Subject Description

This subject addresses issues in economic development. The main objectives are to examine the key determinants of economic growth and the actual development experience of selected countries. Special emphasis will be placed on drawing policy lessons from the latest research and country experience of growth and development.

The subject has a broad reach and covers topics such as social welfare, education, institutions, corruption, microfinance, foreign aid, the geography of economic development, and theories of economic growth and development. Students will learn how to formalise issues in economic development, and integrate economic theory and empirical analysis to critically examine policy questions.

Prerequisites

ECON20002 Intermediate Microeconomics, and
ECOM20001 Introductory Econometrics or ECON20003 Quantitative Methods 2

The subject is aimed at advanced undergraduates who are familiar with microeconomic concepts, and are fluent in making logical and mathematical arguments. Students should also have knowledge of basic statistics and econometrics. Some of the more important theory and econometric concepts will be reviewed in tutorials.

Subject Material

The subject will cover several topics, and a good textbook treatment can be found in:


Additional chapter readings will be taken from other books, including:


These books are available in the reserves section of the library. Alternatively, students may purchase them from the Melbourne University Bookshop or from any online retailer. Note: some of these books have been around for awhile, so students may be able to find discounted used copies.

Occasionally, students will also be asked to refer to journal articles, which will be made available on the subject website.

Subject Website

The subject website is placed on the Learning Management System (LMS) at http://www.lms.unimelb.edu.au. Students should check the subject website for regular announcements. Lecture slides, additional reading materials, problem sets, and assignments etc. will also be posted on the website.
Assessment

The final grade for the subject is based on the following:

- Midterm: 40%
- Final examination: 60%

The midterm, to be written in class, will be based on material covered up to lecture 7. The final exam will be comprehensive.

Faculty policy requires students to be available for the entire examination period. Supplementary exams will not be provided unless absence is due to serious illness or other serious circumstances.

Ungraded problem sets will also be assigned regularly, and students are encouraged to complete them to prepare for the midterm and final exam. Solutions to problem sets will be discussed in tutorials.

Tutorial

Students are expected to attend weekly tutorials which will commence in week 2. Tutorial slots are as follows:

- Tuesday 14:15-15:15 757 Swanston St - 409
- Tuesday 16:15-17:15 Arts West - 102

Your subject tutor will also hold consultation hours on Tuesday 11:00-12:00 (room 308, FBE Building).

Email Policy

Under normal circumstances, I will try my best to respond to emails within 24 hours on a weekday, and within 48 hours on the weekend. Students should email me using their University of Melbourne email address, with the title “ECON30002” so that I can respond as quickly as possible. Emails from non-university email addresses may be filtered by the university’s spam filter. I will only respond to questions that can be answered in a few sentences; students with substantive questions should see me or a tutor during lectures/tutorials or consultation hours.

Summary Schedule (approximate and subject to change)

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<th>Week</th>
<th>Date</th>
<th>Material</th>
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<td>29 Jul</td>
<td>Lecture 1: Introduction to Development Economics</td>
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<td>29 Jul</td>
<td>No Tutorial</td>
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<td>Lecture 2: Social Welfare</td>
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<td>05 Aug</td>
<td>Tutorial: Review</td>
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<td>Lecture 3: Social Welfare</td>
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<td>Tutorial: Review</td>
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<td>Lecture 4: Economic Growth</td>
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<td>19 Aug</td>
<td>Tutorial: Problem Set A</td>
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<td>26 Aug</td>
<td>Lecture 5: Institutions</td>
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<td>26 Aug</td>
<td>Tutorial: Problem Set A</td>
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<td>02 Sep</td>
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<td>09</td>
<td>23 Sep</td>
<td>Midterm</td>
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<td></td>
<td>23 Sep</td>
<td>No Tutorial</td>
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<td>Non-Teaching Period</td>
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<td>07 Oct</td>
<td>Lecture 9: Human Capital</td>
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<td>14 Oct</td>
<td>Lecture 10: TBA</td>
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<td></td>
<td>14 Oct</td>
<td>Tutorial: Problem Set D</td>
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<td>21 Oct</td>
<td>Lecture 11: TBA</td>
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<td></td>
<td>21 Oct</td>
<td>Tutorial: Problem Set E</td>
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Lecture Outline

Introduction to Development Economics


Social Welfare


Economic Growth


Institutions


Human Capital


