

International Economics IV – Sustainable Development Strategies
Semester 1 – 2017, Tuesdays from 10am to 1pm



COURSE MANUAL

**International Economics IV
Sustainable Development Strategies**

Course Instructor: Prof. Karin Costa Vazquez (kvazquez@jgu.edu.in)

BA GA Global Affairs

SEMESTER I - 2017

**JINDAL SCHOOL OF INTERNATIONAL AFFAIRS
O.P. JINDAL GLOBAL UNIVERSITY**

**Class Hours: Tuesday, 10 am - 1 pm
Class Venue: Class room TBC
Office Hour: Tuesday 2-4pm (by appointment)
Office: Room No 25-B T2 building**

Course objective

- Offer a basic understanding of what constitutes “development” and how to promote it
- Introduce the main theories of economic, social and environmental development
- Provide an overview of the main development narratives to give students’ a more applied perspective on the strategies taken and the results achieved across countries and regions
- Demonstrate the challenges developing and emerging economies still face today and possible way forward

Course Outcomes	Intended Learning	Teaching and Learning Activities	Assessment Tasks/Activities
By the end of the course students should be able to:			
Understand development as a combination of economic prosperity, social inclusion and environmental sustainability	45% weight	<ul style="list-style-type: none"> • Pre reading Students would be required to read the recommended texts prior to coming to the lectures and tutorials. • Lectures • Class participation 	<ul style="list-style-type: none"> • Mid Term Exam (30%) • Class participation (15%)
Compare the recent development strategies taken by African, Latin American and Asian countries and the results achieved	45% weight	<ul style="list-style-type: none"> • Pre reading Students would be required to read the recommended texts prior to coming to the lectures and tutorials. • Lectures • In class group presentation and debate • Class participation 	<ul style="list-style-type: none"> • Group Presentation (15%) • Class participation (15%)
Articulate the challenges developing and emerging economies still face today and possible way forward	10%	<ul style="list-style-type: none"> • Pre reading Students would be required to read the recommended texts prior to coming to the lectures and tutorials. • Lectures • In class group presentation and debate • Class participation 	<ul style="list-style-type: none"> • Final end of term paper (40% of final grade) • Class participation (15%)

Course Description

Over the past two decades, economic growth has lifted more than 660 million people out of poverty and has raised the income levels of millions more, but too often it has come at the expense of the environment and poor communities. Through a variety of market, policy, and institutional failures, Earth’s natural capital has been used in ways that are economically inefficient and wasteful, without sufficient reckoning of the true costs of resource depletion. The burning of fossil fuels supported rapid growth for decades but set up dangerous consequences,

with climate change today threatening to roll back decades of development progress. At the same time, growth patterns have left hundreds of millions of people behind: 1.2 billion still lack access to electricity, 870 million are malnourished, and 780 million are still without access to clean, safe drinking water (World Bank).

Sustainable Development has become the central public policy framework for our age. It recognizes that growth must be both inclusive and environmentally sound to reduce poverty and build shared prosperity for today's population and to continue to meet the needs of future generations. The three pillars of sustainable development – economic growth, environmental stewardship, and social inclusion – carry across all sectors of development. Countries are recognizing the value of their natural resources, and industries are realizing how much they can save through energy and supply chain efficiency. The question facing countries, cities, corporations, and development organizations today is not *whether* to embrace sustainable development but *how*.

This course examines the evolution of development thinking from economic growth models to the complex and interdependent nature of sustainable development. It then introduces and compares development strategies taken by African, Latin American and Asian countries and discuss how a holistic strategy can help societies achieve the combination of economic prosperity, social inclusion, and environmental sustainability.

Essential Reading

It is essential for students to **read all relevant materials according to the reading schedule in page 6 before coming to class**. Relevant online links and photocopies of any additional readings shall be distributed in the previous class. In case of difficult chapters pre read and come to the instructor or the co-instructor after class or during office hour (by appointment) for any clarification.

