

Topics in Economics:
Economics of Development in Africa
College of Business and Economics (COBE), Room 137

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Course Description and Objectives:

According to the World Bank, half of the world's six billion people live on the equivalent of less than 2 U.S. dollars a day, and about one-quarter less than \$1.25 a day. Meanwhile, people in the twenty richest countries earn on average nearly 40 times more than people in the poorest twenty countries. The contrast highlights the challenges to the international community – in short, the “development” challenge. Development, in the international parlance, is about providing better standards of living, better lives for people in poor countries. It is not only about economic growth, though that is almost a pre-requisite, but also about poverty reduction and human development – better health, nutrition, education, and clean environment. Large numbers of the world's poor live in Africa south of Sahara or sub-Saharan Africa (SSA).

This course is intended to be an introduction to the economics of development with a special emphasis on the practice of development in the context of sub-Saharan Africa (henceforth, Africa) – a vast and diverse region. More than 50 years of modern development experience suggests that development can follow multiple paths. There is no single “grand theory” or one-size-fits-all. Hence, context is particularly relevant and important in development study.

After completion of the course, you should:

1. Be cognizant of the economics of development – theory and practice of development.
2. Gain an appreciation and knowledge of sub-Saharan Africa and the development challenges and opportunities it faces in the global economy.
3. Be familiar with paradigmatic successes and failures in development work.
4. Be able to analyze and assess critically the roles of the United States and other developed countries in responding to key development issues in Africa.

Format and Approach:

The course will be conducted in a seminar-like manner. It will take a practitioner-oriented approach with an emphasis on public policy. Part of each week will be devoted to introducing the subject matter, providing context, and discussing related concepts, theories, and empirical evidence. This will be followed by discussion led by pre-assigned groups. The lead-discussion group will summarize the key points from assigned readings, analyze the main arguments evidence, and suggest key issues or questions. Because of the format, familiarity with the reading, attending class, being willing to participate in the conversation to sharing ideas, perspectives, and actively engaging in class are expected.

Course Work and Evaluation:

Grades are based on the following:

1. Three essays (5-7 typewritten, double-spaced pages)	40 percent
2. Mid-term exam	20 percent
3. Journal of news or current affairs on Africa	15 percent
4. Final research project and presentation	15 percent
5. Class participation and attendance	10 percent

(A 90% and higher; B 80-89; C 70-79; D 60-69; and F 59 and lower)

Essays: You are required to write three essays. Each essay should be based on your critical analysis and synthesis of the readings and class discussion. It should make use of available data, and as much as possible evidence-based. Each essay should end with one or two issues, questions, or critical reflections. More detail will follow when we meet in class.

Final Research Project: You will be asked to form a small group of 3-4 persons. Each group will develop a project that involves an analysis and assessment of a specific topic or issue. Each group will present and defend its findings, including any recommendations, in class. More detail will follow.

Personal African Journal: You are required to keep a journal of current events or news related to Africa from reading or watching news or current affairs. The journal must contain at a minimum five items that are illustrative of a topic or a theme covered in this course, each of them in a short summary of one paragraph or two and includes its source(s).

Expectations:

- Responsible for all the assigned readings and class attendance is mandatory unless you have an emergency.
- Turn in your essays on time. Late submission will affect your grade.
- Participate in discussion and in-class exercises.
- Abide by the RU Honor Code of Integrity and Honesty (for more detail, go to <http://www.radford.edu/~dos-web/academicintegrity.htm>)

Course Material:

Required:

Tony Binns, Alan Dixon, and Etienne Nel (BDN). *Africa: Diversity and Development*, Routledge (2012)

Steven Radelet (SR). *Emerging Africa: How 17 Countries Are Leading the Way*, Center for Global Development (2010).

