

Course Code: ECON-321

Title: Development Economics-I

Credit Hours: 03

Prerequisite: Intermediate Macroeconomics and Intermediate Microeconomics

Course Objectives:

This course examines the process of economic development, including the determinants of underdevelopment and poverty. We will focus on describing and understanding the many problems faced by developing countries and their citizens. Throughout the course, we will discuss policy implications of the topics we explore. We begin with an overview of economic development and models economists use to understand the process of economic development. Next, we consider the impediments to development and how they can potentially be addressed.

Learning Outcomes:

Upon completion of the course students should be able to:

- Explain the key concepts of Developments Economics and Identify its role in devising the economic policies of the country

- Identify various perspectives on current and controversial issues regarding development (dependence on foreign aid, pollution, trade-off between industrial and agricultural sector, trade openness). Identify their position and be able to support it
- Understand the economic theory that has shaped the disciplines of economic development
- Analyze the economic rationale underlying policy choices
- Critically reflect on the theories of development and develop an analytical view and coherent opinion about economic changes within low-income countries

Course Contents:

The Concept & Nature of Development	The Nature of Development Economics, Why Study Development Economics? Traditional Economic Measures, Amartya Sen’s “Capability” Approach, development versus growth, development variables, Basic Indicators of Development: PPP (purchasing power parity), PQLI (physical quality life index), human development index (HDI) and Governance index (GI). Characteristics of developing countries.
Contemporary Models of Development and Underdevelopment	Underdevelopment as a Coordination Failure, Multiple Equilibria: A Diagrammatic Approach, The Big Push, Michael Kremer’s O-Ring Theory of Economic Development, The Hausmann-Rodrik-Velasco Growth Diagnostics Framework.
Poverty and Inequality	Measuring Income Distribution & Poverty, Absolute Poverty, Social Welfare, Dualistic Development and Shifting Lorenz Curves: Some Stylized Typologies, Kuznets’s Inverted-U Hypothesis, Economic Characteristics of High-Poverty Groups.
Population Growth and Economic Development	The Basic Issue: Population Growth and the Quality of Life, Population Growth: Past, Present, and Future, The Demographic Transition, The Causes of High Fertility in Developing Countries: The Malthusian and Household Models, The Consequences of High Fertility: Some Conflicting Perspectives.
Urbanization and Rural-Urban Migration	Theories of Urban Growth, Agglomeration Economies, Urban Unemployment, Migration and Development, Toward an Economic Theory of Rural-Urban Migration, Comprehensive Migration & Employment Strategy
Human Capital: Education and Health	Education & Health in Development, International Trends, The Human Capital Approach, The Gender Gap: Discrimination in Education and Health, The Political Economy of Educational Supply and Demand: The Relationship between Employment Opportunities and Educational Demands, Social versus Private Benefits and Costs, Health Measurement and Distribution

Teaching Methodology:

- To deliver lectures on topics included in course outline
- To require each student to work on research project and present it.

Evaluation Criteria:

Evaluation Method	
Quizzes/Assignments	
Mid-Term Exam	
Final-Term Exam	

Recommended Books:

- Todaro & Smith (2014). Development Economics, 11th or 12th Edition Pearson
- Herrick B. and Kindleberger C., (latest eds.). Economic Development. McMillan, New York.
- Jones H. G., An Introduction to Modern Theories of Economic Growth, (Latest Edition), McGraw Hills

Recommended Research Articles:

- Cruz, M., Foster, J.E., Quillin, B. and Schellekens, P., 2015. Ending Extreme Poverty and Sharing Prosperity.
- Women and Contraceptives <http://www.cnn.com/2012/07/09/opinion/gates-contraception-families/index.html>
- Tacoli, C., McGranahan, G. and Satterthwaite, D., 2015. Urbanisation, rural-urban migration and urban poverty. Human Settlements Group, International Institute for Environment and Development.
- Economist “Healthcare in Poor Countries: For 80 cents More” August 15, 2002 <http://www.economist.com/node/1280587>