Assessment

- **Closed book, 2-hour timed Mid-term exam** worth 40% of the total grade around week 8.
- **In-class group presentation** worth 10% of the total grade around week 9 onwards. Students will be assigned into groups and asked to make a presentation on the development strategies taken in a particular region, sub-region or country. Groups, region, sub-region or country will be assigned in week 2 and dates of the presentations will be confirmed on week 3. Each group will be required to read on the topic assigned throughout the semester, be prepared to argue for and against the same and work in a team to address the task in hand.
- **Class participation** worth 10% of course grade shall be assessed on the basis of student active engagement in debates during regular classes and group presentations, thus it is imperative that you pre read the assigned material before coming to class.
- **Final end of term paper** worth 40% of the course grade. Papers should draw from the theories presented in the course as well as class discussion, focus on a specific development challenge still faced by the region, sub-region or country assigned in the group presentation, and propose a possible way forward. The paper must be 3-4 pages, single-spaced Times New Roman 12, be submitted individually and reflect students' own thinking.

Attendance

University rules strictly require a minimum attendance of 75% in lectures. Students whose attendance falls below this level without documenting/compelling extenuating circumstances will be barred from the final end-of-term paper.

Use of unfair means and plagiarism warning

Students **should not** cheat in examinations nor plagiarize content, be it from scholarly sources (i.e. books and journal articles), other students or from the Internet. **Either of the above will result in a grade zero on the relevant assignment.** The department and the university also have strict rules with consequences for students involved in the use of unfair means and plagiarism. This is an issue of academic integrity on which no compromise will be made.

Any idea, sentence or paragraph from a book, journal, article, internet or any other source must be credited with the original source and explicitly mentioned. For adhering to guidelines with respect to quoting, citing and referencing, follow the Harvard Method: [file:///localhost/\(http://www.staffs.ac.uk/assets/harvard_quick_guide_tcm44-47797.pdf\)](file:///localhost/(http://www.staffs.ac.uk/assets/harvard_quick_guide_tcm44-47797.pdf)) and see some examples (http://www.staffs.ac.uk/assets/harvard_referencing_examples_tcm44-39847.pdf)

Grading of Student Achievement

To pass this course, students must obtain a minimum of 50% of total course marks. The following conversion criteria will be used between numeric and letter grades for this course (subject to variation as and when circumstances may render necessary):

Letter Grade	Grade Value	Total Course Marks	Grade Definitions	
O	4.0	75 and above	Outstanding	Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyse existing materials and originality in thinking and presentation.
A+	3.6	70 to 74.9	Excellent	Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and critical and analytical ability .
A	3.2	65 to 69.9	Good	Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills.

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B+	2.8	60 to 64.9	Adequate	Adequate knowledge of the subject matter to go to the next level of study and reasonable critical and analytical skills.
B	2.4	55 to 59.9	Sufficient	
B-	2.0	50 to 54.99	Marginal	Limited knowledge of the subject matter and irrelevant use of materials and, poor critical and analytical skills.
F	0.0	Below 50	Failure	Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course.

Lecture and Reading Schedule

The following schedule is intended to be only a guide and is subject to variation as and when circumstances may render necessary.
Additional reading may be assigned before each class:

PART I - Development Theories and Models
<p>Week 1 - Growth vs. Development: shifting paradigms</p> <p>Commission on Growth and Development (2008), "The Growth Report: Strategies for Sustained Growth and Inclusive Development", Part 1 and 4. https://openknowledge.worldbank.org/handle/10986/6507</p> <p>Rodrik, D. (2003), In Search of Prosperity: Analytical Narratives on Economic Growth, Chapter 1, pp. 1-19. http://press.princeton.edu/chapters/s7518.pdf</p> <p>The Age of Sustainable Development, Chapter 1 - Jeffrey Sachs (or video)</p>
<p>Week 2 - The perspectives of classical development economics</p> <p>http://webcache.googleusercontent.com/search?q=cache:3PBQmf6jUmYJ:www.springer.com/da/content/document/cda_downloaddocument/9789812872470-c2.pdf%3FSGWID%3D0-0-45-1483317-p177033406+&cd=13&hl=en&ct=clnk&gl=in</p> <p>http://ro.uow.edu.au/cgi/viewcontent.cgi?article=2103&context=artspapers</p> <p>Schumpeter, The Theory of Economic Development, Chapter 2 (available in the library) https://books.google.co.in/books?id=-OZwWcOGeOwC&pg=PA57&source=gbs_toc_r&cad=3#v=onepage&q&f=false</p>
<p>Week 3 - From the Washington Consensus to the Washington Discord: States vs. Markets, or State and Markets?</p> <p>Narcis Serra and Joseph E. Stiglitz, (eds.) (2008), The Washington Consensus Reconsidered: Towards a New Global Governance, New York: Oxford University Press, chapter 2 by John Williamson (A Short History of the Washington Consensus) http://growthlab.cid.harvard.edu/files/growthlab/files/serra8.pdf</p> <p>Narcis Serra and Joseph E. Stiglitz, (eds.) (2008), The Washington Consensus Reconsidered: Towards a New Global Governance, New York: Oxford University Press, chapter 4 by Joseph E. Stiglitz, (Is there a Post-Washington Consensus Consensus?)</p>

