

# **Development Economics**

**ICEF**

## **Syllabus for Spring 2017**

**Lecturer:** Roman Zakharenko

**Seminar leaders:** Roman Zakharenko, Egor Krivosheya

### **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
- student presentations
- 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).

Banerjee, Benabou, Mookherjee: Understanding Poverty (2006).

Handbook of Development Economics, vols. 1-4.

Some of these readings are not available in the library; their scanned copies will be posted in the infosystem as necessary.

### **Grade determination**

The final grade consists of the following elements:

- Four homeworks - 16% (4% each);
- In-class presentation – 7% (20 min long, to be done in groups of up to three students).

- In-class random quizzes – 5%
- Mid-semester exam – 22%;
- Cumulative final exam– 50% (date: to be announced).

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

### **Valid excuses**

Valid excuses for missing an assignment include: death (yours, others), illness (as reported to ICEF reception desk), other events approved by ICEF administration. In case of a missed assignment due to a valid excuse, its weight will be shifted proportionately onto other assignments in the course.

### **Contact info**

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### **Brief course outline**

(with distribution of class hours)

No	Topic	Lectures	Seminars
1	Brief overview of the developing world, major stylized facts about poverty	2	2
2	Theories of economic growth	2	2
3	The role of economies of scale in economic development: Kremer's theory of growth, "Industrialization and the big push" (Murphy, Shleifer, Vishny)	4	4
4	Skill complementarities and Kremer's "O-ring" theory of economic development	2	2
5	The role of asymmetric information in economic development: adverse selection (Akerlof) and moral hazard (Stiglitz)	4	4
6	Inequality and growth: measuring inequality; theory of the effect of inequality on growth (Persson-Tabellini)	2	2
7	The role and magnitude of corruption in development	2	2
8	Migration and development: rural-urban migration, international migration, remittances	4	4
9	Population growth and demographic transition	2	2
10	Geography and development	2	2
11	Institutions and development	4	4
12	Culture and development	2	2
	TOTAL	32	32