



**Division of Economic and Financial Studies  
Department of Economics**

**ECONOMIC DEVELOPMENT AND WORLD ECONOMIC ORDER  
(ECON857)**

**UNIT OUTLINE**

**2004**

**SEMESTER 1**

# **ECON857: ECONOMIC DEVELOPMENT AND WORLD ECONOMIC ORDER**

## **1. COURSE DESCRIPTION**

This postgraduate course is designed to give students an appreciation of the problems facing underdeveloped and developing countries. Furthermore, we will explore the advantages and disadvantages of the measures and policies that are undertaken to encourage economic development.

## **2. LECTURERS**

Weeks 1 – 4            Joseph Macri (Lecturer-in-Charge)  
Room:                C5C-301  
Tele:                 9850 9469  
Email:                jmacri@efs.mq.edu.au

Weeks 5 – 8            Dr Pundarik Mukhopadhaya  
Room:                C5C-376  
Tele:                 9850 6476  
Email:                pmukhopa@efs.mq.edu.au

Weeks 9- 13            Craig Macmillan  
Room:                C5C312  
Tele:                 9850 7290  
Email:                craig.macmill@efs.mq.edu.au

## **3. ASSESSMENT**

Final Examination	65 %
Multiple Choice Test 1 (Week 6)	10 %
Case Study (Due 18 <sup>th</sup> of May, 2003)	10 %
Seminar Presentation	15 %

**IMPORTANT NOTICE: It is the policy of the Department of Economics, Macquarie University that students MUST pass the FINAL EXAM in order to satisfactorily complete an economics course. Students who do not pass the final exam will be AUTOMATICALLY awarded a Fail (F) grade.**

## **Compulsory Multiple Choice Test**

The Multiple Choice test will be held during your normal lecture times in the first hour of **Week 6**. The test will account for 10 % of the total marks used to assess your grade for the course. Attendance at the test is **compulsory**. If you fail to attend the test you will be awarded a zero mark. Students who experience *serious misadventure* and are unable to attend the test should contact Joseph Macri – C5C 301 (phone 9850 9469) and provide full documentation explaining their non-attendance. As a matter of justice to all students, flimsy excuses will be rejected outright.

### **4. PRESCRIBED TEXTBOOK**

Michael P. Todaro and Stephen C. Smith (2002), *Economic Development*, Eighth Edition, Addison-Wesley Longman.

### **5. OTHER USEFUL RECENT BOOKS**

Stuart Corbridge (ed.), *Development Studies: A Reader*, Edward Arnold, 1995.

James M. Cypher and James L. Dietz, *The Process of Economic Development*, Routledge, 2<sup>nd</sup> Edition, 2004.

James M. Cypher and James L. Dietz, *The Process of Economic Development*, Routledge, 1997.

Malcolm Gillis, Dwight Perkins, Michael Roemer, Donald Snodgrass, *Economics of Development*, Fifth Edition, W. W. Norton, 2001.

Peter Hess and Clark Ross, *Economic Development: Theories, Evidence and Policies*, The Dryden Press, 1997.

Jan S. Hogendorn, *Economic Development*, Third Edition, HarperCollins College Publishers, 1996.

Gerald Meier, *Leading Issues in Economic Development*, Sixth Edition, Oxford University Press, 1995.

Debraj Ray, *Development Economics*, Princeton University Press, 1998.

Charles Wilber and Kenneth Jameson, *Political Economy of Development and Underdevelopment*, Sixth Edition, McGraw Hill, 1996.

O'Hara Phillip Anthony (1999), *Encyclopedia of Political Economy*, Vol. 1 & 2, Routledge, London and New York.

## 6. OTHER REFERENCES

David Colman and Frederick Nixon, *Economics of Change in Less Developed Countries*, Second Edition, Philip Allan, 1986.

John Eatwell, Murray Milgate and Peter Newman (eds.), *The New Palgrave: Economic Development*, Macmillan, London 1989.

R.M. Sundrum, *Development Economics*, Wiley, 1983.

Michael P. Todaro (Ed.) *The Struggle for Economic Development: Readings in Problems and Policies*, Longman, 1983.

A.P. Thirwall, *Growth and Development With Special Reference to Developing Economies*, Macmillan, Fifth Edition, MacMillan, 1994.

The World Bank, *Trends in Developing Economies 1996*, Johns Hopkins University Press for the World Bank, 1996.

