

Development Economics I - Macro Issues in Economic Development

Course Number	M.WIWI-VWL.0008.Mp
Course Type and Credits	Lecture with tutorial, 6 ECTS
Lecturer	Prof. Klasen, Prof. Wollni
Cycle	every winter term
Examination format	written exam (90 minutes) at the end of the term
Course Description	This course provides an overview of macro issues in development. It examines the measurement of development, historical roots of underdevelopment, growth, trade, inequality, environmental, and aid issues.
Course Content	<p>1. What is Development</p> <ul style="list-style-type: none">-Overview-Conceptual approaches to development-Measurement and indicators-Income and non-income approaches-Alternative measures of development: HDI, MPM <p>2. History of Underdevelopment and History of Development Economics</p> <ul style="list-style-type: none">-Trends in incomes across the world from A.D. 1-2010-The big divergence 1820-1950-Selective convergence 1950-2010-The rise, fall, and re-emergence of development economics <p>3.-5. Growth Theory and Growth Empirics</p> <ul style="list-style-type: none">-Harrod-Domar Model-Solow Growth Model-New Growth Theory-Growth Accounting-Empirical Growth Regressions-Growth Policies <p>6. and 7. Trade and Development</p> <ul style="list-style-type: none">-Ricardo's model of comparative advantage-Heckscher-Ohlin Model-New trade theories-Empirical relevance of trade models-Trade Policy: reliance on primary products vs. import substitution vs. export-orientation-Trading blocs: advantages and problems <p>8. Development and Inequality</p> <ul style="list-style-type: none">-Measurement of inequality-Kuznets-Hypothesis and its empirical relevance-Interlinkages inequality, growth, welfare <p>9. Population and Development</p> <ul style="list-style-type: none">-Demographic Trends in Developing Countries-Theories of demographic change-Malthusian pessimism versus Boserupian optimism

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Course Content	<p>10. Development and the Environment</p> <ul style="list-style-type: none">-Key environmental challenges in developing countries - The Environmental Kuznets Curve: Theory and Evidence - Climate change-Measurement of sustainable development <p>11. Aid and Capital Flows</p> <ul style="list-style-type: none">-Capital flows and aid -Theories of aid-Volume and allocation of aid -Types of aid-Aid effectiveness
Reading List	<p>Debraj Ray (1998). Development Economics. Princeton University Press.</p> <p>Perkins, Radelet, Lindauer: Economics of Development 6th edition (2006).</p> <p>Todaro, Michael: Economic Development, 9th edition (2006) or 10th edition (2009).</p> <p>Meier: Leading Issues in Economic Development 6th (1995) und 7th (2000) und 8th (2005) Edition.</p>
Course prerequisites	none