# Course Information

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<tr>
<td><strong>Course Code</strong></td>
<td>ECON 6031</td>
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<tr>
<td><strong>Course Title</strong></td>
<td>Caribbean Economic Development</td>
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<tr>
<td><strong>Course Discipline</strong></td>
<td>M.Sc. Economics</td>
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<td><strong>Units of Credit</strong></td>
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<tr>
<td><strong>Pre-requisite</strong></td>
<td>First degree in Economics</td>
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<tr>
<td><strong>Semester of Offering</strong></td>
<td>Semester I, 2015/2016</td>
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<td><strong>Course Lecturers</strong></td>
<td>Dr. Roger Hosein (<code>roger.hosein@sta.uwi.edu</code>)</td>
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<td><strong>Lecture Schedule</strong></td>
<td>Thursdays (<em>regular session</em>), 9-12noon,</td>
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## COURSE DESCRIPTION

The main objective of this course is to ‘interrogate’ the literature on the economics of development and critically review its applicability to the Caribbean-specific case. The rationale is that at this stage of its development the Caribbean is characterized by universal economics challenges as well as other challenges which are specific to the region.

## PURPOSE OF THE COURSE

Students are expected to become familiar with the theories associated with development and be able to apply these to the Caribbean critically. Additionally students would become more aware of the various inter-linkages among the economies internationally and regionally.

The course exists so that students can better understand the fundamentals of what development is about particularly for small open economies like those in the Caribbean. This course will further delve into how small open economies can pursue sustained development.

## INSTRUCTOR INFORMATION

**LECTURER:** Dr. Roger Hosein

**LECTURER’s EMAIL:** `Roger.Hosein@sta.uwi.edu`

**LECTURER’s PHONE CONTACT:** 662-2002 EXT 83041

Office hours- To be announced on first day of lectures
Communication policy – Please contact lecturer during assigned office hours
LETTER TO THE STUDENT

Dear Students,

Caribbean Economic Development is a course that will allow you to get a better understanding of issues of sustainable development and how they relate to economic prospects of small open economies like those of CARICOM.

This course is going to be very interactive and it will be to your benefit to participate during lectures as your comments and questions will guide the sessions and make the class more interesting. Development issues relate to every day issues for all citizens of a country and the goal of this course is for students to better appreciate how important efficient policy planning is to propelling growth and development for every country.

Note that your success with the material depends on you. Welcome to Caribbean Economic Development. I look forward to your participation and engagement.

GOALS / AIMS

To equip students with an adequate set of tools; theoretical and practical; to understand the issues in sustainable development

- To provide students pursuing the Msc. Economics degree with the ability to conduct in-depth analysis of development issues affecting CARICOM.
- To provide students wishing to further their academic careers in Development Economics with the analytical skills to have a good command of major topics in the field.
- To broaden the career potential for graduates who intend to pursue planning based careers as economic analysts/consultants within the Caribbean or elsewhere.

GENERAL OBJECTIVES

- To simplify development theory into practical approaches to policy making.
- To enable the students to understand sustainable development issues within CARICOM
- To enable the students to have a better understanding of the concept of and need for local economic development.
LEARNING OUTCOMES

Students who successfully complete this course will have, (by means of identification and interpretation), acquired a grasp of:

- the range of definitions and approaches to development;
- how these approaches are converted to measurable indicators; and
- of key policy issues which must be considered by small open developing economies such as those in the region.

Finally, the students will also garner a detailed understanding of the specificities of the development challenges.

ASSESSMENT

The course will be assessed via a project which will account for 40% of the marks with a final examination contributing the remaining 60%. The project will draw on the material covered by the course and would require application of said material to one or more specific challenges of development facing Caribbean countries. The final examination also will reflect a similar approach.

COURSEWORK ASSIGNMENT

1. Explain the determinants of CARICOM exports using a gravity model.

2. Using the Greenaway and Milner (2004), SMART and the TRIST analysis, evaluate the trade and welfare effects of the economic partnership agreement on CARICOM economies. Discuss the potential implications of the Brexit on the EPA for the region.

3. Design a Stabilization Fund for the Guyanese economy drawing on the experience of the T&T economy. In so doing compare the Bird in Hand (BIH) and Permanent Income Hypothesis (PIH) models. Evaluate the extent to which the Hartwick rule is of central importance when considering how to spend the economic rents, from the energy sector.

4. What is GATE and why was GATE introduced in the T&T economy? Outline in a detailed way, the mechanical deficiencies of the GATE program. What is an ICL program and how can it help to alleviate some of the problems associated with the GATE program.

5. Describe the trend in employment by CEPEP since its inception. Demonstrate how CEPEP affects the domestic labor market in terms of underemployment. Using actual numbers simulate the welfare impact of the CEPEP program on the T&T
economy and estimate the actual welfare loss. Outline and discuss three ways to improve on the CEPEP program.

6. What is Procyclicality? Use a Hodrick Prescott filter to determine whether or not T&T became irrationally exuberant in the period 2001 to 2015.

7. Using the Corden and Neary Models 1 and 2, investigate the emergence of the dutch Disease in the T&T economy in the period 2001-2015.

8. Use the Hinloopen and van Marrewick framework to investigate the RCA of Trinidad and Tobago exports for the period 1991 to 2015 (or the largest subset of the same) to CARICOM and extra CARICOM markets.

9. Using the Hosein and Seecharan modification of the intra industry trade index evaluate T&T’s bilateral IIT with Guyana, Jamaica, Barbados and St Lucia. Compare the results to the standard Grubel Lloyd index.