The World Bank, *World Development Reports* (Various)  
<http://econ.worldbank.org/wdr/>

United Nations, *Human Development Report*, Deepening Democracy in a Fragmented World, 2002. Source: <http://www.undp.org/hdr2002>

## 7. A LIST OF USEFUL JOURNALS PERTAINING TO ECONOMIC DEVELOPMENT

*Developing Economies*

*Development and Change*

*Economic Development and Cultural Change*

*Foreign Affairs*

*Indian Economic Review*

*Indian Economic Journal*

*Journal of Developing Areas*

*Journal of Development Studies*

*Journal of Development Economics*

*Journal of Economic Perspective*

*Journal of Political Economy*

*Oxford Economic Papers*

*Rivista Internazionale di Scienze Economiche e Commerciali/ International Review of Economics and Business*

*Weltwirtschaftliches Archiv/ Review of World Economics*

*World Development*

## **8. Resources on the Internet**

The following online resources will prove to be very useful.

- (i) The World Bank web site: <http://www.worldbank.org/>
- (ii) The International Development Research Centre (IDRC):  
<http://www.idrc.ca/library/world/>
- (iii) The World Factbook: <http://www.odci.gov/cia/publications/factbook/index.html>
- (iv) International Monetary Fund: <http://www.imf.org/>
- (v) United Nations: <http://www.un.org/>
- (vi) World Trade Organisation: <http://www.wto.org/>
- (vii) Oneworld.net: <http://www.oneworld.org/>
- (viii) Center for International Development at Harvard University:  
<http://www.cid.harvard.edu/>
- (ix) Institute of Development Studies: <http://www.ids.ac.uk/ids/>
- (x) Asian Development Bank: [http:// www.adb.org](http://www.adb.org)

## **9. COURSE OVERVIEW**

- (a) Historical Experience and Major Theories of Economic Development
- (b) Income Distribution and Poverty
- (c) Population Growth and Economic Development and Rural-Urban Migration
- (d) Economic Growth and Development
- (e) International Aspects of Development: The Structure of World trade: The Classical Arguments for International Trade - Static Allocative Effects and Dynamic Growth Effects.
- (f) Trade Policies in Developing Countries: Export Promotion, Import Substitution, and Economic Integration
- (g) Sustainable Development /MicroFinance
- (h) The World Bank, the IMF and the Third World Debt Crisis
- (i) Human Capital Formation and Development
- (j) Democracy and Development
- (k) Agriculture and Development

## 10. Lecture Outline

### Week 1 (2<sup>nd</sup> of March)

#### Historical Experience and Major Theories of Economic Development

Todaro & Smith, Chs. 1-4.

Gillis *et al.*, Chs. 1-4.

Hogendorn, Chs. 1, 3

Meier, Chs. 1-2.

Paul M. Romer, "Idea Gap and Object Gaps in Economic Development," *Journal of Monetary Economics*, Vol. 32, December 1993, pp. 543-73.

Nicholas Stern, "Economic Development: a Survey," *Economic Journal*, Vol. 99, September 1989, pp. 597-685.

### Week 2 (9<sup>th</sup> March)

#### Income Distribution and Poverty

Todaro and Smith, Ch. 6.

S. Anand and S. M. R. Kanbur (1993) "The Kuznets process and the inequality-development relationship," *Journal of Development Economics*, Vol. 40, February, pp. 25-52.

Gary S. Fields, *Poverty, Inequality and Development*, Cambridge: Cambridge University Press, 1980.

Gillis *et al.*, Ch. 4.

Meier, Ch. 1.

Ray, Chs. 6-7.

### Week 3 (16<sup>th</sup> of March)

#### Population and Economic Growth / Rural-Urban Migration

Todaro & Smith Chs.7 & 8

Partha Dasgupta, "The Population Problem: Theory and Evidence," *Journal of Economic Literature*, Vol. 33, December 1995, pp. 1879-1902.

Martin Ravallion, "On the Urbanisation of Poverty", *Journal of Development Economics*, Vol. 68, 2002, pp.435-442.

Gillis *et al*, Ch. 8

Hogendorn, Ch. 9.

Meier, Ch. 6.

Ronald Lee (2003), "The Demographic Transition: Three Centuries of Fundamental Change", *Journal of Economic Perspectives*, Vol 17 ( 4), pp.167-190. Note: Excellent article which outlines the issues on population growth and Demographic Transition.

#### **Week 4 (23<sup>rd</sup> of March)**

##### **Economic Growth and Development**

Todaro and Smith Chs. 3 & 5.

Thirwall Ch.4

Rodrik, Dani (ed.) (2003). *In Search of Prosperity: Analytic Narratives on Economic Growth*, Princeton: Princeton University Press.

