

ECON3460
DEVELOPMENT ECONOMICS
First Term, 2021-2022

Time	Monday 08:30 AM – 11:15 AM
Place	Chen Kou Bun Building LT3
Instructor	BAI, Ying Department of Economics, ELB906 Tel: 39438004 Email: ybai@cuhk.edu.hk
Office hour	Tuesday, 9:30AM – 11:00AM
TA	YANG, Jiaojiao 1155133785@link.cuhk.edu.hk

Course Description

The goal of this course is to understand the economic problems of developing countries by using economic theories and their applications. The course will cover both the macroeconomics and microeconomics approaches to development economics. We will first overview the theories of growth and discuss their potential in explaining income differences across countries, and then move to study the different facets of human development: poverty, nutrition, health, education, institutions, culture, and history.

LEARNING OUTCOMES

By the end of this course, students are expected to be able to:

1. Outline the main theories and concepts in development economics
2. Summarize and evaluate empirical work in development economics
3. Make judgements about what policies the government should (or should not) pursue to foster economic development

Prerequisites

It is definitely an asset if you took a course in basic micro and macroeconomics before. Although Econometrics/Statistics is not a prerequisite, you will be expected to be willing to familiarize yourself with basic econometric methods.

Course Website

Please check regularly the course website through CU Blackboard for the following information:

- Lecture notes
- Problem sets and solutions
- Information on office hours
- Posting of grades (homework)

Textbook

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

We rely on Ray (1998) as the theoretical foundation for the topics available in the textbook but for evidence we rely on journal articles, which will be cited and summarized in the lecture notes.

Grading Policy

Homework (30%): 15% X 2

- Submission: via CU Blackboard before/on the due date.
- There are no make-up homework assignments. Late submission will lead to a deduction of 10 marks (out of 100) per day of lateness for the assignment concerned. The teacher reserves the right not to accept any assignments submitted 5 calendar days beyond the given deadline, since the answer of problem sets will be posted on the course website.
- The due dates will be posted on the course website. Therefore, please make sure to keep track of the deadlines for these assignments.

Group presentation and peer evaluation (20%)

- Students need to form a group which includes 2-3 members. Each group needs to summarize economic differences/similarities (for instance, income, inequality, literacy, ...) between two (randomly assigned) countries/regions and explain the potential causes of the differences/similarities.
- [5%] Slides: each group needs to prepare slides and submit via Blackboard by Nov. 21, 2021. Late submission will result in 1/2 reduction of the grade for this part.
- [12%] Presentation: presentation lasts for 10-20 minutes.
- [3%] Anonymous Peer Evaluation: to avoid free-riding, students are required to evaluate the overall contribution made by their group members (not including themselves). The evaluation form will be available on course website. Students need submit the filled form after the presentation (within one day) via Blackboard. Those who do NOT submit their peer evaluation will NOT receive grade for this part.

Final exam (50%): The closed book final exam will be held on **TBA**, as scheduled by the registrar (around mid-October). It is expected to be between December 8 and December 23. The final exam will cover **ALL** material presented during this semester.

- Be sure to arrive punctually for these exams. **NO** additional time will be given to students who arrive late.
- There will be **NO** make-up examination. The only exceptions are for serious medical emergencies. Upon a proper doctor's notice, a make-up exam will be scheduled.

Honesty in Academic Work

Honesty and integrity are integral components of the academic process. Disciplinary actions for dishonesty cases have been strengthened. Students are advised to read the guideline at:

<http://www.cuhk.edu.hk/policy/academichonesty/>

Communication

The most efficient way to communicate with me is through emails. If you need to meet with me another time beside my office hours, please email me in advance to set an appointment. Announcements will be posted on the class website.

Course Schedule

Lecture notes will be uploaded onto the course website.

Date	Lecture topics
06/09	Economic development: An overview <ul style="list-style-type: none">• Chapter 2 in Ray (1998)
13/09	Economic growth theories I <ul style="list-style-type: none">• Chapter 3 in Ray (1998)
20/09	Economic growth theories II <ul style="list-style-type: none">• Chapter 4 in Ray (1998)
27/09	Economic inequality <ul style="list-style-type: none">• Chapter 6 and 7 in Ray (1998)
04/10	Labor market and poverty <ul style="list-style-type: none">• Chapter 8, 11, and 13 in Ray (1998)
11/10	Land market and agriculture productivity <ul style="list-style-type: none">• Chapter 11 and 12 in Ray (1998)
18/10	Credit market and economic development <ul style="list-style-type: none">• Chapter 11 and 14 in Ray (1998)
25/10	Institution <ul style="list-style-type: none">• Journal articles
01/11	Culture <ul style="list-style-type: none">• Journal articles
08/11	Deep roots of comparative development <ul style="list-style-type: none">• Journal articles
15/11	China and Europe in a historical perspective: Political and economic bifurcation <ul style="list-style-type: none">• Journal articles• <u>A review of this course</u>
22/11	Group presentation 1
29/11	Group presentation 2 (<u>move to 22/11 night at CYT 209A-B</u>)