

Chapter 1 : Goal 1: No poverty | UNDP

*Baking in America. 1. Economic Development. 2. Market Organization and Competition. [William G. Panschar] on racedaydvl.com *FREE* shipping on qualifying offers.*

Markets Economists study trade, production and consumption decisions, such as those that occur in a traditional marketplace. In Virtual Markets, buyer and seller are not present and trade via intermediaries and electronic information. Microeconomics examines how entities, forming a market structure, interact within a market to create a market system. These entities include private and public players with various classifications, typically operating under scarcity of tradable units and light government regulation. In theory, in a free market the aggregate sum of quantity demanded by buyers and quantity supplied by sellers may reach economic equilibrium over time in reaction to price changes; in practice, various issues may prevent equilibrium, and any equilibrium reached may not necessarily be morally equitable. For example, if the supply of healthcare services is limited by external factors, the equilibrium price may be unaffordable for many who desire it but cannot pay for it. Various market structures exist. In perfectly competitive markets, no participants are large enough to have the market power to set the price of a homogeneous product. In other words, every participant is a "price taker" as no participant influences the price of a product. In the real world, markets often experience imperfect competition. Forms include monopoly in which there is only one seller of a good, duopoly in which there are only two sellers of a good, oligopoly in which there are few sellers of a good, monopolistic competition in which there are many sellers producing highly differentiated goods, monopsony in which there is only one buyer of a good, and oligopsony in which there are few buyers of a good. Unlike perfect competition, imperfect competition invariably means market power is unequally distributed. Firms under imperfect competition have the potential to be "price makers", which means that, by holding a disproportionately high share of market power, they can influence the prices of their products. Microeconomics studies individual markets by simplifying the economic system by assuming that activity in the market being analysed does not affect other markets. This method of analysis is known as partial-equilibrium analysis supply and demand. This method aggregates the sum of all activity in only one market. General-equilibrium theory studies various markets and their behaviour. It aggregates the sum of all activity across all markets. This method studies both changes in markets and their interactions leading towards equilibrium. Production theory basics, Opportunity cost, Economic efficiency, and Production possibility frontier In microeconomics, production is the conversion of inputs into outputs. It is an economic process that uses inputs to create a commodity or a service for exchange or direct use. Production is a flow and thus a rate of output per period of time. Distinctions include such production alternatives as for consumption food, haircuts, etc. Opportunity cost is the economic cost of production: Choices must be made between desirable yet mutually exclusive actions. It has been described as expressing "the basic relationship between scarcity and choice". Part of the cost of making pretzels is that neither the flour nor the morning are available any longer, for use in some other way. The opportunity cost of an activity is an element in ensuring that scarce resources are used efficiently, such that the cost is weighed against the value of that activity in deciding on more or less of it. Opportunity costs are not restricted to monetary or financial costs but could be measured by the real cost of output forgone, leisure, or anything else that provides the alternative benefit utility. Other inputs may include intermediate goods used in production of final goods, such as the steel in a new car. Economic efficiency measures how well a system generates desired output with a given set of inputs and available technology. Efficiency is improved if more output is generated without changing inputs, or in other words, the amount of "waste" is reduced. A widely accepted general standard is Pareto efficiency, which is reached when no further change can make someone better off without making someone else worse off. An example production possibility frontier with illustrative points marked. The production possibility frontier PPF is an expository figure for representing scarcity, cost, and efficiency. In the simplest case an economy can produce just two goods say "guns" and "butter". The PPF is a table or graph as at the right showing the different quantity combinations of the two goods producible with a given technology and total