Lucas, Robert E., Jr. (2002). *Lectures on economic growth*, Cambridge and London: Harvard University Press.

Easterly, William (2001). *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, July.

Durlauf, Steven N. and Quah, Danny T. (1999). The New Empirics of Economic Growth. In *Handbook of Macroeconomics. Volume 1A*. Amsterdam, New York and Oxford: Elsevier Science, North-Holland, 235-308.

Temple, Jonathan (1999), "The New Growth Evidence", *Journal of Economic Literature*, 37(1), March, 112-156.

Easterly, William and Levine, Ross (2001). It's Not Factor Accumulation: Stylized Facts and Growth models. *World Bank Economic Review*, 15(2), 177-219.

Kenny, Charles and David Williams (2001) What Do Economists Know About Economic Growth ? Or Why Don't They Know Very Much? *World Development*, 29(1).

Solow, Robert M. (2000). *Growth Theory: An Exposition* (2nd edition). Oxford University Press, Oxford. This book brings together his Radcliffe lectures on exogenous growth theory, his Nobel Prize lecture, and his Siena Lectures on endogenous growth theory.

**Week 5 (30<sup>th</sup> of March)**

**Trade Theory and Development**

Todaro and Smith, Ch. 12.

Gillis *et al*, Ch. 19

Ray Ch. 16

David Greenway and Chris Milner, "Trade theory and the less developed countries," in Norman Gemmell (ed.) *Surveys in Development Economics*, Oxford: Blackwell, 1987

Jeffrey Frankel and David Romer (1999) "Does Trade Cause Growth?" *American Economic Review*, 89, no.3 June, pp. 379-99.

**Week 6 (6<sup>th</sup> of April) COMPULSORY CLASS MULTIPLE CHOICE TEST**

**Trade Policy Debate**

Todaro and Smith, Ch. 13

Gillis *et al*, Chs. 17 & 19.

W. Arthur Lewis, "Slowing Down of the Engine of Growth," *American Economic Review*, September 1980, pp. 555-564.

Hans Singer and Patricia Gray, "Trade Policy and Growth of Developing Countries: Some New Data," *World Development*, Vol. 16, March 1988, pp. 395-403.

Sebastian Edwards (1998), "Openness, Productivity, and Growth: What Do We Really Know?" *Economic Journal*, 108, March, pp.383-98.

David Greenaway, Wyn Morgan and Peter Wright, "Trade Liberalisation and Growth in Developing Countries", *Journal of Development Economics*, Vol 67, 2002, pp229-244.

Global Economic Prospects and the Developing Countries (2001) Report No. 21596, *World Bank Report*, <http://www-wds.worldbank.org/>.



**MID SEMESTER BREAK (Saturday 10<sup>th</sup> of April – Monday 26<sup>th</sup> of April)**

**Week 7 (27<sup>th</sup> of April)**

**Environment , Development and Sustainability**

Todaro & Smith Ch. 11

Thirwall pp. 284-90

Gillis Ch.6

Additional References to be advised

**Week 8 (4<sup>th</sup> May)**

**Agriculture and Development**

Todaro & Smith Ch 10

FAO (2000) *The State of Food and Agriculture 2000*. Available from the FAO web site: [www.fao.org](http://www.fao.org)

World Bank (2001) *World Development Report 2002: Building Institutions for Markets*. New York: University of Oxford Press. **Ch. 2 Farmers**

Pincus, J. (2001) “The Post-Washington Consensus and Lending Operations in Agriculture: New Rhetoric and Old Operational Realities” in B. Fine, C. Lapavitsas and J. Pincus (Eds), *Development Policy in the Twenty-First Century*, Routledge: London

Sem Terra Movement: is a movement of landless Brazilian workers.

See web site: [www.mstbrazil.org](http://www.mstbrazil.org)

Stidile, J. P. (2002) “Landless Battalions: The Sem Terra Movement of Brazil”, *New Left Review*, 15(May-June), 76 –104.

**Weeks 9 and 10 (11<sup>th</sup> and 18<sup>th</sup> of May)**

**The World Bank, the IMF and the Third World Debt Crisis**

Todaro & Smith Ch. 14 & pp. 702-05

J.M. Cypher & J.L. Dietz (2004) chs 16 & 17 in, *The Process of Economic Development*. 2<sup>nd</sup> Edition, London: Routledge.

