

YORK UNIVERSITY
GS/ECON 5700 A: ECONOMIC DEVELOPMENT

FALL 2018

Instructor: Mahmudul Anam

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Brief Course Description:

The objective of the course is to apply economic theory, both micro and macro, to understand the process of growth and development in the developing world. Particular attention is focused on the dynamics of transition from an agrarian rural society to an increasingly urban and industrial one. Analytical models are invoked to understand the institutions and incentives that have important bearing on this transition and related policy implications.

Course Material:

The course will draw heavily from the following text:

Basu, Kaushik (1997), *Analytical Development Economics*, Cambridge, MIT press.

Additional texts that may be used as supplements for the topics discussed in lectures are:

P. Bardhan and C. Udry (1999) *Development Microeconomics*, Oxford, Oxford University Press.

Ray, Debraj, (1998) *Development Economics*, Princeton University Press.

G. Meir and J. Rauch (2005) *Leading Issues in Economic Development*, Oxford University Press.

R. Barro and X. Sala – I – Martin (1995) *Economic Growth*, McGraw Hill, New York/London.

Handbook of Development Economics, Various Issues.

Data sources for possible essay topics:

World Development Report, Various issues, World Bank.

Human Development Report, Various issues, UNDP.

Course Assessment:

Option 1: Final grade will be based on a closed book final exam, scheduled during the December exam period (50%) and a term paper due on the last day of classes (50%). Final exam will be based entirely on the lecture material. The term paper can be on any topic relating to Economic development and developing countries. It can be either theoretical or empirical, general or country-specific. A critical survey of literature is also acceptable. The length of the paper, excluding tables, should not exceed twenty 1.5-spaced pages. A formal proposal is not required but you are encouraged to discuss the potential topic for your essay before the Fall reading-week break.

Option 2: Final grade based on a 100% final exam. Students choosing this option will write an open book essay question in addition to the common final exam.

Website

All course related material and announcement will be posted on course moodle for Econ 5700.

Course Topics

I Growth and Development

Introduction and Background

Basu (1997) Ch 1

Ray (1998) Ch 1 & 2

Classical models, The Vicious Circle, Industrialization, and Balanced Growth

Basu (1997) Ch 2

R. Findlay (1984) "Growth and Development in Trade models" Handbook of International Economics. Volume 1 Pages 185-90

Murphy, Kevin M, Andrei *Shleifer*, and Robert W *Vishny*. (1989). "Industrialization and the Big Push." *Journal of Political Economy* 97 (5): 1003-1026.

Ray (1998) Ch 3

Neo-Keynesian and Neoclassical models of Growth

Basu (1997) Ch 3

Barro and Sala - I – Martin (1995) Ch 1

Ray (1998) Chs 3 & 4

II Dual Economy Models, Migration and Unemployment

Basu (1997) Chs 7,8,9,10.

Ray (1998) Ch 10

Bardhan and Udry (1999) Chs 4, 5 & 15.

Lewis, W Arthur, (1979) "The Dual Economy Revisited," *The Manchester School of Economic & Social Studies*, Blackwell Publishing, vol. 47(3), pages 211-29, September.

Harris J. and M. Todaro (1970). *Migration, Unemployment & Development: A Two-Sector Analysis*. *American Economic Review*, March 1970; 60(1):126-42.

Joseph E. Stiglitz (1972) "Alternative Theories of Wage Determination and Unemployment in L.D.C.'s: I. The Labor Turn-Over Model," *Cowles Foundation Discussion Papers* 335, Cowles Foundation, Yale University.

III Rural Economy: Incentives, Institutions and Stagnation

Basu (1997) Chs 11-14

Ray (1998) Chs 10 & 11

IV Trade Policy and Economic Development

Ray (1998) Chs 16-18

Mier and Rauch (2005) Ch 4

Bardhan and Udry (1999)

Ann Krueger (1974) "The Political Economy of the Rent-Seeking Society" *American Economic Review*, Vol 64 No 3

E. Hagen (1958) "An Economic Justification for Protectionism" *Quarterly Journal of Economics*, Vol 74, No 4.

M. Anam (1989) "Rural-Urban Wage differential, Rent Seeking and a Justification for Free Trade" *Journal of Urban Economics*, Vol 26, No 3.

Additional readings may be posted on course moodle site.