Having pointed that “The poorest countries tend to have the lowest growth; the wealthiest next; the ‘middle-income’ countries highest “, Lucas said, “Once one starts to think about them, it is hard to think about anything else”. (Robert Lucas, 1988, Journal of Monetary Economics 22.).

Course Description

This course is on the macro aspects of economic development. It deals with theories and policies of economic growth and structural transformation in less developed countries, theoretical and empirical studies in both the real and financial sectors, as well as the domestic and foreign sectors in the less developed countries. Economic liberalization, stabilization and globalization in developmental process are also addressed.

Course requirement

Students are expected to have macroeconomics background at the graduate level with at least one course in econometrics to understand some empirical studies in journal articles. Students without any course work in economic development are also expected to do extra readings in any textbooks in development.

Learning Objectives

1. Understand some most important theories and models in economic development from classical schools to contemporary.
2. Learn how to assess economic development by multiple criteria.
3. Apply development theories to policies undertaken in some developing countries
4. Develop the necessary research capability to write technical and policy papers for government and international organizations.

Assessment

Students are expected to make class presentation during the class period. Class contribution will count 25% toward the final grade. A term paper will count 25% and final exam will count 50% toward the final grade. Topics for class presentation will be assigned within the first two weeks of the semester. Students need to submit an outline of his/her term paper by the fifth week.
The exam covers all the material covered in the lectures during this semester and addresses learning objective 1, 2, and 3. The term paper must address learning objectives 1, 2, 3, and 4. Term paper can possibly be developed to dissertation proposal.

**Source Books and Readings for further research:**


**Course Outline**

I. Economics of Development and Development Economics


II. Development Economics: From Classical to contemporary theories


III. Economics of Dualism and Structural Transformation: sectoral shift, industrialization and urbanization


IV. Trade and Development

A. Trade Theories for Developing Countries


For Empirical studies on trade and development

*Abdon, Arnelyn et al., 2019” Product Complexity and Economic Development” Levy Economics Institute, WP 616.


B. Trade Strategies and Policies


V. Financial Sector and Economic Development

A. Financial Development and Economic Growth


B. Financial Liberalization and Globalization


*.Chow, Peter “What Have We Learned from the Asian Financial Crisis?” Chapter 7 in Chow and Gill (eds).

VI: Synthesis of three major schools of development theories

P.K. Bardhan,” Alternative Approaches to Development Economics” Handbook I. Chap.3

*Highlighted /summarized in lecture, assigned readings and presented by student. They are highly recommended for self-reading and developing to term paper or dissertation.*