Finance & Development, Sept. 1990 (Mexico), Dec. 1991, Sept. 1992, Mar. 1994 (East Asian miracle), Jun. 1994 (Africa), Mar. 1999 (Africa) and Mar. 2000 (Latin America and the Caribbean).

Bretton Woods Project: is an NGO dedicated to monitoring developments within the IMF and the World Bank. See the web site: [www.brettonwoodsproject.org](http://www.brettonwoodsproject.org)  
World Bank (2002) *Global Development Finance 2002: Analysis and Summary Tables*. Washington: World Bank Group [In Library Law Reference Section HG8899.G563/2002] Also see earlier years.

Operations Policy and Country Services (2001) *Adjustment Lending Retrospective: Final Report*. Available free of charge from the World Bank web site.

S. George & F. Sabelli (1994), *Faith and Credit: The World Bank's Secular Empire*, Penguin; London

S. George (1988 & 1994), *A Fate Worse Than Debt*, Penguin; London

L.H. Summers & L.H. Pritchett (1993), "The Structural Adjustment Debate", *American Economic Review*, May, 383-9.

M. Pastor Jr. (1987) "The Effects of IMF Programs in the Third World: Debate and Evidence from Latin America" *World Development*, Vol. 15(2), 249-262.

H. White (1996) "Adjustment in Africa", *Development and Change*, Vol. 27, 785-815.

Killick, T., Malik, M. & Manuel, M. (1992) "What Can We Know About the Effects of IMF Programs?" *World Economy*, 15, pp.575-597.

F. Stewart (1991), "The Many Faces of Adjustment", *World Development*, Vol.19 (12), 1847-1864.

E. Paus (1991) "Adjustment and Development in Latin America: The Failure of Peruvian Heterodoxy, 1985-1990", *World Development*, Vol. 9(5), pp.411-434.

Videos- "A Fate Worse Than Debt" HJ8899.G4512

----- "The Money Lenders"- AP7.C695 1992 Sept. 4

**Weeks 11 (25<sup>th</sup> of May)**

### **Human Capital Formation and Development**

Todaro & Smith, Ch 9.

Hess & Ross, Ch 7.

Hogendorn, Ch 10.

World Bank (1993) *World Development Report 1993: Investing in Health*. New York: Oxford University Press.

A. Austin (1993) “State of Grace”, *Earthwatch*, Mar/Apr 1993(on Kerala).

G. Parayil (1996), “The ‘Kerala model’ of Development: Development and Sustainability in the Third World”, *Third World Quarterly*, Vol. 17(5), 941-957.

G. Parayil (Ed) (2000) *Kerala: The Development Experience*. London: Zed Books.

Rene Veron (2001) “The ‘New’ Kerala Model: Lessons for Sustainable Development”, *World Development*, 29(4), 601-617.

*Health a Key to Prosperity; Success Stories in Developing Countries*, (2000). A joint by production WB, WHO, UNICEF, UNAIDS, UNESCO & UNFPA. Available as a free PDF download from web site: [www.who.int/inf-new/](http://www.who.int/inf-new/)

J. R. Behrman (1993), “The Economic Rationale for Investing in Nutrition in Developing Countries”, *World Development*, Vol.21 (11), 1749-1771.

R. Bush (1996), “The Politics of Food and Starvation”, *Review of African Political Economy*, no. 68, pp 169-195.

M. Ravallion (1992), “On ‘Hunger and Public Action’; a review article on the book by Jean Dreze and Amartya Sen”, *The World Bank Research Observer*, Vol.7 (1), 1-16

M. Epprecht (1997), “Investing in Amnesia, or Fantasy and Forgetfulness in the World Bank’s Approach to HealthCare Reform in Sub-Saharan Africa”, *Journal of Developing Areas*, vol. 31, pp337-56. [A very interesting critique of WDR 1993- in Reserve]

J. Brunet-Jailly (1999) “Has the World Bank a strategy on Health”, *International Social Science Journal*, 161(Sept.), 347-361.

Web sites for Food & Agricultural Organization (FAO) - [www.fao.org](http://www.fao.org) and for the World Health Organization (WHO) - [www.who.org](http://www.who.org). Both the FAO and the WHO are UN organizations and their websites are full of lots of information, reports and papers that can be accessed for free. You can also check the World Bank website again as it has information on health and nutrition. In particular read the FAO’s The State of Food Insecurity in the World Reports.

