Contents

List of abbreviations xv
Preface xvii

PART I
Development economics: theory and its application 1

1 Ways to cope with development economics 3
Development as an issue: globalization and underdevelopment 4
Action and actors: the developers and what they do 8
The problem of development 10
Development economics and doing development 13
Conclusions 16
Questions for discussion 17

2 Evidence and positions: development economics and its facts 19
The empirics of development 19
Development economists' unstable views 21
The authority of an economic position 23
Is knowability a necessary assumption? 27
Conclusions 31
Questions for discussion 32

3 Interdisciplinary boundaries: the limits of economics 34
"Universalism" and knowledge compartmentalization 34
For economists, why development economics? 36
The influence of context: an example 40
Conclusions 43
Questions for discussion 43
Market failure as an argument for rural economic institutions 193
Some alternative views 195
Conclusions 197
Questions for discussion 198

14 Determinants of economic policy in developing countries: model and muddle revisited 200
Determinants of economic policy in developing countries 201
Veblen and his implications for modern developmentalism 202
Models, fads, and economic governance: the World Bank and gap models 205
Socialization of risk and the heuristic emergence of economic policy belief sets 207
Conclusions 210
Questions for discussion 210

15 Policy debacles and their legacies 212
Lesotho 213
Development economics and the Philippines 215
Conclusions 218
Questions for discussion 219

PART II
Topics and issues 221

16 Poverty, inequality, and accounts of the impacts of globalization 225
Economic inequality: measurement 225
Economic inequality: the Lorenz curve 227
Measuring inequality: DE and DS 228
Causality in economic inequality 230
Conclusions 234
Questions for discussion 234

17 The economics of factor markets in economic development 236
SEA and the big numbers 237
Markets as institutions 239
DE and its treatment of credit 243
Conclusions 244
Questions for discussion 245
18 Development dogmas and their histories

The European economic miracle 248
The East Asian economic miracle 250
Conclusions 255
Questions for discussion 256

19 Import substituting industrialization revisited

Trade policy: import substitution 259
The move from import substitution 261
ISI: economics, political economy, and institutional stability 263
Conclusions 264
Questions for discussion 265

20 Globalization and economic development: some issues

The wider context to the economics of globalization 267
Mainstream DE and the economics of trade 268
Issues of globalization 269
Empirics relating to international economic interactions 270
Globalization and labor 272
Conclusions 273
Questions for discussion 274

21 Why East Asia?

The Cold War 276
East Asia and commodity chains 278
Conclusions 281
Questions for discussion 281

22 Experimental economics, the problem of empirics, and the challenge to development studies

Introduction 282
An overview of experimental economics 285
A summary of standard positions within DE, in the light of experimental economics 289
Experimental economics: empirical implications 296
Development studies challenged: prerequisites to challenges to belief systems—DE and DS as contrasting examples 297
Conclusions 299
Questions for discussion 300
23 Conclusions

Spin as part of DE arguments 303
Economics and metaphor 308
Confusion and its power 318
Question for discussion 320

List of special terms 323
References 329
Index 340