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 18th 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


5. OTHER USEFUL RECENT BOOKS


6. OTHER REFERENCES


http://econ.worldbank.org/wdr/


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.


(viii) Center for International Development at Harvard University: [http://www.cid.harvard.edu/](http://www.cid.harvard.edu/)

(ix) Institute of Development Studies: [http://www.ids.ac.uk/ids/](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
(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 (2nd 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.


Week 2 (9th March)

**Income Distribution and Poverty**

Todaro and Smith, Ch. 6.


Gillis *et al.*, Ch. 4.

Meier, Ch. 1.

Ray, Chs. 6-7.

Week 3 (16th of March)

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

Todaro & Smith Chs. 7 & 8


Gillis *et al*, Ch. 8

Hogendorn, Ch. 9.

Meier, Ch. 6.


**Week 4 (23rd of March)**

**Economic Growth and Development**

Todaro and Smith Chs. 3 & 5.

Thirwall Ch.4


**Week 5 (30th of March)**

**Trade Theory and Development**

Todaro and Smith, Ch. 12.

Gillis *et al*, Ch. 19

Ray Ch. 16


**Week 6 (6th of April) COMPULSORY CLASS MULTIPLE CHOICE TEST**

**Trade Policy Debate**

Todaro and Smith, Ch. 13


8
MID SEMESTER BREAK (Saturday 10\textsuperscript{th} of April – Monday 26\textsuperscript{th} of April)

Week 7 (27\textsuperscript{th} of April)

\textbf{Environment, Development and Sustainability}

Todaro & Smith Ch. 11

Thirwall pp. 284-90

Gillis Ch.6

Additional References to be advised

Week 8 (4\textsuperscript{th} May)

\textbf{Agriculture and Development}

Todaro & Smith Ch 10


Sem Terra Movement: is a movement of landless Brazilian workers. See web site: www.mstbrazil.org


Weeks 9 and 10 (11\textsuperscript{th} and 18\textsuperscript{th} of May)

\textbf{The World Bank, the IMF and the Third World Debt Crisis}

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

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)


Videos- “A Fate Worse Than Debt” HJ8899.G4512


**Weeks 11 (25th of May)**

**Human Capital Formation and Development**

Todaro & Smith, Ch 9.
Hess & Ross, Ch 7.

Hogendorn, Ch 10.


Web sites for Food & Agricultural Organization (FAO) - www.fao.org and for the World Health Organization (WHO) - 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 13th (1st and 8th of June)

**Democracy and Development**


**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.


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


**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.


Meier, Ch. 9.


**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 affected 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.


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.jubileeplus.org](http://www.jubileeplus.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:


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

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


ILO International Programme for the Elimination of Child Labour (IPEC) web site: www.ilo.org/public/english/standards/ipec/
and
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

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 18th 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/.