Economic Development - International Aspects
ECO 6172
University of Ottawa
Fall 2007
Wednesdays: 2:30 to 5:30 p.m.

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1. Course Description

The course will focus on the economic challenges faced by developing countries from an international perspective. Its objective is to equip students with the understanding of some policy debates and issues faced by these countries with respect to their relationship with the rest of the world. It also aims at providing students with a good understanding of the theoretical models that have been developed to understand these issues. In reviewing these models, an emphasis will be put on the roles played by different empirical assumptions in the conclusions they reach.

Even though this not a course on international trade or international finance, the course will borrow some analytical tools used in these two fields to analyze issues pertaining to the themes of this course. Among other themes, we will analyze issues related to the choice of exchange regime and exchange rate management, to aid external debt and growth, to openness to trade and growth, and to macroeconomic stabilization programs in developing countries.

2. Organisation

The course will combine lectures on the theoretical models, during the first part of the session, with in-class presentations by students on empirical or policy-related issues in the second part of the session.

3. Grading

The course will be graded based on

- In-class presentation along with a 15-20-page paper (without tables and references) to be handed in the last day of classes: (50%)
- A three-hour final examination (50%)

4. Textbooks

The required textbook for the course is:

- Agénor, P. R., and Montiel, P. J. (AM) Development Macroeconomics (second edition), Princeton University Press, 1999 that is a very useful graduate-level book in which you can find a compilation of “open macroeconomics”-type topics relevant to developing countries.

The recommended textbook is:

- Agénor, P. R., The Economics of Adjustment and Growth (second edition), Harvard University Press, 2004

In addition to these books, a list of additional readings by topic is suggested; it will be updated during the course.
5. Outline

1. Introduction
   - AM ch. 1 & 2

2. Exchange regime and exchange rate management
   - AM ch. 7 & 8

3. Aid, External Debt and Growth
   - AM ch. 14 & 15


4. Openness to trade and growth

• AM ch. 18


5. Macroeconomic stabilization programs in an open economy

• AM ch. 13


