This course will provide an introduction to development economics. Topics will include: (a) conceptual approaches to economic development; (b) key facts pertaining to economic growth, inequality, poverty, population and human development; (c) attempts to explain these facts, using theory and empirical analyses; (d) major policy issues concerning education, health, population, globalization, land reform, credit, environment, governance and corruption.

**Prerequisites:** Introductory courses in microeconomics (EC101/111 or equivalent), macroeconomics (EC102/112 or equivalent) are essential; statistics and intermediate microeconomics are desirable.

**Grades:** There will be a midterm and a final exam, accounting respectively for 30 and 50% of the overall course grade. The remaining 20% will be based on problem sets and class participation. Additional credit can be obtained by doing a project or term paper on a topic related to the course. The midterm will be held in class on March 8. No requests for change of date of exams will be entertained apart from medical reasons.

**Academic Conduct Code:** I expect you to uphold the standards of honesty and integrity set out in the Student Academic Code of Conduct (http://www.bu.edu/cas/academics/programs/conductcode.html).

**Problem Sets:** There will be four problem sets which will be posted on the course web-site. They illustrate some of the key points of the lectures, and enable you to test your understanding of the class material. After the submission date the solutions will be posted on the website.
**Class Participation:** I expect you to attend all class sessions, and to arrive on time. I hope you will have read the assigned readings, raise questions and comments in class.

**Additional Credit: Term Paper or Project:** You can work on a project or term paper on a topic related to the course, if you wish to deepen your understanding of development issues, and also gain additional credit (equivalent to 20% of the course grade). If you plan on doing this, please discuss the topic of your paper with me in advance, whereupon I will suggest suitable readings or datasets. The paper should be submitted to me one week before the final examination, and you should be prepared to make an oral presentation and/or answer verbal questions.

**Readings:** The textbook for the course is:


Additional references are listed below: they are downloadable from the web (using your BU account, as the BU library has subscriptions to the relevant journals). We shall follow the textbook to a large extent, but some of the lectures (especially in the second half of the course) will go beyond the text. *You are responsible for attending all classes, for taking notes in my lectures, and integrating them with recommended reading.*

**TOPICS, READINGS, APPROXIMATE DATES**

1. **Characteristics of Development:** (Session 1: Jan 16; DR Ch. 2)
   - Introduction; broad historical facts; income and growth comparisons; income distribution; human development; structural aspects of development.

2. **Economic Growth:** (Sessions 2-4: Jan 18,23,25; DR Ch. 2,3,4)
   - Facts concerning growth rates in developing and developed countries (Section 2.2, Sections 3.1, 3.2)
   - Theories of growth: savings, capital accumulation, technical progress (Sections 3.3, 3.4)
   - Empirical evidence concerning growth, convergence and technical progress (Sections 3.5, 3.6; Sections 4.4.5 and 4.5).

3. **Structural Change:** (Sessions 5-7: Jan 30, Feb 1,6; DR Ch. 2, 10, 5)
   - The changing structure of economies of developing countries, with special reference to the relation between agriculture and industry (Section 2.5).
   - Preconditions for ‘take-off’; the Lewis model of economic development (Sections 10.1, 10.2);
rural-urban migration (Section 10.3)

4. The Role of History: (Session 8: Feb 8; DR Ch. 5)

   Coordination Failures: DR Ch 5.


5. Inequality and Poverty: (Sessions 9-11: Feb 13,15, 22; DR Ch. 6,7,8)

   Measures of inequality (Ch. 6).

   Measures of poverty (Sections 8.1-8.3)

   Interaction between inequality/poverty and development (Ch. 7,8.4).

6. Human Development: (Sessions 12-13: Feb 27, March 1)


   Session 14: March 6 Carryover and Review of Material

MIDTERM EXAM: March 8 (in class)

7. Population: (Sessions 15-17: March 20,22,27; DR Ch. 9)


8. Globalization: (Sessions 18-20: March 29, April 3,5; DR Ch. 16, 17.1–17.4)

   Comparative Advantage (Ch 16); Gains from Trade (Ch17.1), Trade Policies (Ch 17.2–17.4)


9. Land Reform: (Sessions 21-22: April 10,12; DR Ch. 12)

   Tenancy and landownership: Measures and effects; Land Reforms
10. Credit Markets and Policy: (Sessions 23-24: April 17,19; DR Ch. 14, 15)

  Functioning of credit markets; credit policies; microcredit


11. Environment: (Sessions 25-26: April 24,26)


12. Governance and Corruption: (Sessions 27-28: May 1,3)
