



ECON336

Economic Development

S1 Day 2017

Dept of Economics

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	4
<u>Delivery and Resources</u>	6
<u>Unit Schedule</u>	8
<u>Learning and Teaching Activities</u>	9
<u>Policies and Procedures</u>	9
<u>Graduate Capabilities</u>	12
<u>Changes from Previous Offering</u>	14

Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff

Unit Convenor

Alison Vicary

alison.vicary@mq.edu.au

Contact via Via iLearn

E4A437

TBA

Credit points

3

Prerequisites

(PSY122 or STAT150 or STAT170) and 6cp at 200 level including (ECON200 or ECON201 or ECON203 or ECON204 or ECON214 or ECON215)

Corequisites

Co-badged status

Unit description

Despite robust economic growth across the globe in the last decades, around one billion people in the world still suffer from the effects of underdevelopment and poverty. This unit will give students a critical understanding of the inherent problems facing underdeveloped and developing countries. It will provide an in-depth analysis of the different explanations and measures that may be taken to foster economic development and to relax the constraints that slow it down. An integral component of the unit is discussion of the most recent research by economists who work in the field, testing and devising cheap and feasible policy solutions to improve outcomes for the global poor. Focusing on specific examples, such as the prevalence of diseases such as malaria or the schooling outcomes of children in poor households, we will investigate and critically evaluate the effectiveness of existing policy measures and discuss ways to improve our policy response to enduring development challenges.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Demonstrate the reasons the very poor can remain trapped in poverty whilst those who

are only even a bit better off can more easily improve their lives.

Explain the evidence that shows us how the poor make decisions about such things as educating their children, healthcare and developing their businesses and the impact this has on their future.

Evaluate the impact on the non-poor and poor that their decisions, behaviour and the institutions they face have on creating the different outcomes experienced for each group.

Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.

Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the lives of the poor at the local level.

General Assessment Information

Course Rules

1. All the worksheets and reports are to be submitted electronically via the ECON336 ilearn site.
2. No extensions will be granted for the worksheets. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for disruption of studies is made and approved.
3. No extensions will be granted for the Report, "Are You Different to the Poor.". There will be a deduction of 10% of the total available marks made from the total awarded mark, for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply, for cases in which an application for disruption of studies is made and approved. No submission will be accepted after solutions have been posted.
4. You must submit all pieces of assessment. Since the worksheet component of the assessment is composed of several pieces, you will be assumed to have submitted the worksheets, if 3 out of 4 of the marked worksheets have been satisfactorily submitted.
5. Your final result is the summation of your results for each piece of assessment.

Disruption to Studies Policy

Disruption to Studies Policy http://www.mq.edu.au/policy/docs/disruption_studies/policy.html *The Disruption to Studies Policy is effective from March 3 2014 and replaces the Special Consideration Policy.*

If you apply and are granted a Disruption to Studies, you will then have to abide by the following:

1. With regard to the Worksheets, you must submit the assessment 3 days from the date you are granted the disruption to studies.

2. With regard to the Report, "Are you Different to the Poor" you have 4 days from the date you are granted the disruption to studies to submit the assessment.

3. With regard to the Final Examination, you will be required to sit the exam during the official supplementary exam period.

Assessment Tasks

Name	Weighting	Hurdle	Due
Lessons & Class Worksheets	40%	No	Most Weeks
Are you different to the poor?	30%	No	Various weeks
Living on One Dollar a Day	30%	No	Examination Period

Lessons & Class Worksheets

Due: **Most Weeks**

Weighting: **40%**

Most weeks you will be expected to submit the answers to a series of questions, known as a worksheet which relate to the current week's lecture. To be able to participate with the material in the worksheet, which will be discussed during the class, you must read the relevant chapter from the 'textbook' and watch any nominated videos. Typically this material will form a multimedia "Lesson" that you are expected to complete prior to coming to class. You will find these "Lessons" on ilearn in the appropriate folder. The "Lessons" are an essential component of the course. Embedded in each multimedia lesson will be some short mostly multiple choice questions, which you must complete so that your worksheet is eligible for marking.

- Only four of the worksheets will be marked, and this will occur randomly. In other words, you won't know which worksheets will be marked, until after the event. Submission will occur after the class. The timing of the submission will be negotiated in the first class.
- For your worksheet to be marked you must complete and pass a short pop quiz which typically forms part of the lesson on the relevant topic before the class time. You cannot take the pop quiz after the class. There are no marks associated with the quiz, except that you won't have your worksheet marked if it is not passed and completed the quiz.