<http://growthlab.cid.harvard.edu/files/growthlab/files/serra8.pdf>

World Bank (2005), *Economic Growth in the 1990s: Learning from a Decade of Reform*, Washington D.C.: World Bank.

Week 4 - Economic Development

Ocampo, Jose Antonio and Robert Vos (coord), "Uneven Economic Development", Homayatnagar, Ch.1

United Nations, *World Economic and Social Survey 2006: Diverging Growth and Development*, chapter 1
<http://press.uchicago.edu/ucp/books/book/distributed/U/bo20852747.html>

Commission on Growth and Development (2008), "The Growth Report: Strategies for Sustained Growth and Inclusive Development", Part 2. <https://openknowledge.worldbank.org/handle/10986/6507>

Week 5 - Social Development: Human Rights Perspectives and Welfare States

Sen, Amartya (1999), *Development as Freedom*, New York: Alfred A. Knopf, 1999, Chs. 1-3

https://books.google.com.br/books?id=NQs75PEa618C&printsec=frontcover&dq=Development+as+Freedom+by+Amartya+Sen+free&hl=en&sa=X&ved=0ahUKEwj65_CY77PRAhWGjJAKHdzvC00Q6AEINjAC#v=onepage&q=Development%20as%20Freedom%20by%20Amartya%20Sen%20free&f=false

Week 6 - Human Development and its Links to Economic Development

An economy to the 99% bottom – Oxfam

<http://www.oxfamnovib.nl/Redactie/Downloads/Rapporten/20170116%20Report%20-%20An%20economy%20for%20the%2099%20percent%20-%20Strictly%20embargoed%2016%20January%202017.pdf>

UNDP (2010), *Human Development Report 2010. The Real Wealth of Nations: Pathways for Human Development*, New York: UNDP, Chapters 2, 3 and 5.

http://hdr.undp.org/sites/default/files/reports/270/hdr_2010_en_complete_reprint.pdf

Week 7 - Sustainable Development

UNEP (United Nations Environmental Programme), (2011a), *Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication. A Synthesis for Policy Makers*, February, available

at: <http://www.unep.org/greeneconomy/GreenEconomyReport/tabid/29846/Default.aspx>

Fankhausera, Samuel and Nicholas Stern (2016) "Climate Change, Development, Poverty and Economics" Grantham Research Institute on Climate Change and the Environment <http://pubdocs.worldbank.org/pubdocs/publicdoc/2016/5/728181464700790149/Nick-Stern-PAPER.pdf>

United Nations, General Assembly (2015), Transforming our world: the 2030 Agenda for Sustainable Development, Resolution A/RES/60/1, 21 October. http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E

Video: The proposal for SDGs at Rio+20

Week 8 - India's Development Strategy

India: The Emerging Giant by Arvind Panagriya Chapter 1-5 (pp 3-110) http://www.princeton.edu/~koh li/docs/PEGI_PartI.pdf

Politics of Economic Growth in India 1980-2005 (Part I & II) by Atul Kohli http://www.princeton.edu/~koh li/docs/PEGI_PartII.pdf

Week 9 - Mid-term Exam

PART II - Comparative Development Strategies

Week 10 - International Development Strategies in Historical Perspective Lecture followed by debate

Chang, Ha-Joon (2002) Kicking Away the Ladder: Development Strategy in Historical Perspective (London, Anthem Press)

Week 11 - South Asia Development Strategies. Lecture followed by group presentation and debate

Ahmed, Sadiq (2006) "Explaining South Asia's Development Success"

<https://openknowledge.worldbank.org/bitstream/handle/10986/7129/368020PAPER0Ex101OFFICIAL0USE0ONLY1.pdf?sequence=1&isAllowed=y>

