

ROCHESTER INSTITUTE OF TECHNOLOGY
DEPARTMENT OF ECONOMICS

448 ECONOMICS OF LESS DEVELOPED COUNTRIES
FALL QUARTER 2006

Professor: Dr. Shatakshee Dhongde
Class Room: Bldg. 6, Room 3232
Class Time: MW Noon to 1.50 pm

Office: 01-1336
Office Hours: T 10 a.m to Noon.
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Course Description:

This course provides an introduction to development economics which focuses on the problems and challenges faced by the developing countries. In this course we will explore the concept of development and analyze its various aspects such as economic growth, income inequality, poverty, and migration. We will also study policies typically prescribed to overcome the hurdles in development and discuss global efforts to attain progress such as the United Nations Millennium Development Goals.

Course Requirement:

Sound background in microeconomics is required along with basic knowledge of algebra and calculus. Class attendance is necessary as there will be surprise in-class quizzes. All homework assignments will be submitted in class and no late submissions will be accepted. In order to grasp the vast scope of the subject, students will be required to read materials besides the textbook.

Reading Material:

Text:

- Development Economics, by Debraj Ray, Princeton University Press, 1998 (Chapters 1 to 10)

References:

- Economic Development, by Michael Todaro and Stephen Smith, Pearson Addison Wesley, 8th edition, 2006 (Chapters 1 to 7)
- Economic Growth, by David Weil, Pearson Addison Wesley, 2005 (Chapters 1,2,3 and 13)
- Development as Freedom, by Amartya Sen, New York:Knopf, 1999.
- A new data set measuring income inequality, by Deininger, Squire, World Bank Economic Review, 1996.
- United Nations Development Program, Human Development Report, Oxford University Press, 2006. <http://hdr.undp.org/>
- World Bank's World Development Report, Oxford University Press, 1995-2006. <http://econ.worldbank.org/>

Course Outline:

1. **Introduction to Development Economics:** Traditional and Modern Approach, Multi-facets of Development.
2. **Developing Economies:** World Bank Classification, Common Features and Problems.
3. **Measuring and Comparing Incomes:** Exchange rates, Prices, Atlas and Purchasing Power Method.
4. **Theories of Economic Growth:** Harrod-Domar Model, Solow Model, Human Capital Models.
5. **Income Distribution:** Inequality Between and Within Countries, Mobility Matrix.
6. **Measuring Inequality:** Axioms, Lorenz Curve Representation, Different Measures of Inequality.
7. **Poverty:** Income Poverty, Poverty Line, Measures of Poverty, Incidence of Poverty across Countries.
8. **Multi-dimensional Deprivation** and Millennium Development Goals.

Course outline may be revised during the quarter.

Grading:

1. **Assignments: 50%**

Homework assignments and quizzes combined will consist of 50% of the total grade. Homework will be handed in the class and students will have to turn them in, also in the class. You are fully responsible for following up all the announcements made during the lectures. Late submissions will not be considered. In addition there will be surprise quizzes conducted in-class. Quizzes will be typically based on materials covered in previous lectures.

2. **Midterm Exam: 25%**

Midterm exam is tentatively scheduled on **Wednesday, October 4th 2006**. There will be no makeup midterm exams given.

3. **Final Exam: 25%**

The final exam is **NOT** cumulative and will be based on topics covered after the midterm exam. The final exam is tentatively scheduled on **Wednesday, November 8th 2006**. There will be no makeup final exams given.

Students with Disabilities:

RIT is committed to fostering an environment where students and faculty/staff with disabilities have the same access to academic programs, support services, social events, and physical facilities as other members of the RIT community. RIT has adopted a set of guiding principles and a set of procedures for providing students and faculty/staff members with appropriate accommodations so that they can successfully study and work at RIT. Information regarding the process for requesting and receiving accommodations can be obtained from the Disability Services Coordinators Office (Eastman Building, Room 2342, telephone 475-7804 V/TTY, or 475-6988 TTY).