**RWS #20: Economic Growth and Development**

**DUE FOR Monday 26th March 2018**

**GENERAL INSTRUCTIONS:**

*Please complete a revision worksheet summarizing the work from the last two weeks. The work should be taking you* ***up to 3 hours*** *to complete and should consist of a 1 A4 double paged summary based on the questions below. Please print out a double sided version to be handed in and marked on the date above (emails will not be accepted so make sure you are printing off your sheet before the lesson).*

*Remember to use all of the space over your two sides of A4 and make sure the ‘margins’ in Word are put as ‘narrow’. Feel free to reduce the size of the font if you are running out of space but nothing less than size 10. A better way to reduce would be to reread what you have written and try to be more succinct; it must fit onto two sides of A4 only!*

*You should be reading and using all the compulsory resources below (remember you will have already read an awful lot of these for homework and in class but there are a few extras I want you to read.*

*This revision worksheet should be taking you a minimum of 2.5 hours…I suggest you spend 45 minutes writing up all your notes from class into a rough draft. Then, spend the next hour reading any extra information or clarifying concepts if you do not understand them. Then use the final 45 minutes to edit the work, make it look pretty and print it off.*

*REMEMBER THAT IF YOU DO NOT HAVE A PRINTER AT HOME YOU MUST FIND TIME BEFORE THE LESSON TO PRINT IT OFF AT COLLEGE*

*ALSO MAKE SURE THAT AS WELL AS STORING A COPY ON A MEMORY STICK, YOU ALSO EMAIL YOURSELF SO THERE CAN BE NO COMPUTER ISSUES WHEN IT COMES TO PRINTING OFF YOUR WORK*

**SOURCES:**

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| **Compulsory (must look at)**   * **All notes** from class & group discussions, PREP homework and any department handouts * **Powerpoint –** notes and ideas * **Course Textbook** for the Second Year (You can download this as an ebook from GOL library or read it online): pp 355 to 368 (MUST READ) * **Articles on GOL or LINKS TO ARTICLEs**   + PREP homework articles on Aid   + Aid Essay (read in class)   + Free market policies Essay (read in class)   + Neoliberalism oversold by the IMF   + Development and Africa | **Extension (optional reads if time – try to access at least one source)**  Have you read the pp355 to 368 yet of your textbook online. |

**INSTRUCTIONS**

**Introduction to Economic Development and Growth (1/2 side of A4)**

1. Define economic development and economic growth.
2. Explain why development and growth are linked but also explain why this may be contested?
3. Explain the measurements of GDP and HDI
4. Briefly provide an overview of ‘Modernisation theory and Rostow’s 5 Stages of Economic Growth’ and the ‘Harrod Domar Model’. Evaluate each model to explain why it is not the complete picture.
5. Provide a brief overview of Zambia, explaining the Strengths, Weaknesses, Threats and Opportunities to the country (emphasis on brief!)

**Strategies to promote economic growth: Internal Strategies (3/4 side of A4)**

1. For a less economically developed country (LEDC), explain what the typical opportunities and barriers might be to economic growth
2. Provide an overview of the different causes of economic growth that would shift the LRAS to right (remember to classify them into areas that would affect the quality and quantity or LABOUR and the quality and quantity of CAPITAL).
3. Why might shifting the LRAS to the right also lead to AD shifting to the right in the long run (think labour productivity and MRP theory). A rising AD curve in this scenario would lead to sustainable economic growth and what would happen to price levels in an ideal world? Draw a diagram to help with your economic analysis.
4. What was the neo-liberal agenda and ‘washington consensus about that the IMF and World Bank adopted from 1980’s until 2007? Provide an overview of free market (free trade, privatization etc.) .v. interventionist policies (spending on healthcare and education etc.) – give some examples of both kinds of policies to promote growth, explain why they do promote growth and why they might not.
5. What is political stability and why is it important to promoting economic growth?
6. What is the role of demand side policies with managing the ‘macroeconomic stability’ of the economy? What does this mean and what does it involve? Why might LEDC’s struggle to implement more effective monetary and fiscal policy to manage AD than say MEDC’s (think issues with debt sustainability and ability of interest rates to be effective in a less economically developed country)?

**Strategies to promote economic growth: External Strategies (3/4 side of A4)**

1. *INTERNATIONAL AID:*

* Briefly give an overview of what could be considered to be ‘International Aid’.
* Explain how ‘debt relief’ to Zambia in 2005 is an example of aid that was effective. But also evaluate whether giving debt relief to a country is necessarily a good thing? Why might this move have been counter-productive in the long run?
* Explain why international aid might have an opportunity cost for donor countries? Evaluate your position.

1. *TRADE:*

* Write a full paragraph to explain WHY trade would lead to development (include comparative advantage theory etc.) and then a paragraph as to WHY it would not (think forced specialization, dutch disease, resource curse etc). Each paragraph is a maximum of 150 words and needs to include analysis and application as well as a final link to the idea that it does or does not lead to development.

1. *FDI:* Create a three point essay plan to the following essay – “Evaluate the role of FDI in promoting development in a country”. Remember to include supporting analysis and application and evaluation for each point too.