## Week 12 and 13<sup>th</sup> (1<sup>st</sup> and 8<sup>th</sup> of June)

### Democracy and Development

UNDP (2002) *Human Development Report 2002: Deepening Democracy in a Fragmented World*. New York: Oxford University Press

A. Przeworski & F. Limongi (1993), "Political Regimes and Economic Growth", *Journal of Economic Perspectives*, vol.7 (3), pp51-69. [In Reserve]

A. Przeworski & F. Limongi (1997), "Modernization: Theories and Facts", *World Politics*, 49 (Jan.) pp 155-83. [In ERIC]

A. Alesina & R. Perotti (1994) "The Political Economy of Growth: A Critical Review of the Recent Literature", *World Bank Economic Review*, 8(3), pp351-371. [In ERIC – essential especially pp 351-59 ]

M. A. Nelson & R. D. Singh (1998) "Democracy, Economic Freedom, Fiscal Policy, and Growth in LDCs: A Fresh Look", *Economic Development and Cultural Change*, pp 677-696. [In ERIC]

M. Pastor & J. H. Sung (1995) "Private Investment and Democracy in the Developing World", *Journal of Economic Issues*, XXIX (1), pp 223-43. [In ERIC]

E. Huber, D. Rueschemeyer & J.D. Stephens (1993), "The Impact of Economic Development on Democracy", *Journal of Economic Perspectives*, vol.7 (3), pp71-85. [In Reserve Optional - Case study approach]

M.R. Thompson (1996), "Late Industrialisers, Late Democratizers: Developmental States in the Asia-Pacific", *Third World Quarterly*, vol.17 (4), pp.625-647. [In Reserve]

A. Leftwich (1996), "On the Primacy of Politics in Development", in A. Leftwich (Ed), *Democracy and Development: Theory and Practice*, Polity Press: Cambridge, M.A. [Book in Reserve]

S. Ersson & J. -E. Lane (1996), "Democracy and Development: A Statistical Exploration" in A. Leftwich (Ed), *Democracy and Development: Theory and Practice*, Polity Press: Cambridge, M.A. [Book in Reserve]

A. Leftwich (1993), "Governance, Democracy and Development in the Third World", *Third World Quarterly*, vol.14 (3), pp.605-624. [In Reserve]

## 11. SEMINARS

There will be two-hour lectures each week and six seminar meetings held for each

group during the semester. Attendance at seminars, preparation for seminars and participation in class discussion is compulsory. To re-emphasise, attendance at seminars and contribution to seminar discussion are partial requirements for completing this course satisfactorily. At each seminar meeting a class roll will be taken. **For each seminar missed, you will lose 1% of the TOTAL assessment marks.**

Each student will be allocated to one group in which the group will be required to present their allocated topic to the tutorial. In addition, each group will be required to submit a formal report on the seminar in which they are presenting. This report is a **GROUP** submission and therefore students in each seminar group should meet several times before the seminar presentation to discuss the topic and to make arrangements for the seminar presentation as well as the submission of the report. These arrangements should include the division of the topic so that each student can play a role in the joint presentation.

The submission of the seminar report on the **day of your allocated** seminar is **compulsory** and each student must participate in a verbal presentation on their allocated topic at the appropriate seminar. Failure to fulfil any one of these conditions will mean that course requirements will not have been met and will involve automatic failure in the unit. The non-attendance at a seminar meeting when an individual is due to present a paper is clearly regarded as unacceptable. If you do have genuine problems of misadventure which affect the presentation of your seminar please let us know before the relevant seminar meeting is due to be held. The slipping under staff members doors of notes of explanation or merely a seminar paper when non-attendance has taken place is not acceptable. Also note that turning up late after the seminar has started, on the day you are due to present your seminar paper is also clearly not acceptable.

In the evaluation of a student's seminar presentation/ report the following factors will be considered:

1. The standard displayed in English expression and sentence construction and the level attained in the written articulation of ideas.
2. The ability to exhibit critical analysis in the subject area.
3. The ability to develop ideas in a logical or sequential fashion.
4. Presentation Style

**Note: We encourage the group to look beyond those readings.**

### **Seminar 1 (Week 3)**

What is the new growth theory of development? How does this approach differ from the traditional (neoclassical or Solow) approach? What are the implications for public policy in each case?

Suggested Readings:

Todaro and Smith, Ch. 5.  
*Economist*, 4 January 1992, pp. 15-18.

Howard Pack (1994), "Endogenous growth theory: Intellectual appeal and empirical shortcomings," *Journal of Economic Perspectives*, Vol. 8, Winter, pp. 55-72.

Paul Romer (1994), "The origins of endogenous growth," *Journal of Economic Perspectives*, Vol. 8, Winter, pp. 3-22.

