

COURSE SPECIFICATION DOCUMENT

Academic School / Department:	Richmond Business School
Programme:	Economics
FHEQ Level:	5
Course Title:	Economic Problems of Developing Countries
Course Code:	ECN 5105
Total Hours:	120 (standard 3- credit BA course)
Timetabled Hours:	45
Guided Learning Hours:	0
Independent Learning Hours:	75
Credits:	12 UK CATS credits 6 ECTS credits 3 US credits

Course Description:

This Course focuses on questions such as: 'Why does the level of economic prosperity vary between countries? How is the difference itself to be measured? What is the range of measures available to improve the lot of the world's poorest inhabitants? What role can organizations such as the IMF and the World Bank take in this process? On this course you will be exposed to a range of material designed to encourage you to link theory to the practical implications faced by policy makers and the policy choices they make.

Prerequisites: ECN 4105 and ECN 4110

Aims and Objectives

Economic Problems of Developing Countries is a course aimed primarily at those of you with specialist interest in economics. However, students with interests in political science, international relations and sociology are also likely to find the course of value. Further the course appeals to those of you with a general interest in inter-cultural issues as its geographical and intellectual canvas is broadly drawn. On this course you will be exposed to a range of material designed to encourage you to link theory to the practical implications faced by policy makers and the policy choices they make. Case study material, both formal and informal, will also be covered.

Programme Outcomes:

ECN: A1, A3, A5 B1, B2, B4, C1, C2, C4, C6, C8

A detailed list of the programme outcomes is found in the Programme Specification. This is maintained by Registry and located at:

<http://www.richmond.ac.uk/programme-and-course-specifications/>

Learning Outcomes:

Upon completion of this course, a successful student should be able to

Knowledge and Understanding

1. Acquire the ability to both qualitatively and quantitatively measure several concepts of 'development'.
2. Discussion of the relative merits of several types of economic policy designed to encourage positive change in poorer countries.
3. Demonstrate the role of education in fostering positive economic change.
4. Demonstrate the contribution of population change, and flow, to the process of development.
5. Valuing investment in education.

Subject-specific skills

1. Recognising the role and significance of Malthusian arguments.
2. Recognising the importance of the Solow-Denison and Harrod-Domar approaches.

Other skills

1. The ability to apply economic models to finding resolutions for economic problems.

Numeracy

1. Ability to understand and apply basic modelling techniques to real-life problems.

Indicative Content:

1. **Development and Economics:** process of change and transition over time; the 3 basic economic problems; Special characteristics of FoPs in developing countries; origins of 'specialization' intra-nationally and inter-nationally.
2. **Worlds apart:** stark differences in economic outcomes across the world; operation of markets; relevance of orthodox neo-classical economics to mechanisms delivering basic human needs (or BHN's) in developing countries; relevance of trade negotiations such as those by the WTO (rich countries are keener to liberalize international markets in agriculture than in manufactures; why?).
3. **Development and its setting:** correlation between measurable indicators of 'development' and national income indicators; to what extent are we able to forecast 'development' from the discovery of stylized facts? MDGs – are they realistic?
4. **Growth accounting vs. development:** what does the GNP/GDP/GNI measure? what do these measures leave out? the concept of basic human needs; why BHN measurement is needed; different approaches to estimating BHN; GNP/GDP/GNI vs. PQLI vs. HDI vs. gender based HDI, vs. the NHDI, concepts such as the MPI (the Foster- Alkire method) etc.
5. **Poverty:** absolute or relative and does it matter? income-poor and asset-poor

(fairly common outside of the richer countries); income-poor and asset-rich; size vs. functional (ideological dividing lines) vs. size distribution (attempt at proper enumeration) of income – the Lorenz curve; concerns over the measurement of income; the Foster-Greer-Thorbecke (FGT approach), the Kuznet hypothesis and the views of Adelman & Morris and Rati Ram; possibility of ‘catching up’ – radical ideas of Samir Amin and others. The work of Branko Milanovic (EJ – January 2002) on world income distribution.

6. **Brief historical perspectives:** Marxist ideology - origins of historical determinism; link between ‘exploitation’ and the capitalist ‘profit ratio’; Rostow’s stages of economic growth within a capitalist framework.
7. **Options for development:** market vs. plan; Models – Lewis, Fei-Ranis, Harrod-Domar, Solow-Denison, etc.
8. **Labour as a factor of production:** its role in the developmental process; the phenomenon of segmented labour markets; labour migration process (Harris-Todaro model, and the work of Lorene Yap).
9. **Factor Price Distortions:** what are FPDs? why do they occur? are they a serious impediment to the operation of the markets they affect? how do we cure FPDs? Appropriate policy vs. appropriate technology (F. Stewart).
10. **Education:** what is education? who wants it and who gets it? who is the consumer of educational assets? how popular are different forms of education? answer these by looking at i. age-education-income profiles, ii. school enrolment ratios, iii. manpower planning models proposed by Tinbergen and Parnes, etc. The work of Jean Drèze and others on the PROBE for India.
11. **Other topics:** environmental issues, aid, development of physical infrastructure, performance indices.

Assessment:

This course conforms to the University Assessment Norms approved at Academic Board and are located at <https://www.richmond.ac.uk/university-policies/>

Teaching Methodology:

Semi-formal weekly presentation of material in lecture format interspersed with discussion and use of audio-visual material. Instructor presentation takes up most of the first part of the weekly sessions. The second half of the weekly sessions will consist of a mixture of instructor and student led activities.

Bibliography:

Required text:

Todaro, M.P., Smith, S.C. (2020) Economic Development, 13th edition, Harlow: Pearson, ISBN: 978 1 292 291192.

Recommended Reading:

Desai, V., and Potter, R.B. (2014), The Companion to Development Studies, London: Routledge, ISBN: 978 1 4441 6724 5

Further Reading:

Basu, K. (2018), The Republic of Beliefs, Princeton: Princeton University Press, ISBN: 978 0 691 21004 9

Dabir-Alai, P. and Odekon, M. (ed.) (1998), Economic Liberalization and Labour Markets, Greenwood Press, Westport. ISBN: 0-313-30358-4.

Thirlwall, A.P. and Pacheco-Lopez, P. (2017), Economics of Development, London: Palgrave, ISBN: 978 1 137 57794 8.

Journals

American Economic Review, Economic Journal,
International Journal of Happiness & Development,
Journal of Economic Literature, and Journal of Economic Perspectives.

Web Sites

World Bank: www.worldbank.org International Monetary Fund: www.imf.org

Institute of Development Studies: www.ids.ac.uk

World Institute for Development Economics Research: www.wider.unu.edu [Briefing Notes in Economics: \(web.richmond.ac.uk/bne\)](http://www.wider.unu.edu/Briefing%20Notes%20in%20Economics%20(web.richmond.ac.uk/bne))

Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus

Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or LTPC)	Change Actioned by Academic Registry
Minor	Updated Reading List	School Meeting 18.3.2016	
Major	Update to reading list; some content change	September 2019	
Minor	Updated reading list	June 2021	
	Revision – annual update	May 2023	
	Total Hours Updated	April 2024	