

GEK1018 ECONOMIC ISSUES IN THE DEVELOPING WORLD

A Brief Outline of the Module:

This module aims to highlight the major economic problems that characterize the present-day developing countries with special reference to Association of South East Asian Nations (ASEAN) and East Asian Newly Industrialized Economies (NIEs). While the problems and issues are brought out in a non-technical fashion, the relevant policies are discussed with the help of appropriate empirical evidences so as to allow the students to gauge the extent of success achieved by various policies.

The course is likely to impart useful knowledge and information on the prime development issues that concern the developing world today. After the successful completion of the module, students should be able to identify the main problems that are currently faced in Asia and would be able to make some policy suggestions in dealing with these problems. They will also gain some useful experience on the economic development of Singapore and the Asian region.

Given the nature of the module, there is no single text that is likely to cover all the selected topics satisfactorily. **The course relies heavily upon relevant articles/chapters from current development journals/texts and special emphasis is placed on internet resources.** Students are encouraged to make their own search and the **World Bank's website ([http:// www.worldbank.org](http://www.worldbank.org))** is probably the most useful for current research topics on global and regional development.

Syllabus

1. Economic Growth: The *Bread-and-Butter* Issue

- Importance of economic growth
- Growth and human welfare
- Growth and freedom
- Growth and happiness
- Growth and inequality
- Growth and quality of life
- Growth and poverty
- Human Development Index
- Social and political freedom

2. Twin Hazards of Economic Growth: Deprivation and Poverty

- Poverty-growth-inequality relationship
- Trends in income inequality
- Trends in poverty
- Pro-poor growth strategies
- Millennium Development Goals (MDGs)
- The World Bank Study on "Globalization, Growth and Poverty: Building an Inclusive World Economy"
- Jeffrey D. Sachs' "The End of Poverty"

3. Economic Policymaking: State *versus* Market

- Role of the State and the Market in economic development
- Singapore's interventionist approach
- Role of good governance
- Development roles of NGOs

4. Growth and Democracy, Growth and Corruption

- Economic and political freedoms
- Effects of autocracy on growth
- Impact of growth on democracy
- Corruption and rent-seeking activities

5. Financial Sector and Economic Growth

- Financial development and economic growth
- Financial deregulation
- Capital market liberalization
- The East Asian Growth Model
- The Mexican Financial Crisis
- The Asian Financial Crisis
- The USA Sub-Prime Mortgage Crisis
- Microfinance in developing countries

6. International Trade and Economic Growth

- Trade strategies for development: export promotion *versus* import substitution
- Protectionism in developed countries
- Offshore outsourcing
- How much foreign aid should be provided?
- Host country concerns about foreign direct investments (FDI)

- Transnational corporations' concerns: The business climate and government conditions

7. Information and Communications Technology (ICT) and Economic Growth

- The "Digital Divide"
- Impact of ICTs on development
- The 'optimistic' view of ICTs in development
- Singapore's 2015 blueprint

8. Population and Economic Growth

- Population and economic growth
- Depopulation trends and labor shortages in NIEs
- Ageing in East Asia
- The Singapore model of social welfare
- Replacement migration
- Brain drain

9. Global Environment and the Developing World

- Pollutants and their consequences for the global environment
- What/ who contribute to greenhouse gases?
- Policy options available for LDC governments

10. Limits to growth

- Will growth continue forever?
- "Sustainable development"
- Does economic growth lead to depletion of resources?
- Singapore's growth limitations

Assessment:

- **Team essay:**
 - Team's assessment:
 - Individual's assessment:
- **Comment on another team's essay:**
 - Team's assessment:
 - Individual's assessment:
- **Overall tutorial participation:**
- **Final Examination (Open Book):**