THE UNIVERSITY OF THE WEST INDIES, MONA

ECON6032: Economic Development Theory 1
Semester I, 2012-13

Lecturer: David Tennant
Lectures: Wednesdays, 9:00 – 11:00 (GLT1)
          Thursdays, 12:00 – 2:00 (GLT1)
Office Hours: Wednesdays, 11:00 – 12:00
             Thursdays, 11:00 – 12:00

Description
This course will encourage students to critique and challenge orthodox concepts and
theories of economics, particularly as they relate to developing economies. It will also
expose students to alternative concepts and theories, which will be critically reviewed. The
development experience of selected OECD and newly industrialized countries will be
examined to ascertain conformity with dominant theories. Students will be required in
class discussions and formal presentations to assess the applicability of the theories and
development experiences to the Caribbean context. INDEPENDENT READING PRIOR TO
LECTURES IS MANDATORY.

Modes of Delivery
Two lecture hours and one tutorial hour per week. In the tutorials, students will be
required to make presentations and contribute to discussions in the format of an academic
conference.

Syllabus, Learning Outcomes and Resources

1. Rethinking Economics: Alternatives to the Orthodoxy

   In this unit students will be briefly introduced to and be expected to critique
different concepts of economics. Students are required to explain and critically
review the following:

   • Commonalities in the 'type' of economics typically taught in undergraduate and
     graduate economics programmes;
   • Orthodox economics and reasons for its dominance;
   • Alternatives to the orthodoxy, i.e. heterodox economics (including but not
     limited to institutional economics); and
   • The relevance of, and alternative directions in, development economics
     (including concepts and measures of development).

   Prescribed Reading:

   • Angresano, James (2007) 'Orthodox Economic Education, Ideology and
     Commercial Interests: Relationships that Inhibit Poverty Alleviation', Post-
     Autistic Economics Review, Issue No. 44, pp. 37-58
The Growth Theories: Understanding and Critiquing the Orthodoxy

In this unit students will be introduced to the old and new growth theories as a means of understanding the theoretical foundations of the policy prescriptions under the Washington Consensus. Major critiques of these theories will be discussed both in a theoretical setting and using a number of case study analyses. Students are required to compare, critically review and assess the applicability of the following models and case studies to the Caribbean context:

- Solow’s model
- Harrod-Domar model
- Romer’s model
- Lucas’ model
- Neo-Schumpeterian model
- Washington Consensus
Prescribed Reading:

- [http://www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs/1g3lr_5f7_5fcortright_2epdf/v1/1g3lr_5f7_5fcortright.pdf](http://www.eda.gov/ImageCache/EDAPublic/documents/pdfdocs/1g3lr_5f7_5fcortright_2epdf/v1/1g3lr_5f7_5fcortright.pdf)

3. **How did the Developed Countries Develop? Economic History as a Challenge to the Orthodoxy**

A brief historical overview of the process of economic development in a number of OECD countries will be discussed. Students will assess whether policy prescriptions derived from orthodox growth theories were applied in these countries at critical stages in their development. The use and sequencing of the following types of policies will be evaluated:

- Protectionism in OECD development
- Industrial policy in OECD development
- Role of institutions in OECD development
- Neo-liberal policies in OECD development

Prescribed Reading:

4. **Other Theories of Growth and Development: Alternatives to the Orthodoxy?**

Students will review, critique and compare the following major theories of economic growth, development and underdevelopment. Students will also be required to assess their applicability to the Caribbean context.

- Rostow's Stages of Growth Theory
- Lewis' Dualistic Model
- External Dependency Theories
- Plantation Economy
- SIDS-specific Limiting Factor Theories

**Prescribed Reading:**

- Todaro (Chapter 3)

5. **The East Asian Mystery: Success of Orthodoxy or Vindication of Heterodoxy?**

The debate as to the causes of the East Asian miracle will be reviewed, with orthodox and heterodox arguments being presented, as outlined below. Students will be required to evaluate the merits of these arguments with reference to the historical development of the countries in the region, and the policies pursued in each.

- Neo-liberal explanations of the East Asian miracle
- Historical overview of East Asian development and Policies pursued in East Asian countries
- Causes of the East Asian financial crisis

**Prescribed Reading:**


**Assessment**

1. Participation in tutorial discussions - 5%
2. Oral presentation - 10%
3. Detailed outline of research paper - 5%
4. Research paper - 40%
5. Final Examination - 40%

**Research Question**

All students are required to answer all **three** parts of this question to satisfy the requirements of assessments (3) and (4) above.

i. Compare the post-independence historical development of a Caribbean economy of your choice with an East Asian miracle economy of your choice. Pay special attention to:

- Contextual analysis, i.e. comparison of, *inter alia*: political; social; cultural; historical; institutional; and sectoral factors;
- Comparison of economic and developmental performance indicators (ensure that you have an adequate time series for comprehensive analysis); and
- Macroeconomic, trade and industrial policies implemented at different periods in their development.

ii. Highlight lessons that can be learned from the Asian country's experience. Also highlight policy successes that cannot be replicated in the Caribbean country.

iii. Discuss for BOTH countries which growth/development theories or combinations of such theories best explain the nature of development/underdevelopment experienced thus far.

**PROVIDE CLEARLY SUBSTANTIATED JUSTIFICATIONS FOR ALL YOUR ANSWERS**

- The type-written essay should not exceed 20 type-written, double-spaced, letter size pages (excluding tables and bibliography).
The breakdown provided below should serve as a general guide as to how your type-written essays will be assessed:

- Content and Analysis (40%)
- Review of Relevant Literature and Proper Referencing (30%)
- Coherence and Organization of Answer (15%)
- Grammar and the Use of the English Language (15%)