Week 12 - The East Asian Miracle: In What Sense? Lecture followed by group presentation and debate

Chang, H.J. (2003) "The East Asian Development Experience", in Rethinking Development Economics, Ha-Joon Chang (ed.), 2003, Anthem Press. Chapter 5 <https://sisis.rz.htw-berlin.de/inhalt/0119288.pdf>

Stiglitz, J. (2001) "From Miracle to Crisis to Recovery: Lessons from Four Decades of East Asian Experience," in Rethinking the East Asian Miracle, J. Stiglitz and S. Yusuf (eds.), Oxford: Oxford University Press, 509-526., available as E-Book at https://books.google.com.br/books?id=xmXu29SUtPwC&printsec=frontcover&source=gbs_ViewAPI&redir_esc=y#v=onepage&q&f=false

Week 13 - From State-led Industrialization to new paradigms in Latin America

Lecture followed by group presentation and debate

José Antonio Ocampo and Jaime Ros (2011) The Oxford Handbook of Latin American Economics
https://books.google.com.br/books?id=Vb_VBFgCmwC&pg=PT632&img=PT632&dq=online+The+Oxford+Handbook+of+Latin+American+Economics&source=bl&ots=0ZsCfOkfJT&sig=AIUMvvk0bYDBEPyS19firRtpSTQ&hl=en&sa=X&ved=0ahUKEwjn4c6qhbTRAhVGQZAKHXSfDZEQ6AEIRTAG#v=onepage&q=online%20The%20Oxford%20Handbook%20of%20Latin%20American%20Economics&f=false

Chapters:

- Shifting Paradigms in Latin America's Economic Development, José Antonio Ocampo and Jaime Ros
- The Washington Consensus: Assessing A “damaged Brand”, Nancy Birdsall, Augusto De La Torre, Felipe Valencia Caicedo
- The Rise and Fall of Income Inequality in Latin America, Leonardo Gasparini and Nora Lustig
- From Old to New Developmentalism in Latin America, Luiz Carlos Bresser-Pereira

IDB (1997) Pathways to growth – comparing East Asia and Latin America <https://publications.iadb.org/handle/11319/377>

Wek 14 - African Development Strategies Lecture followed by group presentation and debate

Noman, Akbar and Joseph E. Stiglitz, J., (2012), "Good Growth and Governance for Africa: Rethinking Development Strategies" (Oxford University Press)

https://www8.gsb.columbia.edu/faculty/jstiglitz/sites/jstiglitz/files/2010_Good_Growth_Governance_Africa.pdf

World Bank (2005), Economic Growth in the 1990s: Learning from a Decade of Reforms (Washington DC, World Bank). Chapter 1 "Overview" pp.1-26, and pp. 274-8

<http://www1.worldbank.org/prem/lessons1990s/> : <http://www1.worldbank.org/prem/lessons1990s/chaps/01-Ch01.pdf>

Chang, H.J. (2006) "The East Asian Development Experience: The Miracle, the crisis and the future", Chapter 4

Agenda 2063 – The Africa we want

http://agenda2063.au.int/en/sites/default/files/03_Agenda2063_popular_version_ENG%2021SEP15-3.pdf

Week 15 - The challenges developing and emerging economies face today: way forward

The Age of Sustainable Development, Chapter 14 - Jeffrey Sachs

Suggested reading for group presentations (non exhaustive)

The following references complements the reading assigned for each week and are an additional source for group preparation.

India

Himanshu and Sen, A. (2004) "Poverty and inequality in India: getting closer to the truth," Economic and Political Weekly. Can be found at: http://www.networkideas.org/featart/may2004/Poverty_WC.pdf

Deaton, A. and Kozel, V. (2005) "Data and dogma: the great Indian poverty debate", World Bank Observer

Acharya, Shankar, Isher Ahluwalia, K.L. Krishna and Ila Patnaik "India:Economic Growth, 1950-2000"

<http://www.saneinetwork.net/pdf/grp/GRPIndia.pdf>

Bajpai, N. and Sachs, J. (1997) "India's economic reforms: some lessons from East Asia", Journal of International Trade and Economic Development 6(2): 135-64.