For more information on this assessment check out the relevant folder on the ECON336 ilearn page.

On successful completion you will be able to:

- Demonstrate the reasons the very poor can remain trapped in poverty whilst those who are only even a bit better off can more easily improve their lives.
- Explain the evidence that shows us how the poor make decisions about such things as

educating their children, healthcare and developing their businesses and the impact this has on their future.

- Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.
- Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the lives of the poor at the local level.

Are you different to the poor?

Due: **Various weeks**

Weighting: **30%**

Poor families say those living on a couple of dollars a day, as do richer families all make decisions about food, education, healthcare, fertility, borrowing and savings. The big difference is that families living on a couple of dollars a day and our families in Australia make decisions about these issues in quite different contexts.

Use the ideas and experiments discussed in the classes to analyse the fundamental differences (or similarities) in the behaviour, institutions and consequent outcomes for the poor and your family.

- You will be allocated a topic.
- We will negotiate the date of submission for your report after you have been allocated to a topic.
- The report should be no longer than 1,000 words.
- You will submit your report electronically via the ECON336 ilearn site.

More information will be made available in the relevant folder on the ECON336 ilearn site.

On successful completion you will be able to:

- Explain the evidence that shows us how the poor make decisions about such things as educating their children, healthcare and developing their businesses and the impact this has on their future.
- Evaluate the impact on the non-poor and poor that their decisions, behaviour and the institutions they face have on creating the different outcomes experienced for each group.
- Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.

- Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the lives of the poor at the local level.

Living on One Dollar a Day

Due: **Examination Period**

Weighting: **30%**

The final exam will be based on an analysis of the documentary "Living on One Dollar a Day." The documentary is made by a couple of US university students studying economics, who go to a poor rural village in Guatemala for a couple of months and try to live on 1USD/day. The exam will consist of a series of questions that asks you to assess the ideas presented (or not presented) in the documentary, using the ideas discussed in this course.

You can take into the examination room, two A4 sheets of typed or hand-written notes.

The "Living on a Dollar a Day" documentary can be found at the following website:

https://www.youtube.com/watch?v=FtL_nsWCo7s

You will be provided with more information on the ECON336 ilearn site.

On successful completion you will be able to:

- Demonstrate the reasons the very poor can remain trapped in poverty whilst those who are only even a bit better off can more easily improve their lives.
- Explain the evidence that shows us how the poor make decisions about such things as educating their children, healthcare and developing their businesses and the impact this has on their future.
- Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.
- Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the lives of the poor at the local level.

Delivery and Resources

1. Face-to-Face Contact Time

There will be one three-hour session each week. Students are advised to attend all sessions. A major component of your assessment, the weekly worksheets will be discussed during this time period. These worksheets are an integral component of our face-to-face contact.

2. Online Lessons (ilearn)

For most topics, there will be an online lesson to be completed prior to coming to class. These lessons will be available in the relevant topic folder. The lessons are designed to guide through some of the course content for the week. Embedded in the lessons will be a series of short mostly multiple choice questions to assist you with the learning process.

2. Time and Location for Face-to-Face Contact

Thursday 12-3 pm in Room E7B100

3. The Book to Purchase for the Unit

Abhijit Banerjee & Esther Duflo (2011) "Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty," USA, Perseus Books Group.

This book is written by two well-known development economists from MIT, one of the world's best universities for economics. It is a great read summarising the latest research on the lives of the poor, their problems, how they make decisions, and the environment in which these decisions are made. It discusses the reasons the poor can remain trapped in poverty. It also importantly presents and assesses the many micro-policy interventions intended to improve their lives.

The book also introduces you to some of the more recent ideas and approaches in economics. It introduces the reader to a new and exciting type of empirical study. This is the world of the randomised experiment where economists collect their own data in the field, observing the behaviour of the poor and the institutions (that don't sometimes exist) and policies that purport to assist them. These experiments use a similar method to scientists who conduct drug trials. In this research world, the economist gets out into the field, designing experiments so to understand the lives of the poor.

Another compelling aspect of the book is that it discusses research that does not assume imaginary economic agents who reach optimal outcomes. The research discussed in the book, explains the ways poor people make decisions providing evidence that sometimes people make mistakes or can't quite attain their goals, as they can become overwhelmed by the complexities and difficulties of their lives. The ultimate aim of much of the research of this imperfect world is to assist in the design of policy to improve the lives of the poor.

