

Course unit title:	Development Economics		
Course unit code:	ABSE 304		
Type of course unit:	Elective		
Level of course unit:	Advanced		
Year of study:	3 rd or 4 th		
Semester when the unit is delivered:	1 st or 2 nd		
Number of ECTS credits allocated:	6		
Name of lecturer(s):	Bernard Musyck		
Learning outcomes of the course unit:	<p>Differentiate the various theoretical models used to explain economic development and uneven growth</p> <p>Identify policy measures designed to alleviate economic problems faced by developing countries</p> <p>Explain the increasing interdependence of the world economy in terms of food, energy, natural resources, technology, information and financial flows; coordinated approaches are necessary</p> <p>Recognize the fact that problems of development should be treated from an institutional, structural and market perspective; relevant theories must always be combined with realistic institutional analyses</p> <p>Classify common developing countries problems but also realise that such countries can be very different from each other</p>		
Mode of delivery:	<i>Ex cathedra</i> lectures, class discussions and presentations		
Prerequisites:	ABSE 203 and ABSE 204	Co-requisites:	None
Recommended optional program components:	None		
Course contents:	<p>Economics, institutions and development</p> <p>How the other half live? Economics and development studies; Economies as social systems; What do we mean by development?</p> <p>Comparative development: differences and commonalities among developing countries</p> <p>Defining the developing world; The structural diversity of developing economies; Common characteristics of developing nations; How developing countries today differ from developed countries in their early stages; Are living standards of developing countries and developed countries converging?</p> <p>Classic theories of economic development</p> <p>Development as growth and the linear-stages theories; Structural change models; The international-dependence revolution; The neoclassical counterrevolution: market fundamentalism; Classic Theories of development: reconciling the difference</p> <p>Contemporary models of development and underdevelopment</p> <p>The new growth theory: endogenous growth; Underdevelopment as a coordination failure;</p> <p>Poverty, Inequality and development</p> <p>Measuring inequality and poverty; Social welfare; Absolute poverty; Policy options</p> <p>Population growth and economic development: causes, consequences and controversies</p> <p>The basic issue; A review of numbers; The demographic transition; The cause of high fertility in developing countries – the Malthusian model; The consequence of high fertility; Policy approaches</p> <p>Urbanisation and rural-urban migration: theory and policy</p>		

	<p>The migration and urbanisation dilemma; The role of cities; The urban gigantism problem; The urban informal sector; Urban unemployment; Migration and development</p> <p>Human capital: Education and health in economic development Investment in education and health: the human capital approach; Child labour; The gender gap; Educational systems and development; Health systems and development</p> <p>Agricultural transformation and rural development Agricultural growth: past progress and current challenge; The role of women; The economics of agricultural development; Policy implications</p> <p>The trade policy debate: export promotion, import substitution and economic integration Export promotion versus import substitution; The industrialisation strategy approach to export policy; South-South trade and economic integration; Trade policies of developed countries: the need for reform</p> <p>Balance of payments, debt and macroeconomic stabilisation controversy The balance of payment account; Financing and reducing payment deficits; The debt crisis of the 1980s; IMF stabilisation policies</p> <p>Foreign finance, investment, and aid: controversies and opportunities The international flow of financial resources; Private foreign direct investment and the multinational cooperation; Private portfolio investment; Foreign aid</p> <p>Some critical issues for the twenty-first century Global independence and the growth of developing-world markets; The global environment; The crisis in sub-Saharan Africa; Globalisation and International financial reform</p>
Recommended and/or required reading:	See textbook
Textbooks:	Todaro MP, Smith SC (latest edition) Economic Development, Addison Wesley
References:	Perkins DH (latest edition) Economics of Development, WW Norton & Co Nafziger EW (latest edition) Economic Development, Cambridge Meier G, Rauch J (latest edition) Leading issues in Economic Development, Oxford
Planned learning activities and teaching methods:	Lectures, discussions and presentations by students
Assessment methods and criteria:	Mid-term 40% Final examination 60%
Language of instruction:	English
Work placement(s):	Not applicable