Dipendra Sinha (1999), "The Relevance of the New Growth Theory to Developing Countries," *International Journal of Development Planning Literature*, Vol. 13, July-September, pp. 197-206.

Robert Solow (1994), "Perspectives on Growth Theory," *Journal of Economic Perspectives*, Vol. 8, Winter 1994, pp. 45-54.

Aghion, Philippe; Caroli, Eve; Garcia-Penalosa, Cecilia (1999), "Inequality and Economic Growth: The Perspective of the New Growth Theories", *Journal of Economic Literature*, vol. 37, no. 4, December, pp. 1615-60

**Seminar 2 (Week 5)**

What is the relationship between population growth and economic development? Outline the arguments in favour of and against the idea that population growth is a serious problem in developing countries? What are some of the policy options available to Less Developed Country (LDC) governments in their attempt to limit the rate of population growth.

Suggested Readings:

Todaro, Ch. 6.

Gillis *et al*, Ch. 7

Hogendorn, Ch. 9.

Meier, Ch. 6.

Thirwall, Ch. 8

Nancy Birdsall (1988-89), "Economic Approaches to Population Growth," in Hollis B. Chenery and T. N. Srinivasan (eds.), *Handbook of Development Economics*, North Holland, vol. 1, 478-542.

Partha Dasgupta (1995), "The Population Problem: Theory and Evidence," *Journal of Economic Literature*, 33(4), December, 1879-1902.

Caldwell, John C and Scindlmayr, Thomas (2002) "Historical **Population** Estimates: Unraveling the Consensus", *Population and Development Review*, vol. 28, no. 2, pp. 183-204

### **Seminar 3 (Week 7)**

International trade is often described as an "engine of growth". Do you agree? Why or why not? Should less developed countries pursue outward or inward trade policies, or some combination of both?

#### Suggested Readings:

Todaro, Ch. 13.

Hogendorn, Chs. 14-15.

Meier, Ch. 9.

Mohsen Bahmani-Oskooee et al., "Exports, Growth and Causality in LDCs: A reexamination," *Journal of Development Economics*, Vol. 36, October 1991, pp. 505-15.

Bela Balassa, "Exports, policy choices and economic growth in developing countries after the 1973 oil shock", *Journal of Development Economics*, Vol. 18, January 1985, 23-35.

Peter C. Y. Chow and Mitchell Kellman, *Trade - The Engine of Growth in East Asia*, Oxford University Press, Oxford, 1993.

Tapen Sinha and Dipendra Sinha, "An empirical investigation into the relationship between openness and economic growth: Evidence from Asia," *Rivista Internazionale di Scienze Economiche e Commerciali/ International Review of Economics and Business*, Vol. 43, April-June 1996, 359-70.

### **Seminar 4 (Week 9)**

Newspapers regularly carry major articles about the high levels of external (foreign) indebtedness in the developing world. Moreover, people take to the streets in cities of both the developed and developing worlds to protest against the intolerable burden that foreign debt imposes on struggling nations and demanding the forgiveness or cancellation of debts by the richer countries. This seminar is designed to examine how the debt crisis began, what has been done about it and to consider whether a debt crisis still exists today.

Describe the evolution of the Third World debt crisis of the 1980s. Students should look at such things as the causes of the debt crisis and also at what regions of the developing world were most effected by the crisis?

What initiatives have been pursued to deal with the debt crisis? Students should look at initiatives such as the Brady Plan and the Heavily Indebted Poor Countries (HIPC) initiative.

What debt conversion instruments have been used to assist countries in the management of external debt? Students should look at instruments like debt buy-backs, debt-for-development swaps, debt-for-equity swaps and debt-for-equity swaps.

Does the debt crisis still exist? Students should consider external debt levels for the developing world as whole, by region, by income group and special category such as the severely indebted category.

#### Suggested Readings:

These should be regarded as starting references.

Corbridge, S. (1993) *Debt and Development*. Oxford. U.K.: Blackwell

Cypher J. M. & Dietz, J. L. (2004) Ch 16

Moye, M. (2001) *Overview of Debt Conversion*. Debt Relief International Ltd.  
Available for free at: [www.dri.org.uk/pdfs/EngPub4\\_DebtConv.pdf](http://www.dri.org.uk/pdfs/EngPub4_DebtConv.pdf)

Todaro M. & Smith. S. C. (2003) Ch 14

World Bank and IMF web sites have lots of material on external debt, in particular, information on the HIPC. See [www.worldbank.org](http://www.worldbank.org) and [www.imf.org](http://www.imf.org).