Louise Fox and Robert Liebenthal (FL). *Attacking Africa's Poverty: Experience from the Ground*, The World Bank (2006)

1. Toh, K. *Emerging Growth Economies in Sub-Saharan Africa*. **The American Economist** (September 2016). <https://doi.org/10.1177/0569434516652041>
2. Toh, K. *Assessing Macroeconomic Vulnerability on Economic Growth: The Case of Sub-Saharan African Economies*. **Journal of Development Economics and Studies**. September 2016. <https://www.usaidalumni.org/wp-content/uploads/2014/12/TohAssessingMacroeconomicVolatility.pdf>

3. Toh, K. *Rethinking Foreign Aid for Fragile States* (with P. Kasturi). *Journal of Development Economics and Studies*. December 2014, Vol. 2, No. 4.
http://jedsnet.com/journals/jeds/Vol_2_No_4_December_2014/3.pdf
4. Toh, K. *Foreign Aid in Post-Conflict Countries: The Case of South Sudan*, Fall 2012, *Journal of Third World Studies*, Fall 2012 <https://www.questia.com/library/journal/1G1-316795720/foreign-aid-in-post-conflict-countries-the-case-of>

Other reading material will be available on *Desire To Learn* (D2L), on reserve at the Library, or through the Internet webpages.

2. Useful Reference Texts:

David Lindauer, Dwight Perkins, and Steven Radelet (LPR). *Economics of Development*, 6th edition, Norton (2006)

Michael P. Todaro and Stephen C. Smith (TS). *Economic Development*, 11th edition, Pearson (2011)

3. Other Recommended Reading:

Rajiv Shah and Steven Radelet. *Frontiers in Development*, USAID eBook (2012).

http://dc11uzhiqmvrn.cloudfront.net/sites/default/files/usaaid-files/USAID_eBook.pdf

Paul Collier. *The Bottom Billion*, Oxford University Press (2007).

William Easterly, *The Elusive Quest for Growth*, The MIT Press (2002).

Jeffrey D. Sachs, *The End of Poverty: Economic Possibilities for Our Time*, Penguin Press (2005).

4. Some Useful Websites:

- The World Bank: <http://www.worldbank.org/>
- United Nations Development Programme (UNDP): <http://www.undp.org>
- African Development Bank Group: <http://www.afdb.org/en/>
- U.S. Agency for International Development (USAID): <http://www.usaid.gov/>
- Organization for Economic Cooperation and Development (OECD): <http://www.oecd.org>
- The International Monetary Fund (IMF): <http://www.imf.org/external/index.htm>
- Central Intelligence Agency (CIA): <https://www.cia.gov/>
- BBC Africa: <http://www.bbc.co.uk/news/world/africa/>
- All Africa: <http://allafrica.com/>
- The Economist Magazine: <http://www.economist.com>

Course Contents

Week 1 – Aug. 27:

Introduction and Welcome: overview of the course, learning goals, approaches, and expectations

Overview of the World Economy

- Goals: to understand a global perspective of today's world economy and context for international development

Readings:

D2L: The BRICS: The trillion-dollar club

The Rise of Africa's "Frontier" Markets

World Economic Outlook Update (IMF):

<http://www.imf.org/external/pubs/ft/weo/2012/update/02/pdf/0712.pdf>

IMF, World Economic Outlook 2012: <http://www.imf.org/external/pubs/ft/weo/2012/01/>

Week 2 – Sep. 3:

Overview of the World Economy (cont'd)

Defining and Measuring Development

- Goals: to explain the concept of development and its dimensions, and how levels of development are measured across countries

Readings:

D2L: Torado and Smith, Ch. 1, pp. 2 - 27

Perkins, Radelet, and Lindauer, Ch. 2, pp. 31 – 57

Week 3 – Sep. 10:

Patterns of Development: Comparative Country Experience

- Goals: to compare and contrast differences between developed and developing countries, and among different developing countries; to analyze the common development problems faced by many developing countries; and to discuss of plausible long-run causes of comparative development

Readings:

D2L: Todaro and Smith, Ch. 2, pp. 37 – 93

Week 4 – Sep. 17:

Africa: Continuity and Change

- Goals: to recognize Africa's diversity; its colonial legacy; and to assess the emerging and changing trends

Readings:

BDN, Ch. 1, pp 1 – 32

First essay due this week

Discussion/Sharing your journal

Week 5 – Sep. 24:

African Economies

- Goals: to understand the nature of African economies, their key features, and to analyze factors that have shaped them and draw development implications for the future

Readings:

BDN, Ch. 8, pp. 271 – 311

Africa's Demography

- Goals: to understand Africa's key demographic trends and to analyze key population-related issues and their development implications

Readings:

BDN, Ch. 2, pp. 33 - 60

Week 6 – Oct. 1:

Evolution of Development Economics: Theory and Practice in the Context of Africa

- Goals: to discuss the evolution of development economic theories and practices since World War II in response to changing development problems

Readings:

BDN, Ch. 9, pp. 312 - 349

D2L: Falling Behind and Falling Apart: The Bottom Billion

Discussion/Sharing your journal

Week 7 – Oct. 8:

Africa's Renaissance

- Goals: to review and assess empirical evidence of the emerging trends in Africa and to discuss whether they can be sustained and what issues on the road ahead

Readings:

SR, Chs. 1 and 2, pp. 9 – 45

Toh, 1 and 2

Mid-term

Week 8 – Oct. 15:

Foreign Aid

- Goals: to critically evaluate the controversies over foreign aid, its effectiveness, and agenda to reform aid management

Readings:

D2L: Foreign Aid

D2L: Aid and African Development

D2L: Private Aid to Africa

D2L: World Bank and IMF

Rajiv Shah and Steven Radelet. *Frontiers in Development*, USAID eBook (2012).

http://dcl1uzhiqmvnr.cloudfront.net/sites/default/files/usaaid-files/USAID_eBook.pdf

(articles by Bill Gates, pp. 170 – 181 and Steven Radelet, pp. 182 – 191)

Toh, 3 and 4

Second essay due this week

Week 9 – Oct. 22:

States and Markets:

Policy, Institutions, Democratic Governance, and Leadership

- Goals: to explain the proper roles of governments and markets and to understand the importance of macroeconomic policy, institutions, and leadership in creating an enabling environment for Africa's development

Readings:

SR: Ch. 4, pp. 71 - 90

SR: Ch. 3, pp. 47 – 70

SR: Ch. 7, pp. 125 – 140

Rajiv Shah and Steven Radelet. *Frontiers in Development*, USAID eBook (2012).

http://dcl1uzhiqmvnr.cloudfront.net/sites/default/files/usaaid-files/USAID_eBook.pdf

(Section 3 on “Technology and Service Delivery” – many of the cases are not Africa specific, skim through some of these articles that are of interest to you for how technology, innovation, and social entrepreneurship play in development)

Discussion/Sharing your journal

Week 10 – Oct. 29:

Attacking Africa’s Poverty: Selected Case Studies

- Goals: to evaluate experience and empirical from the field in selected case studies – trade, technological innovation, foreign investment, microfinance, social service delivery (education, water and sanitation, and HIV/AIDS)

Readings:

FL: Ch. 5, pp. 117 – 147

FL: Ch. 6, pp. 149 – 176

SR: Ch. 109 – 124

Week 11 – Nov 5:

Attacking Africa’s Poverty: Selected Case Studies (cont’d):

Readings:

FL: Ch. 7, pp. 177 - 194

FL: Ch. 8, pp. 195 - 226

Week 12 – Nov. 12:

Attacking Africa’s Poverty: Selected Case Studies (cont’d):

Readings:

FL: Ch. 9, pp. 227 – 256

FL: Ch. 10, pp. 257 - 284

FL: Ch. 13, pp. 343 - 370

Third essay due this week

Discussion/Sharing your journal

Week 13 – Nov 19:

Thanksgiving Break

(November 17-25)

Week 14 – Nov. 26:

African Development Prospects and Possibilities: Can Africa Claim the 21st Century?

- Goals: to discuss, reflect and speculate on the Africa’s future and challenges ahead based on evidence to date.

Readings:

SD, Ch. 8, pp. 141 - 159

BDN, Ch. 10, pp.350 - 376

Week 15 – Dec 3:

Final Research Project preparation

Research Project Presentation