



## Department of Economics

---



## Economics 281 Development Economics (12084-281)

---



## Module Outline 2022



## Contents

### **INTRODUCTION**

- THE MODULE FRAMEWORK
- PREREQUISITES
- MODULE AIM
- MODULE OUTCOMES

**3**  
3  
3  
3  
3

### **ADMINISTRATION**

- LECTURERS
- MODULE COORDINATOR
- LECTURE TIMES

**4**  
4  
4  
4

### **RESOURCES**

- PRESCRIBED TEXTBOOK

**5**  
5

### **WORK PROGRAMME**

**5**

## INTRODUCTION

### THE MODULE FRAMEWORK

This module framework contains important information regarding the contents, assessments and administration of the module. The module framework is a document that is regarded as a “contract” between a lecturer and student.

### PREREQUISITES

Economics 114 & 144 OR Economics 288.

### MODULE AIM

Development Economics studies some of the most important challenges facing humankind today. In an article that appeared in the Journal of Economic Growth in 2004, Dani Rodrik, Arvind Subramanian and Francesco Trebbi put it as follows:

*Average income levels in the world's richest and poorest nations differ by a factor of more than 100... What accounts for these differences, and what (if anything) can we do to reduce them? It is hard to think of any question in economics that is of greater intellectual significance, or of greater relevance to the vast majority of the world's population.*

This part of the Economics 281 module provides an introduction to Development Economics. It outlines key theories of economic development; summarises the development experiences of countries in Africa, Asia and Latin America; and discusses policies to deal with many economic development problems. The relevance of the study material for South Africa is emphasised throughout.

### MODULE OUTCOMES

After the successful completion of this module the student will be able to:

- Explain contemporary views about the nature of economic development and indicate how these views differ from those held in the past.
- Discuss the most important traditional and contemporary theories of economic development and use these theories to analyse development problems..

- Use economic theory and lessons from the experiences of countries to analyse and discuss possible solutions to various development problems (e.g. poverty and inequality, rural-urban migration, human capital development, rural development and protection of the environment)
- Discuss development policymaking and the roles of states, markets and civil society in development processes.

## ADMINISTRATION

### LECTURERS

Name	Office	Email address	Telephone number	Consultation hours
Prof Rachel Jafta	516	<a href="mailto:rccj@sun.ac.za">rccj@sun.ac.za</a>	021 808 2245	By appointment
Dr Eldridge Moses	613	<a href="mailto:eldridge@sun.ac.za">eldridge@sun.ac.za</a>	021 808 2228	By appointment

### MODULE COORDINATOR

Name	Office	Email address	Telephone number	Consultation hours
Dr Eldridge Moses	613	<a href="mailto:eldridge@sun.ac.za">eldridge@sun.ac.za</a>	021 808 2228	By appointment

Departmental telephone number: (021) 808 2247

Physical address of the department: Department of Economics, 5<sup>th</sup> & 6th Floors, CGW Schumann Building, Bosman Street, Stellenbosch.

### LECTURE TIMES

Lectures will be presented on the following days and times. Lecturers will communicate changes in the schedule below when they are needed.

Day	Time	Venue
Monday	10h00 – 10h45	Van der Sterr 1017
Tuesday	08h00 – 08h45	Van der Sterr 1017
Friday	11h00 – 11h45	Van der Sterr 1017

## RESOURCES

### PRESCRIBED TEXTBOOK

Todaro, Michael P. & Stephen C. Smith 2015. *Economic Development (12<sup>th</sup> Edition)*. Harlow: Pearson.

OR

Todaro, Michael P. & Stephen C. Smith 2020. *Economic Development (13<sup>th</sup> Edition)*. Harlow: Pearson.

### WORK PROGRAMME

A provisional work programme is provided below. The headings "Chapter" and "Pages" refer to relevant parts of the prescribed textbook. Any changes to this programme will be announced in advance.

Chapter	Topics	Pages (in 12 <sup>th</sup> edition)	Lecturer
1	Introduction	—	Jafta
	Economics and Development Studies	9-16	
	What do we mean by development?	16-24	Jafta
	The Millennium Development Goals / Sustainable Development Goals	24-28	Jafta
2	Defining the developing world	42-45	Jafta
	Basic indicators of development	45-51	
	Holistic measures	51-55	
	Characteristics of the developing world	55-73	Jafta
	Development challenges now and in the past	73-80	
	Are living standards converging?	80-85	Jafta
	Long-run economic development	85-93	

3	Linear-stages theories Structural-change models	119-124 124-131	Jafta
	The international-dependence revolution The neoclassical counterrevolution	131-135 135-140	Jafta
4	Contemporary theories: Introduction	164-174	Jafta
	The Big Push The O-ring model	174-187 187-191	Jafta
	Development as self-discovery Growth diagnostics	192-193 193-197	Jafta
5	Measuring inequality Measuring absolute poverty	218-225 226-228	Moses
	Poverty, inequality and social welfare Absolute poverty: Extent and magnitude	230-240 240-250	Moses
	Economic characteristics of poverty groups Policy to reduce poverty and inequality	250-256 256-263	Moses
	Poverty and inequality in South Africa	—	Moses
6	Population growth: Past, present and future The demographic transition	285-293 293-296	Moses
	Causes of high fertility in poor countries	293-307	Moses
	The consequences of high fertility Some policy approaches	307-315 315-320	Moses
7	Urbanisation: Trends and living conditions The role of cities Urban giantism	331-338 339-348 344-348	Moses
	The urban informal sector	348-355	Moses
	Migration and development An economic theory of migration A comprehensive strategy	355-357 357-365 365-368	Moses
8	The central role of education and health The human capital approach Child labour The gender gap in education and health	382-388 388-391 391-396 396-400	Moses
	Child Labour The gender gap in education and health Education systems and development	391-396 396-400 401-406	Moses
	Education in South Africa	—	Guest
10	The environment and development: Issues Global warming and climate change	490-502 502-508	Moses

10	Economic models of environmental issues	508-518	Moses
	Urban development and the environment	518-523	
	Rain forest destruction	523-525	
	Policy options	526-531	Moses
11	Development planning	542-546	Moses
	Government failure	554-558	Moses
	The market economy	558-559	
	The role of the state in development	560-562	
	Theories of policy formulation and reform	562-569	
	NGO's and civil society	569-575	Moses
Trends in governance and reform	576-582		
	Development policymaking in South Africa	—	Moses