STUDENT PARTICIPATION IN PLANNED DEPARTMENTAL ACTIVITIES FOR 2016/2017

1. Attendance at the Department’s Post Budget Forums


REQUIRED READING


Pantin, Dennis: Reader in Caribbean Economy.  Randle Publishers. 2005


DETAILED READINGS BY SECTIONS OF THE COURSE

1. Meaning and Measurement of Development

6. UNDP: Human Development Report, latest year available
7. Morse, Stephen. For better or for worse, till the human development index do us part. Ecological Economics 45 (2003) 281/296

2. ‘Theoretico-historical’ perspective

4. World Bank Economic Review. Vol. 15. No. 2. 2001: Papers by Easterly and Levine and Brock and Durlauf as well as comments on both of these papers.

3. From Modernisation to Dependence Theories: The post World War Two Debate and Development policy practice to the 1970s;


4. **Economic Liberalisation, Foreign Capital and Globalisation**

7. **Foreign Policy (Fall, 1999)**: articles by Beddoes (on the International Financial System); Enriquez (Too many Flags?); Hausmann (Should there be Five Currencies or one hundred and five?);Sachs and Larrian (Why Dollarization is more straitjacket than salvation)

4b. **The 21st century Debate on Globalisation:**

6. **Chakravarthi Raghavan**: New architecture or wrong diagnosis? THIRD WORLD ECONOMICS. Issue No. 183. 16-20 April, 1998

4c. **The Caribbean and Globalisation**


3. The following Readings from D. Pantin (ed). Reader in Caribbean Economy 2005:
   - **Clive Thomas**: The Inversion of Meaning: Trade Policy and the Caribbean Sugar Industry,
   - **D.A. Pantin**: The Experience of the offshore Oil Refinery Industry in the Caribbean
   - **Lou-Anne Barclay, Ralph Henry and Vanus James**: Caribbean Economies in the New International Trading Environment
   - **Keith Nurse**: The Caribbean Music Industry
   - **Oral Williams**: Off-short Financial Services
   - **Wendell Samuel**: Migration and Labour Remittances: A Case Study of the Caribbean,


5. **Institutions**


4. **Ha-Joon Chang**: Kicking Away the Ladder: Development Strategy in Historical Perspective. Anthem Press. 2002. Chapters 3-4

5. (ongoing) Political Economy of Make Work Programs in the Context of Mineral Booms

7. Collier, Van de Pleog and Venables (2009), Managing Resource Revenues in Developing Economies

6. Small Size, Islandness and Natural Resource Dependence

6a. Small Size, ‘Islandness’
1. The following *readings from D. Pantin ed. Reader on Caribbean Economy:
   * W.A. Lewis: Industrialisation of the British West Indies
   * L. Best: Model of the Pure Plantation Economy
   * W. Demas: Economics of Development of Small Economies
   * Foote, Nelson: Barbados and Denmark compared
   * Blackman, Courtney: Heterodox Adjustment model of the Caribbean.
3. -----------Economics of Sustainable Development in Small Caribbean Island Economies. 1994. Ch.2
10. Corden and Neary (1982) Booming Sector and De-Industrialization in a Small Open Economy
11. Hosein (2016) Elements of the design of an ICL for a small petroleum exporting but resource depleting economy.
14. (Chian 2016) Fiscal Cyclicality in Brunei Darussalam

6b. Natural Resource Dependence
2. D. Seers: Mechanism of the Open Petroleum Economy: SES.
3. From Pantin(ed). Reader in Caribbean Economy:
7. Role of Regional Integration and Cooperation

1. From Pantin ed. Reader:
   * H. Brewster and C. Thomas: Introduction to the Dynamics of West Indian Integration
   * Caricom Secretariat: Caricom Trade & Investment Report 2000
7. Hosein, Gookool (2016) Unpausing the Caribbean Single Market and Economy: Trinidad and Tobago as a Labour Hub for the CARICOM

NB: Please note that the reading list will be supplemented with additional materials as the course progresses.

ADDITIONAL INFORMATION
Please note that UWI Examination Regulation No. 19 states that:

*Any candidate who has been absent . . . or whose attendance at prescribed lectures, classes, ... tutorials, ... has been unsatisfactory . . . . or who has failed to submit essays or other exercises . . . . may be debarred by the relevant Academic Board, on the recommendation of the relevant Faculty Board, . . . from taking any University examinations . . . .“*

The Department of Economics/Faculty of Social Sciences requires students to attend and participate in at least 75% of tutorials for a course to avoid being debarred from taking the final exam.

“97. (i) Cheating shall constitute a major offence under these regulations.  
(ii) Cheating is any attempt to benefit one’s self or another by deceit or fraud.  
(iii) Plagiarism is a form of cheating.  
(iv) Plagiarism is the unauthorized and/ or unacknowledged use of another person’s intellectual effort and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University.

103. (i) If any candidate is suspected of cheating, or attempting to cheat, the circumstances shall be reported in writing to the Campus Registrar. The Campus Registrar shall refer the matter to the Chairman of the Campus Committee on Examinations. If the Chairman so decides, the Committee shall invite the candidate for an interview and shall conduct an investigation. If the candidate is found guilty of cheating or attempting to cheat, the Committee shall disqualify the candidate from the examination in the course concerned, and may also disqualify him/her from all examinations taken in that examination session; and may also disqualify him/her from all further examinations of the University, for any period of time, and may impose a fine not exceeding Bds$300.00 or J$5000.00 or TT$900.00 or US$150.00 (according to campus). If the candidate fails to attend and does not offer a satisfactory excuse prior to the hearing, the Committee may hear the case in the candidate’s absence.”

**How to study for this Course**

Students should keep up-to-date with lectures and office hours.

**Grading System**

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August 2015