



APPLIES TO ACADEMIC YEAR 2010/2011

## GRA 5923 Development Studies; Trade, Aid and Microfinance

### Programme

Master of Science in International Marketing and Management, Master of Science in Political Economy, Specialization Course

### Responsible for the course

### Department

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

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.

### Learning outcome

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.

### Prerequisites

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

### Compulsory reading

#### Books:

Collier, Paul. 2007. The bottom billion : why the poorest countries are failing and what can be done about it. Oxford : Oxford University Press

#### Collection of articles:

A compendium will be made available with relevant book chapters and articles. A list of compulsory readings will be provided on It's learning or in class.

#### Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

### Recommended reading

### **Books:**

- Castells, Manuel. 2000-2004. The information age : economy, society and culture. 2nd ed. Oxford : Blackwell. All Three Volumes
- Counts, Alex. 2008. Small loans, big dreams : how Nobel peace prize winner Muhammad Yunus and microfinance are changing the world. New ed. Hoboken, N.J. : John Wiley & Sons. Tidligere utg. med tittel: Give us credit.
- Daley-Harris, Sam and Anna Awimbo, eds.. 2006. More pathways out of poverty. Bloomfield, Conn. : Kumarian Press
- Dowla, Asif and Dipal Barua. 2006. The poor always pay back : the Grameen II story. Bloomfield : Kumarian Press
- Drake, Deborah and Elisabeth Rhyne, eds. 2002. The Commercialization of microfinance : balancing business and development. Bloomfield, Conn. : Kumarian Press
- Easterly, William. 2006. The white man's burden : why the West's efforts to aid the rest have done so much ill and so little good. New York : Penguin Press
- Moyo, Dambisa. 2009. Dead aid : why aid is not working and how there is another way for Africa. London : Allen Lane
- Perkins, Dwight H., David L. Lindauer and Steven Radelet. 2006. Economics of development. 6th ed. New York : W.W. Norton & Co
- Prahalad, C. K. 2010. The fortune at the bottom of the pyramid : eradicating poverty through profits. Rev. and upd. 5th anniversary ed. Upper Saddle River, N.J. : Pearson Education
- Przeworski, A ... et al. 2000. Democracy and development : political institutions and well-being in the world, 1950 – 1990. Cambridge : Cambridge University Press
- Ray, Debraj. 1998. Development economics. Princeton, N.J. : Princeton University Press
- Sachs, Jeffrey D. 2005. The end of poverty : how we can make it happen in our lifetime. London : Penguin Books
- Sen, Amartya. 1999. Development as freedom. Oxford : Oxford University Press
- Stiglitz, Joseph E. 2003. Globalization and its discontents. New York : W.W. Norton
- Stiglitz, Joseph E. 2006. Making Globalization Work. New York : W.W. Norton

### **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  
It's learning/homepage

### **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

The course will be run with lectures, which include a study trip to a developing country. 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.

Please note that attendance is compulsory. It is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

### **Examination**

Your course grade will be based on the following activities and weights:

70 % of the grade will be based on a term paper (written by one or two students)  
30% of the grade will be based on in-class participation, presentations and discussions

All parts of the evaluation must be passed in order to obtain a grade in the course.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

**Examination code(s)**

GRA 59231 accounts for 100% of the final grade GRA 5923.

**Examination support materials**

Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.  
<http://www.bi.edu/studenthandbook/examaids>

**Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

**Additional information**

**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.