



The Economics of Less Developed Countries B

Module Code: ECU33042

Module Name: Economics of Less Developed Countries B

- **ECTS Weighting:** 5
- **Semester/Term Taught:** Semester 2
- **Contact Hours:** 22 hours of lectures and 4 hours of tutorials
- **Module Personnel:** Professor Carol Newman

Module Learning Aims:

The problem facing less developed countries are among the greatest challenges facing the world today. This module will focus on the diverse structures and common characteristics of less developed countries and will offer an evaluation of policies being pursued. The module provides an introduction to the micro-economic approach to development economics. The central aim of the course is to present key economic models and related empirical evidence that shape our thinking of economic interactions and policy-making in developing countries.

Module Learning Outcomes:

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

- Explain some of the key economic and social policy challenges facing low- and middle-income countries today.
- Appraise the contribution of education, finance, and land policies to the advancement of developing countries; and formulate a balanced judgement on the opportunities and threats posed by these to developing countries.
- Understand the importance of market imperfections in developing countries and how informal and semi-formal institutions can play a role in (partially) addressing these challenges.
- Discuss the main approaches to policy evaluation and critically appraise empirical evidence on the causal effect of policy interventions.



Module Content:

The module begins by presenting some key facts about economic development and growth in a global context. Following this the role of education and health in affecting economic development is discussed. The module then analyses markets and institutions in developing countries, with a focus on how informal and semi-formal institutions have evolved to make up for market imperfections in these contexts. In particular, the agricultural sector, rural labour markets, firms and credit markets in developing countries are introduced with a view towards understanding how imperfections in these markets affect the lives of the poor and the economy at large, and shape economic policymaking.

The course has a strong applied focus. For each topic, simple economic theoretical models are introduced to derive testable predictions, followed by a review of the empirical results and their implications for policy. The specific topics covered in the module are:

Topic 1 – Key facts about development, growth and poverty

Topic 2 – Education and development

Topic 3 – Health and development

Topic 4 – Agriculture and development: land, technology, risk and access to markets

Topic 5 – Rural labour markets

Topic 6 – Entrepreneurship and development

Recommended Reading List:

There are two recommended textbooks for the course:

- Debraj Ray, Development Economics. Princeton: Princeton University Press, 1998.
- Abhijeet Vinayak Banerjee and Esther Duflo. Poor Economics. New York: Public Affairs, 2011.



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These text books will be supplemented by academic papers that will be discussed in lectures and tutorials. A detailed reading list will be provided at the start of the term.

Module Pre-Requisite:

Introductory knowledge of microeconomics and statistics is required for this module.

Module Co-Requisite: N/A

Assessment Details:

- 20% Group Presentations in Tutorials
- 30% Report
- 50% Final Exam

Module Website: Blackboard