

# **Development Economics**

**ICEF**

## **Syllabus for Fall 2011**

**Lecturer:** Roman Zakharenko

**Seminar leaders:** Roman Zakharenko, Nina Ryabichenko

### **Course description and objectives**

Modern world is characterized by enormous heterogeneity of living standards within and across countries. Development Economics is a one-semester course that aims to understand the causes of such heterogeneity, from both theoretical and empirical perspectives, as well as to provide policy recommendations for reduction and elimination of underdevelopment. The course is taught in English.

### **Methods**

The following methods and forms of study are used in the course:

- lectures
- seminars
- home assignments
- self-study

You are encouraged to work together on homework assignments, but you must write up the assignment individually. Self-study is an extremely important element of the course.

### **Readings**

D. Acemoglu: Introduction to Modern Economic Growth (2009).

M. Todaro, S. Smith: Economic Development, 10<sup>th</sup> edition (2008) and older. A Russian translation of the 5<sup>th</sup> edition is available.

D. Ray: Development Economics (1998)

K. Basu: Analytical Development Economics (2003)

P. Bardhan, C. Udry: Development Microeconomics (1999)

Handbook of Development Economics, vols. 1-4

Supplementary readings will be posted in the MIEF infosystem.

### **Assessment**

Control takes the following forms:

- Homeworks – 4 total;
- In-class quizzes – 6 total;
- One Mid-semester exam;
- Final exam.

### **Grade determination**

The final grade consists of the following elements:

- Homeworks - 20%
- Class activity – 6%
- Mid-semester exam – 24%
- Final exam – 50%

To receive a passing grade, students should earn at least 34% of the maximum possible final grade, or at least 40% of the maximum possible grade for the final exam.

### **Valid excuses**

If you have to miss a homework or mid-semester examination due to illness, the weight of the missed assignments will be shifted onto other course elements (other exams, class activity, and homeworks).

### **Contact info**

Office: Zhe-709

Office hours for Fall 2011: Tuesday 15:00 – 17:00

Email: [r.zakharenko@gmail.com](mailto:r.zakharenko@gmail.com)

Phones: office 495-772-9590, ext. 2296

### **Changes to the Syllabus**

Any changes to this syllabus will be announced in class or by email.

### **Brief course outline**

1. Brief overview of the developing world, major stylized facts;
2. Early theories of economic growth: Harrod-Domar, Solow-Swan models;
3. The role of economies of scale in economic development: Kremer's theory of growth, "Industrialization and the big push" (Murphy, Shleifer, Vishny);
4. Skill complementarities and Kremer's "O-ring" theory of economic development;
5. The role of asymmetric information in economic development: adverse selection (Akerlof) and moral hazard (Stiglitz);
6. Inequality and growth: measuring inequality; theory of the effect of inequality on growth (Persson-Tabellini);
7. Migration and development: rural-urban migration, international migration;
8. Population growth and demographic transition;
9. Geography and development;
10. Institutions and development;
11. Culture and development.