Many of the findings are surprising and the book offers no grand solutions or answers to poverty. It instead argues that the research provides information on how to improve the lives of the poor one small well thought out policy intervention after another. Most of these policy interventions are small and not particularly glamorous.

This book is available from the coop bookshop.

You may also wish to avail yourself of the resources associated with the poor at the following website

<http://www.pooreconomics.com/>

It is a good resource designed to assist students and educators.

4. ECON336 iLearn Site

Additional important materials including the required readings, videos and assessment tasks will be placed in the appropriate topic section on the ilearn site each week. It is your responsibility to access the website weekly to ensure you keep up with the requirements of the course.

Unit Schedule

	TOPIC	Required Reading Prior to Lecture
PART 1: PRIVATE LIVES		
1	Introduction: The Aid Debate & the Poverty Trap	Poor Economics, pp.1-16, pp20-22
2	A Billion Hungry & Malnourished People: Can They Afford a Better Diet?	Poor Economics, pp.19-40
3	The Easy Health Problems have not been Fixed. Are there any New Solutions to an Old Problem?	Poor Economics, pp.41-70
4	Why Poor School Students Learn so Little? Are there any Cheap Solutions?	Poor Economics, pp.71-102
5	Fertility, Gender Discrimination: How do families really make decisions about these issues?	Poor Economics, pp.103-132
PART 2: INSTITUTIONS		
6	More Risk, Little Insurance Cause Catastrophic Outcomes for the Poor	Poor Economics, pp.133-156
7	The Poor and Getting Access to Credit	Poor Economics, pp.157-182
8	Do the Poor find it Harder to Save?	Poor Economics, pp.183-204
9	A Billion Unhappy Poor Entrepreneurs	Poor Economics, pp.205-234
10	What About the Lousy Institutions and the Awful Politics?	Poor Economics, pp.235-265

Learning and Teaching Activities

Online Lessons & Pop Quiz

For most topics, there will be an online lesson to be completed prior to coming to class. These lessons will be available in the relevant topic folder. The lessons are designed to guide you through some of the course content for the week. Embedded in the lessons will be a series of short mostly multiple choice questions to assist you with the learning process. There are no marks associated with the questions (pop quiz) but you must take and pass this quiz for your worksheet to be marked. This is to provide you with some guidance to your understanding of the material and encourage you to engage with the material prior to coming to class. The online lessons are a fundamental component of the learning activities in the course. If you do not complete these lessons before coming to class, you will not understand what is happening and consequently struggle with the worksheets, which are part of your assessment.

The Worksheets & Your Group

You will be allocated to a small group, roughly 4 students per group. You are expected to sit in these groups in each class. It is hoped that the members of the group will assist each other answer the questions on the worksheets during the class. Each worksheet relates to the current week's content and students will be expected to engage with the material during the class, as you would in a tutorial. You will be provided with the worksheet a couple of days before each lecture. To successfully complete each worksheet you must have completed the online Lessons and passed the quiz before coming to class. This is to encourage engagement in the classroom, rather than simply have the lecturer deliver information by talking for 3 hours. You will have time to polish off your answers to the questions in the worksheets, as you do not have to submit them until around 24 hours after the class. We will negotiate the exact timing of your submission in the first class. You must have a go at the worksheets before you come to class, which includes reading the relevant chapter from the text and watching the nominated video/s. You will find it difficult to complete the worksheets, if you do not prepare.

Are You Different to the Poor?

This piece of assessment is designed to encourage you to think about your family's economic decisions and the context in which you get to make those decisions, given the ideas you are exposed to in ECON336. You should be able to reflect on your own, as well as the behaviour and decisions of the poor.

Living on a Dollar a Day

Having the documentary as the basis for the final exam allows you to prepare throughout the semester. Watch the documentary at the beginning of the semester and think about how the material we discuss in class relates to the events in the film.

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](#). Students should be aware of the following policies in particular with regard to Learning and Teaching:

Academic Honesty Policy http://mq.edu.au/policy/docs/academic_honesty/policy.html

Assessment Policy http://mq.edu.au/policy/docs/assessment/policy_2016.html

Grade Appeal Policy <http://mq.edu.au/policy/docs/gradeappeal/policy.html>

Complaint Management Procedure for Students and Members of the Public http://www.mq.edu.au/policy/docs/complaint_management/procedure.html

Disruption to Studies Policy (in effect until Dec 4th, 2017): http://www.mq.edu.au/policy/docs/disruption_studies/policy.html

Special Consideration Policy (in effect from Dec 4th, 2017): <https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policies/special-consideration>

In addition, a number of other policies can be found in the [Learning and Teaching Category](#) of Policy Central.

