

AECO330 (1403): Economics of Development

Department of Economics, University at Albany

Summer 2015
MW 6:00PM-9:30PM
Classroom: BA 229

Instructor: Linna Xu
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Course Objective:

In this class, we study basic explanations, which are necessary to discuss economic development. To understand economic development, we will study economic growth theories that provide important and useful insight for development issues. Then we are going to learn factors, which play significant roles in economic development: capital, population, education, health, government policies, and globalization.

Prerequisites:

The prerequisites for this course are ECO110 and ECO111. Any students without prerequisites may be deregistered anytime within the term. You should recognize that the Registrar will assign a grade of W to students who have been deregistered after the program adjustment period.

(See http://www.albany.edu/economics/undergraduate/pr_rules.shtml)

Class Material:

I will upload the class material including lecture notes (slides), homework, answers and other course materials to blackboard. Make sure to check your blackboard regularly. I encourage you to get a copy of the lecture notes and bring them to the class.

Textbook:

Dwight H. Perkins, Steven Radelet, and Davit L. Lindauer, 2012, *Economics of Development*, 7th edition, Norton.

Office Hours: MW 5:00PM-6:00PM, and by appointments

Course Requirements:

Midterm exam (30%): **July, 27** in class

Final exam (45%): **August, 12** in class (**Cumulative Exam**)

Homework (15%): Must be submitted on due date. **Late assignment will not be accepted**

In-class quiz and attendance (10%): randomly assign 5 quizzes in class; attendance may be checked in this way.

This course is graded on A-E basis.

Important Note: Regular attendance is strongly required since this is a really intensive course. I will cover 2-3 chapters within one class. Late assignments will not be accepted for credit. Requests of rearrangement of exam will be accepted only if I am informed at least three days before the scheduled time.

Make-up Exam:

Due to documented hospitalization or other significant medical reason, a tragic or traumatic experience, or other personal emergency, you should contact me as soon as you are able to do so, and I do need your convincing proof before the original exam date. If you get my permission, then make-up exams will be given. I adhere the policies on academic integrity here:

http://www.albany.edu/undergraduate_bulletin/regulations.html.

No cell phone use under any circumstances during class or during exams.

Course Outline:

1. Overview and theories of Growth and Development (Ch.1, 2, 3, 4, 5)

Before starting to study economic theories of growth and development, it is useful to overview facts of growth and development. We will learn basic measures of growth and development.

Economic growth model can provide useful insights to understand different economic performance of different countries. Economic growth and development are not identical, but economic growth is crucial for the development. Mainly the Harrod-Domar model and the Solow model will be covered. Basic framework to understand the government's role on economy follows.

2. Distribution and Human Resources (Ch. 6, 7, 8, 9 (Ch.11))

Development has a broader meaning than economic growth. In this part, we will see factors that can affect not only economic growth but also development. Inequality, poverty, population, education, and health will be covered.

3. Saving, Investment, and Capital Flows (Ch. 10, 14)

Before starting this part, you may need to review economic growth theories. Especially the importance of capital accumulation should not be ignored. This part includes theories and facts of saving, investment, government's policies, and foreign sector.

4. Production and Trade (Ch. 18)

There have been a lot of debates on globalization in both of developed countries and developing countries. This part mainly focuses on the impact of government policies and internationalized economy on developing countries.

Note: If time permits, I would add more chapters.