

Development Economics

Module Code: ECO00006I **Credits:** 20 **Year:** 2 **Terms:** 1-3

Contact Hours: 16 one-hour Lectures, 1 whole group meeting, 1 one-hour introductory Tutorial meeting, and 4 one hour Tutorials, 1 revision lecture (23 contact hours)

Module Organiser: Professor S Bowden

Overview:

What is the development problem? Would cancelling third world debt solve the 'development' problem? How does globalisation help or constrain development? Have the international financial markets made development more problematic? Should developed economies give more aid to assist undeveloped economies? How does corruption impede economic growth and development? To what extent are the real problems those of conflict and violence? Is it all a question of 'bad' and 'good' institutions? To what extent does geography (being landlocked etc) and the 'natural resource curse' impede development? How will climate change affect the developing economies? How do we define and measure development? Where and how we access up to date qualitative and quantitative information?

All the above are crucial issues in today's international economy. They are the issues that we address in this module. The module is explicitly an applied economics module rather than a theory module. Theory is used to identify hypotheses and help us explain given phenomenon but the emphasis is on applied empirical analysis.

Aims:

The module is divided into four parts, each part having its own specific aims and objectives:

- **Part One:** is designed to introduce students to a) overall problems of development and b) to classical and new theories on economic growth and development
- **Part Two:** is designed to introduce students to domestic problems and policy issues facing developing economies
- **Part Three:** is designed to introduce students to those international problems and policy issues which affect the economic growth and development of so many countries in the world today
- **Part Four:** brings the module together with one overview lecture which is also designed to guide and inform work on the exam

Objectives:

On completing the module, a student should have:

- A greater appreciation of the insights provided by a range of classical and 'new' theories of economic growth and development - and of the long run forces which have determined the relative economic growth of developing economies
- A greater appreciation of how and why a range of inter-linking and mutually reinforcing domestic problems such as corruption, conflict and geographical issues may constrain the growth and development of many economies
- A greater appreciation of how and why institutions matter in terms of development and relative long run economic growth and development
- A greater appreciation of how and why a range of inter-linking and mutually reinforcing international problems have affected the growth and development of many economies

- Acquired important transferable skills via familiarity with key international web sites (United Nations Development Programme, World Bank, Transparency International, Global Competitiveness Forum, IMF etc) in both quantitative and qualitative materials
- Acquired important transferable skills in terms of experience in participating and leading team based work.
- Acquired important transferable skills in terms of using information to answer essay based questions.

Assessment:

This module is examined by one two-hour examination (100 percent of the mark) to be taken in the Summer Term.

Main References

- Collier, P. (2007). *The Bottom Billion; Why the Poorest Countries are Failing and What Can Be Done About It*. Oxford University Press.
- Clunies-Ross, Anthony et. Al., *Development Economics*, McGraw Hill, 2009.
- Easterly, W. (2001). *The Elusive Quest for Growth*. G 8.91 EAS.
- Perkins, D H., Radelet, S. and Lindauer, D L. (2006). *Economics of Development*. 6th ed.
- Ray, D. (1998). *Development Economics*. New Jersey: Princeton. G 8.9 RAY.
- Sachs, J. (2005). *The End of Poverty*. Penguin. G 9.46 SAC.
- Todaro, M P. & Smith, S C. (2009). *Economic Development*. 10th ed, Essex: Pearson..