Other useful websites include; [www.jubileepius.org](http://www.jubileepius.org), [www.eldis.org](http://www.eldis.org) and [www.dri.org.uk](http://www.dri.org.uk).

World Bank (2003) *Global Development Finance*. Washington, D.C: World Bank.  
See previous years. In particular, the statistical appendix to Volume 1 is very useful for debt statistics. Prior to 1997 this publication was called *World Debt Tables*.

#### **Seminar 5 (Week 11)**

In the WIDER Annual Lecture in 1998 Prof. Joe Stiglitz, then Senior Vice President and Chief Economist of the World Bank, criticised the “Washington consensus” originally put forward by John Williamson, and called for a “post-Washington consensus”.

What is the “Washington Consensus”? What is the “post-Washington consensus”? How do they differ from each other? What criticisms does Stiglitz make of the “Washington consensus”? What other criticisms of the “Washington consensus” can you find in the



literature? What has been Williamson's response to this criticism? What are the implications of the "post-Washington consensus" for development policy, especially that advocated by the World Bank?

Key Readings:

Fine, B. (2001) "Neither the Washington nor the post-Washington Consensus: An Introduction" in B. Fine, C. Lapavitsas and J. Pincus (eds), *Development Policy in the Twenty-First Century*, Routledge: London. See also other articles in this book as well.

Stiglitz, J. E. (1998) "More Instruments and Broader Goals: Moving Toward the Post-Washington Consensus", *WIDER ANNUAL LECTURE 1998*. Available from the WIDER web site: [www.wider.unu.edu](http://www.wider.unu.edu)

See also articles by Williamson, Manuel, Ortiz and Clift in *Finance and Development*, Sept. (2003). This available from the IMF web site for free: [www.imf.org/fandd](http://www.imf.org/fandd).

Also go to the Institute for International Economics homepage and search under "John Williamson" or "Washington consensus" and you will find some useful articles by him on the Washington consensus. The web site is: [www.iie.com](http://www.iie.com)

**Seminar 6 (Week 13)**

Child labour and its elimination has become a big topic in the study of development and a big issue politically at both the national and the international level.

What is the extent of the problem of child labour? Students should distinguish between the different classifications of working children: "economically active children", "child labour", "children in hazardous work" and "children in unconditional worst forms of child labour". Students should also look at the problem globally, regionally, by age, by gender and by country if interesting and possible.

Describe and explain the relevance to the problem of child labour of the ILO's Minimum Age Convention 1973 (No. 138), the UN's Convention for the Rights of the Child and the ILO's Worst Forms of Child Labour Convention 1999 (No. 182).

What are the costs and benefits associated with the elimination of child labour? What are the different policy approaches to the problem of child labour? Provide examples of policy initiatives which have been used to combat the problem of child labour.

Selected readings

Grimsrud, B (ed) (2002) *The Next Steps: Experiences and Analysis of How to Eradicate Child Labour*. Oslo, Norway: Institute of Applied Social Science (FAFO). Available for free at: [www.fafo.no/pub/rapp/932/932.pdf](http://www.fafo.no/pub/rapp/932/932.pdf).

International Labour Office (ILO) (2002) *Every Child Counts: New Estimates on Child Labour*. Geneva: ILO. Available for free at:

[www.ilo.org/public/english/standards/ipec/simpoc/others/globalest.pdf](http://www.ilo.org/public/english/standards/ipec/simpoc/others/globalest.pdf)

ILO (2003) *Investing in Every Child: An Economic Study of the Costs and Benefits of Eliminating Child Labour*. Geneva: ILO. Available for free at:  
[www.ilo.org/public/english/standards/ipec/publeducation/edu\\_costben\\_2003.htm](http://www.ilo.org/public/english/standards/ipec/publeducation/edu_costben_2003.htm)

ILO International Programme for the Elimination of Child Labour (IPEC) web site:  
[www.ilo.org/public/english/standards/ipec/](http://www.ilo.org/public/english/standards/ipec/)  
and  
[www.ilo.org/public/english/standards/ipec/about/factsheet/index.htm](http://www.ilo.org/public/english/standards/ipec/about/factsheet/index.htm)  
for factsheets on child labour and policy initiatives.

UNICEF web site: [www.unicef.org](http://www.unicef.org)

Also see the collection of papers in the World Bank Economic Review (2003), vol. 17, No. 2. This journal is available electronically from the library.

