

**COVENANT UNIVERSITY
NIGERIA**

*TUTORIAL KIT
OMEGA SEMESTER*

PROGRAMME: ECONOMICS

COURSE: ECN 224

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ECN224
INTRODUCTION TO DEVELOPMENT ECONOMICS II
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1. On earth, poverty may never be eradicated only alleviated. Discuss.

Hint

Discuss in light of the individualistic theory of poverty vis-à-vis the liberal/structural perspectives on poverty.

2. How does income inequality affect poverty and quality of life in a country?

3. The dimensions of unemployment in developing countries differ from that in developed countries. Discuss

Hint

- i. Highlight and discuss types of unemployment more common in developing countries
- ii. Highlight and discuss other types of unemployment

4. Which is more beneficial to development: Aid or foreign direct investment? Discuss.

5. Make a case for or against international trade. Give reasons for your answer

Hint

- i. Discuss the merits and demerits of international trade
- ii. Highlight balance of payment problems

6. What are the characteristics of aid-dependent countries?

7. Examine the contribution of sub-Saharan African (SSA) countries to global trade. Give lucid explanations for the percentage contribution.

Hint

- i. See UN Comtrade database for SSA contribution to global trade
- ii. Check the trend of contribution over time
- iii. What factors account for the performance you can observe

8. Can poor countries break the vicious circle of poverty? If yes, by what means?

9. List and discuss causes and costs of rapid rate of urbanization in developing economies.

Hint

- i. Highlight and explain factors contributing to rapid urbanization
- ii. List and explain the current and potential consequences of rapid rate of urbanization in your country

10. Discuss the role of the informal sector as an ever expanding segment of the urban economy.

11. Proffer possible solutions to the menace of rural-urban migration

Hint

- i. Make a case for balanced development amongst other things
- ii. Take an historical look at policies (highlight some examples across countries) which have contributed to rural development.
- iii. Think up some other solutions

12. Highlight possible determinants of better health outcomes in developing countries over the last decade.

13. Why do developing countries scramble to attract more foreign direct investment (FDI)?

Hint

- i. Briefly explain the concept of FDI and its role as a source of capital.
- ii. See some data from UNCTAD reports to support growth in FDI flows over time
- iii. Discuss a few effects of FDI and multinational corporations in a domestic economy, give examples.

14. Discuss recent public- and private-sector actions towards industrial development in your country.

15. What role does quality of institutions play in attracting development aid?

Hint

- i. Present an argument in favour of the 'curse of aid'; highlighting the effects of bad institutions on aid effectiveness.
- ii. Explain the effect of good institutions in effectiveness of aid.
- iii. Give examples of how effective aid has encouraged increase in aid flows (see aid-growth literature amongst other things).

16. A country's level of industrial development tends to be positively related with its level of human capital. Discuss

17. What are the benefits of falling unemployment to the (i) unemployed individual (ii) economy (iii) government?

Hint: Explain the following and any other

- i. Benefit to individual: income security; happiness; stable standard of living; skill development; increased entrepreneurial drive; fulfilment; good physical and mental health
- ii. Benefit to economy: higher aggregate demand; reduced tendency for social conflict and crime ; increasing gross domestic product; increasing savings rate; increase in goods and services; high living standards; improved income distribution; reduction in inequality; can promote investment
- iii. Benefit to government: higher tax income; reduced expenditure, reduced external borrowing; will spend less on unemployment benefits

18. Discuss the role of education in human capital development.

19. Health is wealth. Discuss.

Hint

- i. Discuss health as a component of human capital
- ii. Explain how health human capital contributes to economic growth and development.
- iii. Cite relevant facts

20. Discuss the proposed Sustainable Development Goals (SDGs). In what ways are they an improvement on the Millennium Development Goals (MDGs)?

MODEL ANSWERS

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3. Hint

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