

Development economics paper 3

Literature, Russian Literature



Development Economics Paper 3 What impression (feelings) about economic development did this chapter leave you with? The chapter left me with the impression that economic development is what we chose to have. A country has its own obligation and mandate to cultivate a hard working culture within its residents and utilize what they have at stake to foster for economic empowerment. Foreign aid plays a very big role in jumpstarting those economies that have been plunged into misery due to a number of other factors derailing their growth. According to the chapter, economic development in a state is wholly reliant on its leaders and the efficiency of the system put in place to address economic and developmental agendas of the state (Banerjee and Duflo 51).

What do you think about the existence of the poverty trap? Nation/
family/person

From a critical point of view I believe in the existence of the poverty trap that has essentially entangled a group of people and deprive them from getting what they would desire to get. In essence, an individual born to a poor family in the village set up of a third world country may be entangled within the vicious circle of poverty, lack of access to education and healthcare facilities as well as exposure to the world out there. In such a case, the child may be limited and despite of his talent and great mind, they fail to get a platform to practice it and perfect the art. This leaves them in the same place becoming a vicious circle for a family or the state at large. there is poverty trap for those who have too little and cannot invest to get enough returns whereas those who have access to reasonably more resources, there potential to grow is evident regardless of the situation around them. As one continues to

invest in what they have, growth is eminent and sooner or later there will be no poverty trap entangling them as they break free from it.

If there is a poverty trap how does it work?

Yes, I believe that the poverty trap works when all other factors are kept constant. Someone's financial income essentially determines their financial might and dictates what they can do in as far as investment is concerned.

The economic status of an individual starts flat then rises as one gets income but then goes down as responsibilities increase creating an S-curve that depicts an element of a poverty trap. In this sense, a poverty trap is evident and works by way of limiting one's potential within their financial might, derailing them from the ability to invest and break away from the vicious cycle of poverty (Banerjee and Duflo 55).

What are the implications for the two theoretical shapes of these curves?

An S-curve is a theoretical shape depicting a poverty trap that shows one beginning on a straight line, then going up to a point where they stagnate and start the downward movement again. This concept is used to depict a poverty trap zone that with reference to the income levels.

The inverted L shape on the other hand demonstrates that there is no poverty traps. This is because; even the poorest people earn more at the end of the day than the income they began with in the first instance.

Can you think of any reason why a farmer cannot do what is suggested: buy a little bit of fertilizer at first start small?

There are many other factors that may affect the decision by the farmer not to buy a little bit of fertilizer because of the preference of needs. There may be other more pressing needs that ought to be met at the time.

Does this chapter seem to support Easterly, Sachs, neither, both?

The essay seems to support both sides of the divide as the author substantiate both claims and leaves it for the readers to make their own decision on whose concepts goes well with them.

What about the tone of this chapter and the two writers?

The tone of this chapter is more of neutral and seems to avoid sticking to either side of the discussion. The authors wholly relay on information in the general and assertions made by other researchers on the topical issue and possess rhetorical questions for the readers to ponder and make their own decision. It has been approached open mindedly giving the readers the opportunity to make their own informed decisions on the matters under discussion. The two writers have both demonstrated strong assertions to their claims and supported it with sufficient literal backing. This goes in tandem with the tone of the literature and gives the readers freedom to draw comparison.

Works Cited

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