Todaro & Smith Ch 9

## 12. Case Study

This part of your assessment involves you undertaking a comprehensive research project or case study into a specific developing country. This project will be a **maximum of 1500 words** and **DUE ON WEDNESDAY THE 18<sup>th</sup> OF MAY. NO LATE ASSIGNMENTS WILL BE ACCEPTED UNLESS YOU HAVE HAD SERIOUS MISADVENTURE. THEREFORE, ANY LATE ASSIGNMENTS WILL INCUR A PENALTY OF 2 MARKS PER- DAY.** It is expected that you will use the latest possible data. The country that you are to research will be allocated to you in lectures. The case study is to be organised into two parts:

- (i) You are to provide a country profile, which will include geographic, social and economic indicators. It is important that you obtain the latest statistics for that country.
- (ii) Outline the policies that have been adopted by the country allocated to you to alleviate poverty and inequality. Have these policies or strategies been successful? If not, why not?

In the evaluation of the written work the following factors will be taken into account.

1. The standard displayed in English expression and sentence construction and the level attained in the written articulation of ideas
2. The ability to exhibit critical analysis in the subject area.
3. The ability to develop ideas in a logical or sequential fashion.
4. **Plagiarism:** The following statement relating to collusion and plagiarism has been prepared by the University.

“The integrity of learning and scholarship depends on a code of conduct governing good practice and acceptable academic behaviour. One of the most important elements of good practice involves acknowledging carefully the people whose ideas we have used, borrowed, or developed. All students and scholars are bound by these rules because all scholarly work depends in one way or another on the work of others.

Therefore, there is nothing wrong in using the work of others as a basis for your own work, nor is it evidence of inadequacy on your part, *provided you do not attempt to pass off someone else's work as your own.*

To maintain good academic practice, so that you may be given credit for your own efforts, and so that your own contribution can be properly appreciated and evaluated, you should acknowledge your sources and you should ALWAYS:

- (i) State clearly in the appropriate form where you found the material on which you have based your work.
- (ii) Acknowledge the people whose concepts, experiments, or results you have extracted, developed, or summarised, even if you put these ideas into your own words.
- (iii) Avoid excessive copying of passages by another author, even where the source is acknowledged. Find another form of words to show that you have thought about the material and understood it, but remember to state clearly where you found the ideas.

If you take and use the work of another person without clearly stating or acknowledging your source, you are falsely claiming that material as your own work and committing an act of *PLAGIARISM*. This is a very serious violation of good practice and an offence for which you will be penalised.

***YOU WILL BE GUILTY OF PLAGIARISM*** if you do any of the following in an assignment, or in any piece of work which is to be assessed, *without clearly acknowledging your source(s) for each quotation or piece of borrowed material:*

- (a) Copy out part(s) of any document or audio-visual material, including computer-based material;
- (b) Use or extract someone else's concepts or experimental results or conclusions, even if you put them in your own words;
- (c) Copy out or take ideas from the work of another student, even if you put the borrowed material in your own words;
- (d) Submit substantially the same final version of any material as a fellow student. On occasions, you may be encouraged to prepare your work with someone

else, but the final form of the assignment you hand in must be your own independent endeavour.”

The simplest way to avoid plagiarism is to be open about your sources. There is no academic demerit in this. Many of the ideas used in essays, articles and books inevitably build on the work of others, and it is only honest and courteous to acknowledge those to whom you are indebted.

# MACQUARIE UNIVERSITY

## ECON857 Coversheet Declaration

Unit ..... Assignment .....

Name..... Student number .....

I certify that

- This assignment is my own work, based on my personal study and/or research
- I have acknowledged all material and sources used in the preparation of this assignment, including any material generated in the course of my employment
- If this assignment was based on collaborative preparatory work, as approved by the teachers of the unit, I have not submitted substantially the same final version of any material as another student
- Neither the assignment, nor substantial parts of it, have been previously submitted for assessment in this or any other institution
- I have not copied in part, or in whole, or otherwise plagiarised the work of other students
- I have read and I understand the criteria used for assessment
- The assignment is within the word and page limits specified in the unit outline
- The use of any material in this assignment does not infringe the intellectual property / copyright of a third party
- I understand that this assignment may undergo electronic detection for plagiarism, and a copy of the assignment may be retained on the database and used to make comparisons with other assignments in future

Signature ..... Date .....

This declaration is a summary of the University policy on plagiarism. For the policy in full, please refer to Student Information in the Handbook of Undergraduate Studies or [www.student.mq.edu.au/plagiarism/](http://www.student.mq.edu.au/plagiarism/).