



APPLIES TO ACADEMIC YEAR 2007/2008

GRA 5923 Development Studies; Trade, Aid and Microfinance

Program

Master of Science in Business and Economics (Strategy), Master of Science in Political Economy, Specialization Course

Responsible for the course

Anne Welle-Strand

Department

Public Governance

Term

According to study plan

ECTS Credits

6

Language of instruction

English

The dynamics of development and knowledge of what affects it, is becoming crucial for handling an increasingly complex environment in an ever more globalized world. This course presents central topics in development studies in a theoretical framework, combined with practical case studies at home and abroad.

Objective

This course provides an overview of central topics in international development. It will provide students with theoretical frameworks for analyzing multi-level development issues as well as practical knowledge of the actual challenges and opportunities. The course attempts to answer, among others, the following questions:

- Why are some countries rich and some are poor?
- How does one define development and what affects it?
- What is the relative comparative impact of different types of interactions between poor and rich countries in the form of remittance, trade, aid, foreign direct investments and microfinance?
- What is the role of business in international development?
- How do different channels of aid and transfers differ in nature and impact?
- What is the role of political systems, institutions, resources and geography on development?
- What is the role of competence in development aid and international business in relation to development?

The course is designed to enhance the students' ability to critically assess political, economic and management issues surrounding international development. In order to address the practical aspects of this, one or more of the sessions will be held during a voluntary excursion to a developing country. In these sessions the students are expected to do case studies and presentations related to the content of the programme for the trip. Students can also do the same sessions and case studies at the school.

Prerequisites

Microeconomics (GRA6031 or GRA6037 or eq.), foundation courses in strategy and/or political economy or eq.

Compulsory literature

Books:

Sen, Amartya. 1999. Development as freedom. Oxford: Oxford University Press
Stiglitz, Joseph E.. 2002. Globalization and its discontents. London: Penguin Books. Chapter 1

Articles:

Brownbridge, M. and C. Kirkpatrick. 2002. Policy Symposium: Financial Regulation and

Supervision in Development Countries: An Overview of the Issues. *Development Policy Review* 20 : 243-245
Dahlgard, C.-J., H. Hansen et al.. 2003. On Emirics on Foreign Aid and Growth. EBRU Working paper. Copenhagen, University of Copenhagen
Hermes, N. and R. Lensik. 2003. Foreign Direct Investment, Financial Development and Economic Growth. *Journal of development Studies* 40 (1). 142-163
Krasner, S.D.. 1976. State Power and the Structure of International Trade. *World Politics* 28 (3). 317-347

Other:

Easterly, William. 2006. *The white man's burden: why the West's effort to aid the rest have done so much ill and so little good*. New York: Penguin Press. Chapter 1
The articles and book chapters will be available in a compendium. The list of articles can be adjusted prior to coursestart

Recommended literature

Books:

Armendariz de Aghion, Beatriz, and Jonathan Morduch. 2005. *The economics of microfinance*. Cambridge, Mass.: MIT Press. Chapter 9 and 10
Sachs, Jeffrey D.. 2005. *The end of poverty: economic possibilities for our time*. New York.: Penguin Press. Chapter 2 and 3
Stiglitz, Joseph E. 2002. *Globalization and its discontents*. London: Penguin Books. Chapter 2,3,6 and 7
Stiglitz, Joseph E. 2006. *Making globalization work*. New York: W.W. Norton. Chapetrs 3,7 and 8
Stiglitz, Joseph E. 2006. *Stability with growth: macroeconomics, liberalization and development*. Oxford: Oxford University Press. Chapters 3, 8 and 10

Course outline

1. Development: How is it defined and what affects it. Historical, philosophical, economic and political explanations for the division between the rich and poor countries.
2. Foreign Direct Investments: How can it enhance development, what is its limitations and challenges, how should it be managed and what are critical criteria for success?
3. Political and economic systems: How are they related to a nation's development?
4. Trade: Is it a positive-sum game or an exploitative mechanism? Liberal, realist and Marxist perspectives on trade and exploration of empirical evidence of its impact on development.
5. Aid: Historical overview and an exploration of the positive and negative effects of traditional development aid with an emphasis on the Norwegian case. Have we succeeded?
6. Microfinance: What kind of institutions and other preconditions must be in place to develop the concept of microfinance further and is it really helping the poor?
7. Evaluation and measurement: What methodological concerns will one encounter when studying and evaluating development aid? What is the rationale behind evaluation of the field? Education as development.

Computer-based tools

World Bank – The World Development Index
IMF – World Economic Outlook
Freedom House
World Competitiveness Report
Harvard Business School – Cluster profiles
Blackboard/homepage

Course structure

The course will contain of a total of 36 hours lectures. 27 hours will be held in class and 9 hours during the excursion. The destination will be decided at a later stage, but will be a country where the interactions between business, government and civil society is clearly visible and to where MICRO and BI have good connections to government, organizations, corporations and educational institutions. Possible destinations are Uganda, Kenya or Bangladesh.

Specific Information regarding student evaluation will be provided in class. Please note that while attendance is not compulsory in all courses, it is the student's responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book.

Evaluation

Your course grade will be based on the following activities and weights:
60 % of the grade will be based on a term paper (written by one or two students)
20% of the grade will be based on in-class participation, presentations and discussions
20% of the grade will be based on a case study conducted on a study trip or at the school
(written by one or two students)

Evaluation code(s)

GRA59231 counts for 100% of the final grade GRA 5923.

Aids at the examination

Not applicable

Makeup exam

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.