Drèze, J. and Sen, A. (1995) *India, economic development and social opportunity*, Oxford University Press. Panagariya, Arvind (2008), *India: The Emergent Giant* (Oxford University Press)

Arvind Panagariya, [India: The Emerging Giant Part 1](#), pp 3-110,

Brazil

Katz, J and Kosacoff B (2000), " Technological Learning, Institution Building and the Microeconomics of Import Substitution", pp. 36-57, in Cardenas E., Ocampo J.A. and Thorp R. (2000), *An Economic History of Twentieth Century Latin America*, Vol 3: *Industrialization and the State in Latin America*, ch2

Lustig, Nora, Luis Felipe López-Calva and Eduardo Ortiz-Juárez, "Declining Inequality in Latin America in the 2000s: the cases of Argentina, Brazil and Mexico", *World Development*, 2012, in press.

Bulmer-Thomas, Victor (2014), *The Economic History of Latin America since Independence*, 3rd edition, Cambridge: Cambridge University Press [Referred to below as Bulmer-Thomas].

Thorp, Rosemary (1998), *Progress, Poverty and Exclusion: An Economic History of Latin America in the 20th Century*, Baltimore: Johns Hopkins University Press and Inter-American Development Bank.

There is also a very useful recent compilation of mostly comparative economic histories of Spanish American countries, which students can read for in depth knowledge of specific economies:

There are many regular publications by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC or CEPAL according to its Spanish acronym), particularly bi-annual reports for its major intergovernmental sessions (some would be required reading), its two annual reports on macroeconomic conditions (*Preliminary Balance* and *Economic Survey*), its *Social Panorama*, and its annual reports on trade and foreign direct investment. There are also regular publications by the World Bank's Office of the Chief Economist for the Latin American and Caribbean Region, the Inter-American Development Bank (IADB, BID according to its Spanish acronym), the Development Bank of Latin America (CAF, according to its legal acronym, Corporación Andina de Fomento) and the International Monetary Fund's *Regional Economic Outlook* for the Western Hemisphere.

China

Qian, Ying Yi (2003) "How Reform Worked in China" in Rodrik, Dani (ed) *In Search of Prosperity: Analytical Narratives on Growth*, (Princeton University Press, 2003); pp 297-333

Fan, Shenggen Ravi Kanbur, Shang-Jin Wei, Xiaobo Zhang (eds.) (2014), *The Oxford Companion to the Economics of China*, Oxford: Oxford University Press.

Stiglitz, Joseph "Towards a New Model of Development: Remarks Prepared for the China Development Forum" (2007), IPD Working Paper

Khan, A. and Riskin. C. (2001) *Inequality and Poverty in China in the Age of Globalization*. Oxford: Oxford University Press.

Khan, Aziz (2010) "An Evaluation of China's Experience in Poverty Reduction"; A Summary of the Presentations at the Poverty Reduction and Development Forum and the Training Seminar for the Officials in the Poor Areas, Beijing 16-17 October 2010 (Mimeo; posted on courseworks)

Stiglitz, Joseph (2016) "China's Bumpy New Normal", in: <https://www.project-syndicate.org/.../china-economic-policy-debate->

Mozambique

Ha-Joon Chang (2007) "Mozambique's Economic Miracle: How to Escape Poverty", Ch. 1 of Ha-Joon Chang, *Bad Samaritans* (London, Random House)

Bangladesh

Khan, Azizur Rahman (2007), "is Bangladesh Poised to be Launched on an East Asian Development Path? Some Thoughts on Performance, Prospects and Puzzles", Paper Presented at the BIDS Golden Jubilee Conference on Development Prospects of Bangladesh: Emerging Challenges, Dhaka, 2-3 December 2007

Amin, S., Rai, A. and Giorgio Topa (2003) "Does microcredit reach the poor and vulnerable? Evidence from northern Bangladesh" in *Journal of Development Economics* 70 (2003) 59- 82

Morduch, J. (1999) "The Microfinance Promise", *Journal of Economic Literature* 37: 1569-1614.

Little, Scitovsky and Scott, *Industry and Trade in Developing Countries* (selected chapters) (OUP, 1971)

Khan, A.R. *The Economy of Bangladesh* (OUP, 1972)

Ilsenman, Paul. 1980. *Basic Needs: The Case of Sri Lanka*, *World Development*, Vol. 8, pp. 237-258