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: https://students.mq.edu.au/support/student_conduct/

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au.

Academic Honesty

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
- all academic collaborations are acknowledged
- academic work is not falsified in any way
- when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

Grades

Macquarie University uses the following grades in coursework units of study:

- HD - High Distinction
- D - Distinction
- CR - Credit

- P - Pass
- F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at:

<http://www.mq.edu.au/policy/docs/grading/policy.html>

Grading Appeals and Final Examination Script Viewing

If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals/

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

Discipline Specific Knowledge and Skills

Our graduates will take with them the intellectual development, depth and breadth of knowledge, scholarly understanding, and specific subject content in their chosen fields to make them competent and confident in their subject or profession. They will be able to demonstrate, where relevant, professional technical competence and meet professional standards. They will be able to articulate the structure of knowledge of their discipline, be able to adapt discipline-specific knowledge to novel situations, and be able to contribute from their discipline to inter-disciplinary solutions to problems.

This graduate capability is supported by:

Learning outcomes

- Demonstrate the reasons the very poor can remain trapped in poverty whilst those who are only even a bit better off can more easily improve their lives.
- Explain the evidence that shows us how the poor make decisions about such things as educating their children, healthcare and developing their businesses and the impact this has on their future.
- Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.

Assessment tasks

- Lessons & Class Worksheets
- Are you different to the poor?
- Living on One Dollar a Day

Critical, Analytical and Integrative Thinking

We want our graduates to be capable of reasoning, questioning and analysing, and to integrate and synthesise learning and knowledge from a range of sources and environments; to be able to critique constraints, assumptions and limitations; to be able to think independently and systemically in relation to scholarly activity, in the workplace, and in the world. We want them to have a level of scientific and information technology literacy.

This graduate capability is supported by:

Learning outcomes

- Demonstrate the reasons the very poor can remain trapped in poverty whilst those who are only even a bit better off can more easily improve their lives.
- Explain the evidence that shows us how the poor make decisions about such things as

educating their children, healthcare and developing their businesses and the impact this has on their future.

- Appraise the more sophisticated understanding economists now have of how economic agents, including the poor, make decisions, essentially rejecting the idea that people always make decisions that maximise their best interests.
- Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the live's of the poor at the local level.

Assessment tasks

- Lessons & Class Worksheets
- Are you different to the poor?
- Living on One Dollar a Day

Problem Solving and Research Capability

Our graduates should be capable of researching; of analysing, and interpreting and assessing data and information in various forms; of drawing connections across fields of knowledge; and they should be able to relate their knowledge to complex situations at work or in the world, in order to diagnose and solve problems. We want them to have the confidence to take the initiative in doing so, within an awareness of their own limitations.

This graduate capability is supported by:

Learning outcomes

- Evaluate the impact on the non-poor and poor that their decisions, behaviour and the institutions they face have on creating the different outcomes experienced for each group.
- Comprehend the reasons for the success (and sometimes failures) of the policy interventions evaluated by research conducted by micro-economists who get their hands dirty generating data about the live's of the poor at the local level.

Assessment tasks

- Lessons & Class Worksheets
- Are you different to the poor?
- Living on One Dollar a Day

Engaged and Ethical Local and Global citizens

As local citizens our graduates will be aware of indigenous perspectives and of the nation's historical context. They will be engaged with the challenges of contemporary society and with knowledge and ideas. We want our graduates to have respect for diversity, to be open-minded,

sensitive to others and inclusive, and to be open to other cultures and perspectives: they should have a level of cultural literacy. Our graduates should be aware of disadvantage and social justice, and be willing to participate to help create a wiser and better society.

This graduate capability is supported by:

Learning outcome

- Evaluate the impact on the non-poor and poor that their decisions, behaviour and the institutions they face have on creating the different outcomes experienced for each group.

Assessment tasks

- Are you different to the poor?
- Living on One Dollar a Day

Changes from Previous Offering

ECON336 is different to the unit offered in previous years, introducing students to the some of the latest microeconomic research in Development Economics. This is reflected in the change in the textbook and the nature of the assessment.