–94; econometric studies of, 312; informal sector role in, 292, 323–27; model of urban unemployment and, 300–301; unlimited labor supply and, 297–99
Russia, 139
Sanitation, 521
Sino-Japanese War, 86
Small Farmers Development Agency (SFDA), 447
Smit, Adam, 69, 72, 75, 98, 494
Social indicators, 56
Social insurance, 258
Soft states, 496
Sogo shosha, 102
Soil quality, 522–23
Somalia, 115, 263
Somprasong Land, 46
South Africa, 97, 99, 273
South America, 345
South Asia: economic growth in, 91; health in, 258; import substitution and, 181; industrialization and, 182; pollution abatement in, 544–53; population of, 244; poverty in, 18, 19; women’s education in, 263, 266
Southeast Asia: economic growth in, 36, 92; pollution abatement in, 544–53; women in, 271
Southern Europe, 98, 99
Southern Rhodesia. See Zimbabwe (Southern Rhodesia)
Soviet Union, 2, 181, 526
Spanish-American War, 86
SPPM, 549
Sri Lanka: development measures in, 7; economic growth in, 89, 91; environment and, 528; health in, 254, 427–29; women in, 271, 275, 276
State autonomy, 496
State intervention, 432–33. See also Policies; in African agricultural markets, 450–55; arguments for, 426; in health care, 259–60; in Korea, 157, 195–201, 482–84, 485, 487; market failure and, 431; neoclassical economics and, 442–45; as problem and solution, 476–94; in Taiwan, 157, 195–201, 482, 484–86, 487
State-owned enterprises (SOEs), 96, 485, 493, 551
Strong states, 496
Strong sustainability, 555, 559
Structuralist analysis, 70
Structural transformation, 478–79, 489–90
Sub-Saharan Africa, 2, 3, 4, 422–24; economic development in, 65–68; economic growth in, 80, 456–70; education in, 65, 68, 237, 238, 429; environment and, 523, 527; ethnic diversity in, 423–24, 456–58, 460–66; income distribution in, 407; personal rule effects in, 67; poverty in, 18, 19; women in, 271, 272, 283, 284; women’s education in, 263, 266, 269
Subsistence income, 115
Sudan, 65, 88, 95, 263, 273
Suez Canal, 86
Sukarno administration, 88
Sukhate-Mr-Srinivasan-Seckler-Payne hypothesis, 255
Sulfur dioxide, 522
Sun Yat Sen, 484
Supply elasticity of agricultural production, 366–67
Supply-leading phenomenon, 139–40
Suspended particulate matter, 521
Sustainable development, 519, 554–59
INDEX 577

Sweden, 419, 527
Switzerland, 107
Synthesis model, 243, 244
Taiwan, 2, 3, 51, 168, 480;
  agriculture and, 340, 344, 348,
  412–14; economic crisis in, 43,
  45; economic development in,
  52; economic environment in,
  430; economic growth in, 36, 39,
  86, 87, 89, 91, 93, 94, 403,
  409–16; income distribution in,
  378, 403, 409–16;
  industrialization and, 111,
  414–16; interest rates in, 124,
  133; state intervention in, 157,
  195–201, 206–8; trade and,
  139, 184, 185, 202; typology of
development in, 170–74; women
  in, 275
Taiwan Agriculture and Forestry
  Development Corporation, 415
Taiwan Cement Corporation, 415
Taiwan Industrial and Mining
  Corporation, 415
Taiwan Pulp and Paper Corporation,
  415
Taiwan Sugar Corporation, 410
Tanganyika, 86, 87
Tanzania, 18, 115, 280, 451
Tariff Refund Certificate (CRA), 503
Tariffs, 435–36, 437; agricultural
  trade and, 338; concertina
  approach to, 192;
  industrialization and, 180, 182;
  Latin America and, 54;
  reforming, 191–92; replacing
  quantitative restrictions, 191
Taxes, 406, 500; in Africa, 450–51;
  agricultural, 368; carbon, 527;
  direct, 368, 386, 418; income,
  124, 125, 386; in India, 448–49;
  indirect, 368, 449
Technology: agriculture and, 332,
  350–51, 352, 353–54; economic
growth and, 152; gaps between
countries, 206–8
Technology transfer and, 204; trade
  and, 183, 184, 202; women
  in, 283
Unorganized money markets,
  129–31
Unpaid family workers, 295–96,
  319, 397
Upper-middle-income economies:
  basic indicators in, 10–11; health
  indicators in, 251–52; income
  inequality in, 397; population
  and labor force in, 33–34; self-
  employment and unpaid family
  workers in, 295; women’s
  education in, 265, 267
Urban bias, 331, 370–74
Urban sector, 395–99. See also
  Informal sector; Rural-urban
  migration
Urban traditional sector, 291, 300
Uruguay, 52, 55, 58, 192
Venezuela: economic development
  in, 52; economic growth in, 86,
  87, 89, 91; economic reforms in,
  58; education in, 237;
  environment and, 533; foreign
direct investment and, 157,
  209–10; political system of, 406
Vietnam, 42, 48
Wage-gap model, 308–9
Wage-rental ratio, 13, 14–15, 16
Wages/earnings: in agricultural
  labor, 341; in informal sector,
  319, 327; in Jamaica, 307–11; in
  Krueger’s trade model, 175–76,
  178; minimum, 448; in rural
  sector, 356–58; rural-urban
  migration and, 300;
  underemployment and, 302,
  304–5; unlimited labor supply
  and, 297; for women, 243, 266,
  271, 275–77
Water quality, 521, 522–23, 524,
  525, 532, 545–47, 551
Weak states, 496, 504, 506
Weak sustainability, 555, 559
Weber, Max, 477–78, 481, 494,
  508
Weberian state hypothesis, 508, 509,
  510, 511–14
West Africa, 81–82, 273
Western Europe, 97, 98, 99, 104;
  agriculture and, 333; divergence
  and, 115; economic growth in,
  81; income distribution in, 417
Wigs, 184
Women, 215, 263–88. See also
  Women’s education; asymmetric
  rights and obligations of,
  281–82; balance sheet of human
  development, 35; credit and,
  280–81, 285–86; farm and,
  215, 285–88; in the labor
  force, 243, 269–70, 271–74,
  297–98, 307; missing, 283–84;
poverty and, 18, 215, 275–79; role models for, 281; savings and, 280–81
Women-headed households, 215, 273, 275
Women’s education, 263–70, 277, 279, 280; benefits at work and home, 269–70; costs, benefits and gender differentials, 264–67; economic impact of, 225–26; financial, opportunity, and psychic costs of, 267–69; health and, 254, 255; labor force participation, wages and, 243
Wood pulp plants, 544, 548–49
World Conservation Strategy, 555

Yunus, Muhammad, 285
Zaire, 65, 88, 95, 263, 479–80
Zambia, 87, 275
Zimbabwe (Southern Rhodesia), 86, 87, 258