

Rationale: Economic problems of rich countries can be well analyzed with the mainstream economic theories. However, the problems of the developing countries are quite different that require special treatment. Characteristics of the developing countries are incorporated while building theories for them. These theories sometimes add political elements when prescribing policies for breaking their status of underdevelopment.

Prerequisite: None

Course Objective: The main objective of the course is to gain knowledge on a diverse set of theories related to the development process. More specifically, as an explanation of underdevelopment, students are expected to learn about classical views of Schumpeter, Rostow, Innis, and Polany; dualistic view of Lewis and Fei-Ranis; dependency theories of Baran, Frank, Emanuel, and Amin.

Intended Learning Outcomes: After successful completion of the course, students will be able to

1. understand the indicators of development;
2. construct human development index (HDI) and interpret it;
3. describe the development process as proposed by the classical economists;
4. identify cases where dualistic development has taken place; and
5. explain how the dependency relationship is creating underdevelopment in current world system.

Course Content:

- 1. Nature of Development and Underdevelopment:** Methodological Issues; Concepts and Measurement; The Semantics of Indicators; The Problems of Socio Indicators; The Validation of Development Indicators; Development Indicators and Statistical Systems; Indicators and the Definition of Development; Human Development Index (HDI).
- 2. Theories of Development:** An Overview of the General Theories of Economic Growth and Development; Classical View of Development: Smith; Ricardo and Mill; Marxian View of Development; Marshall; Hicks; Myint; Institutional Views of Development: Schumpeter, Rostow, Innis and Polany.
- 3. Dualism:** Social, Cultural, Technological, Financial and Political Versions; Dualism: Labor, Land and Technology; W. Arther Lewis and Ranis-Fei Models – Extensions, Modifications and Criticisms; Some Case Studies of Dualism: India, Thailand, South Korea, Taiwan and Bangladesh.
- 4. Dependency:** Origins and Early Views; Transnationalism and the World System; Criticisms, Revisions and Assessment; Case Studies: Latin America; The Views of Paul Baran, A.G. Frank, O. Sunkel, Emmanuel and Samir Amin.
- 5. Concepts of Economic Growth:** Concept of Growth as a Macro Dynamic Analysis; Growth and Development; Rates of Growth of Relevant Variables; Different Types of Growth; Concepts of Steady; State Growth; The Stylized Facts of Growth; Models of Economic Growth.
- 6. The Harrod Model and the Domar Model:** Basic Assumptions of the Harrod Model; Fundamental Equations of the Harrod Model; The Domar Model; Assumptions and Derivation of Equilibrium Condition; A Comparison of the Harrod and the Domar Models; Technical Change in the Harrod – Domar Models.
- 7. The Neoclassical One-sector Model:** Basic Assumptions and the Fundamental Equations; Fundamental Propositions; Solution of the Harrod's Problems; Extensions of the Neoclassical Model.
- 8. The Cambridge Models:** Differences in Saving Propensity by Social Classes; Kaldor Model; Pasinetti Model; The Capital Controversy.
- 9. Technical Progress:** Basic Concepts of Technical Progress; Types of Technical Progress; Hick's Classification of Technical Progress; Harrod's Classification of Technical Progress; Solow-Neutral Technical Progress; Technical Progress in the Harrod Growth Model and the One-Sector Neoclassical Growth Model; Endogenous Technical Progress; Applications in the underdeveloped Countries.

10. The Two-Sector Growth Models:

- A. The Neoclassical Two-Sector Model; Basic Assumptions; The Framework; Fundamental Equations and their Interpretations; Stability of Balanced growth in the Two-Sector Model; Technical Change in the Two-Sector model.
- B. The Marxian Two-Sector Model: Basic Assumptions and the Framework.
- C. The Feldman Model: Basic Assumptions and the Framework; Fundamental Proportions; Operation of the Feldman Model; A Comparison of the Feldman Model; The Lewis Model and the Mahalanobis Model.
- D. The Uzawa Two-Sector Model; Basic Assumptions and Derivation of the Equilibrium Conditions.

11. Planning

- A. What is Planning? Objectives and Instruments of Planning.
- B. Role of Planning in an Underdeveloped Country
- C. Project Evaluation Techniques

Basic Text

Todaro, M. P. (1997). *Economic Development in the Third World*. New York: Longman.

Books Recommended

1. Branson, W. H. (1989). *Macroeconomic Theory and Policy* (3rd ed.). New Delhi: Indus.
2. Ghatak, S. (2012). *Introduction to Development Economics*. Hoboken: Taylor and Francis.
3. Gillis, M., Perkins, D. H., Radelet, S., Roemer, M., & Snodgrass, D. R. (2001). *Economics of Development*. New York: Norton.
4. In Meier, G. M. (1995). *Leading Issues in Economic Development*. New York: Oxford University Press.
5. Jaffee, D. (1998). *Levels of Socio-economic Development Theory*. Westport, Conn: Praeger.
6. Jones, H. G. (1984). *An Introduction to Modern Theories of Economic Growth*. Wokingham, Berkshire: Van Nostrand Reinhold.
7. Ray, D. (2010). *Development Economics*. Johannesburg: TPB.

ECON 306: Economics in Islam

Credit Hours: 04

Rationale: About 23 percent of the world population is Muslim and the percentage is 90 for Bangladesh. A large portion of the Muslim population is interested to lead their life in conformity with the ideology of Islam. Imbued with Islamic ideology, consumers and producers act in different ways compared to their counterparts in capitalist and socialist economies. It is important to know how resource allocation is determined in a system with Islamic ideology and its welfare implications.

Prerequisite: None

Course Objectives: The course aims at differentiating the behavior of a consumer and a producer in an Islamic system from the counterpart agents in other systems. Explaining the role of state in distributing wealth and reducing poverty are other objectives of this course.

Intended Learning Outcomes: After successful completion of the course, students will be able to:

1. distinguish an Islamic consumer and a producer from the counterparts in other systems;
2. derive demand and supply curves for a consumer and a supplier with Islamic values;
3. understand determination of market price through Islamic approach;
4. describe the purposes of consumption; and
5. differentiate between need based utility and want based utility.

Course Content:

1. **An Introduction to Islamic Economics:** Definition; Sources of Knowledge of Islamic Economics; Islamic Economics and Shari'ah; Assumptions of Islamic Economics; Basic Principles; Scope of