

**Introduction to Development Economics
Summer Semester 2014**

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Course Schedule:

Lecture: Wednesday 8:00-10:00	Room: ZHG 002
Tutorial: Monday 10:00-12:00 or Friday 10:00-12:00	Room: ZHG 002

This is an undergraduate course (taught in English) that covers a wide range of issues relevant to less-developed countries. The purpose of the course is to provide students with an overview of important topics in development economics. The first part of the course provides an overview of how to measure development, as well as the various theories behind development. The second part of the course introduces students to special topics in development economics such as trade, population, agriculture, education, and health. The third part of the course will discuss the role of aid in development and the measurement of the impact of development aid. Tutorials will focus on the analytical concepts discussed in the lecture and provide practical examples through case studies.

Main Readings:

Meier, Gerald M. and James E. Rauch (2005). *Leading Issues in Economic Development*, 8th Edition, Oxford University Press, New York.

Todaro, Michael P. and Stephen C. Smith (2009). *Economic Development*, 10th Edition, Person Educational Limited, Harlow.

Perkins, Radelet, Lindauer, Block (2012) *Economics of Development*, 7th edition, Norton Press.

Exams: There will be a 1,5h exam at the end of the semester. Successful completion of the course will generate 6 credit points or 6 ECTS.

Course Outline

1. Measurement of Development

- What is development?
- Indicators of development: GDP per capita, income poverty, Human Development Index, Multidimensional Poverty Measure, and Millennium Development Goals

Readings:

Todaro, Chapter 1

Meier, Chapter 1A

Perkins, Chapter 2

2. Comparative Economic Development

- The world in 1960
- Heterogeneity in the development experience 1960-2010
- Differences in the patterns of development in Asia, Africa, Middle East, transition countries
- Resulting evolution of global inequality

Readings:

Todaro Chapter 2

Meier Chapter I.B, II.1, II.2, II.5, II.6

Perkins, Chapter 1

3. Theories of Development

- Development as economic growth
- Theories of structural change
- Modernization theories
- Dependency theories
- Dualistic theories

Readings:

Todaro Chapter 3, 4

Meier Chapter I.C, II.2

Perkins, chapters 3,5

4. Trade and Development

- Can trade promote development?
- Primary exports based trade
- Export-promotion policies

Readings:

Todaro Chapter 12
Meier Chapter III
Perkins, chapter 18

5. Population and Development
 - Does population growth hinder development ?
 - How to affect population growth ?

Readings:

Todaro Chapter 6
Meier Chapter IV.C
Perkins, chapter 7

6. Agriculture and Development
 - The role of agriculture in economic development
 - How to boost agricultural productivity

Readings:

Todaro Chapter 9
Meier Chapter VII
Perkins, chapter 16-17

7. Education and Development
 - The role of education in economic development
 - How to promote education ?

Readings :

Todaro Chapter 8
Meier Chapter IV.A
Perkins, chapter 8

8. Health and Development
 - Linkages health and development
 - How to promote better health

Readings :

Todaro Chapter 8
Meier Chapter IV.B
Perkins, Chapter 9

9. Development Aid
 - The role of aid in economic development
 - Aid allocation
 - Aid effectiveness

Readings :

Todaro Chapter 14

Perkins, chapter 14

10. Impact Evaluation

-Analyzing the effectiveness of programs and projects

-Methods for impact evaluation: Instrumental variables, randomization, matching techniques

Readings:

World Bank (2010) Handbook on Impact Evaluation, chapters 1, 3, 5, 6

Banerjee and Duflo (2010) Poor Economics, chapters 1-3