factor inputs, which limit feasible total output. Each point on the curve shows potential total output for the economy, which is the maximum feasible output of one good, given a feasible output quantity of the other good. Scarcity is represented in the figure by people being willing but unable in the aggregate to consume beyond the PPF such as at X and by the negative slope of the curve. This is because increasing output of one good requires transferring inputs to it from production of the other good, decreasing the latter. The slope of the curve at a point on it gives the trade-off between the two goods. It measures what an additional unit of one good costs in units forgone of the other good, an example of a real opportunity cost. Thus, if one more Gun costs units of butter, the opportunity cost of one Gun is Butter. Along the PPF, scarcity implies that choosing more of one good in the aggregate entails doing with less of the other good. Still, in a market economy, movement along the curve may indicate that the choice of the increased output is anticipated to be worth the cost to the agents. By construction, each point on the curve shows productive efficiency in maximizing output for given total inputs. A point inside the curve as at A, is feasible but represents production inefficiency wasteful use of inputs, in that output of one or both goods could increase by moving in a northeast direction to a point on the curve. Examples cited of such inefficiency include high unemployment during a business-cycle recession or economic organization of a country that discourages full use of resources. Being on the curve might still not fully satisfy allocative efficiency also called Pareto efficiency if it does not produce a mix of goods that consumers prefer over other points. Much applied economics in public policy is concerned with determining how the efficiency of an economy can be improved. Recognizing the reality of scarcity and then figuring out how to organize society for the most efficient use of resources has been described as the "essence of economics", where the subject "makes its unique contribution. Specialization is considered key to economic efficiency based on theoretical and empirical considerations. According to theory, this may give a comparative advantage in production of goods that make more intensive use of the relatively more abundant, thus relatively cheaper, input. Even if one region has an absolute advantage as to the ratio of its outputs to inputs in every type of output, it may still specialize in the output in which it has a comparative advantage and thereby gain from trading with a region that lacks any absolute advantage but has a comparative advantage in producing something else. It has been observed that a high volume of trade occurs among regions even with access to a similar technology and mix of factor inputs, including high-income countries. This has led to investigation of economies of scale and agglomeration to explain specialization in similar but differentiated product lines, to the overall benefit of respective trading parties or regions. Among each of these production systems, there may be a corresponding division of labour with different work groups specializing, or correspondingly different types of capital equipment and differentiated land uses. More total output and utility thereby results from specializing in production and trading than if each country produced its own high-tech and low-tech products. Theory and observation set out the conditions such that market prices of outputs and productive inputs select an allocation of factor inputs by comparative advantage, so that relatively low-cost inputs go to producing low-cost outputs. In the process, aggregate output may increase as a by-product or by design. A measure of gains from trade is the increased income levels that trade may facilitate. Supply and demand The supply and demand model describes how prices vary as a result of a balance between product availability and demand. The graph depicts an increase that is, right-shift in demand from D1 to D2 along with the consequent increase in price and quantity required to reach a new equilibrium point on the supply curve S. Prices and quantities have been described as the most directly observable attributes of goods produced and exchanged in a market economy. In microeconomics, it applies to price and output determination for a market with perfect competition, which includes the condition of no buyers or sellers large enough to have price-setting power. For a given market of a commodity, demand is the relation of the quantity that all buyers would be prepared to purchase at each unit price of the good. Demand is often represented by a table or a graph showing price and quantity demanded as in the figure. Demand theory describes individual consumers as rationally choosing the most preferred quantity of each good, given income, prices, tastes, etc. A term for this is "constrained utility maximization" with income and wealth as the constraints on demand. Here, utility refers to the hypothesized relation of each individual consumer for ranking different commodity bundles as more or less preferred. The law of demand states that, in general, price and quantity demanded in a given market are

inversely related. That is, the higher the price of a product, the less of it people would be prepared to buy other things unchanged. As the price of a commodity falls, consumers move toward it from relatively more expensive goods the substitution effect. In addition, purchasing power from the price decline increases ability to buy the income effect. Other factors can change demand; for example an increase in income will shift the demand curve for a normal good outward relative to the origin, as in the figure. All determinants are predominantly taken as constant factors of demand and supply. Supply is the relation between the price of a good and the quantity available for sale at that price. It may be represented as a table or graph relating price and quantity supplied. Producers, for example business firms, are hypothesized to be profit maximizers, meaning that they attempt to produce and supply the amount of goods that will bring them the highest profit. Supply is typically represented as a function relating price and quantity, if other factors are unchanged. That is, the higher the price at which the good can be sold, the more of it producers will supply, as in the figure. The higher price makes it profitable to increase production. Just as on the demand side, the position of the supply can shift, say from a change in the price of a productive input or a technical improvement. The "Law of Supply" states that, in general, a rise in price leads to an expansion in supply and a fall in price leads to a contraction in supply. Here as well, the determinants of supply, such as price of substitutes, cost of production, technology applied and various factors inputs of production are all taken to be constant for a specific time period of evaluation of supply. Market equilibrium occurs where quantity supplied equals quantity demanded, the intersection of the supply and demand curves in the figure above. At a price below equilibrium, there is a shortage of quantity supplied compared to quantity demanded. This is posited to bid the price up. At a price above equilibrium, there is a surplus of quantity supplied compared to quantity demanded. This pushes the price down. The model of supply and demand predicts that for given supply and demand curves, price and quantity will stabilize at the price that makes quantity supplied equal to quantity demanded. Similarly, demand-and-supply theory predicts a new price-quantity combination from a shift in demand as to the figure , or in supply. For a given quantity of a consumer good, the point on the demand curve indicates the value, or marginal utility , to consumers for that unit. It measures what the consumer would be prepared to pay for that unit. The price in equilibrium is determined by supply and demand. In a perfectly competitive market , supply and demand equate marginal cost and marginal utility at equilibrium. Their usage rates can be changed easily, such as electrical power, raw-material inputs, and over-time and temp work. Other inputs are relatively fixed, such as plant and equipment and key personnel. In the long run , all inputs may be adjusted by management.

Chapter 2 : Economics - Wikipedia

Economic Growth is a narrower concept than economic growth. It is an increase in a country's real level of national output which can be caused by an increase in the quality of resources (by education etc.), increase in the quantity of resources & improvements in technology or in another way an.

Chicago Fed Letter, No. While much of this discourse centers on either the causes or normative implications of increasing inequality, it is important to ask whether the widening gap between the rich and poor has any direct effects on macroeconomic aggregates and, in particular, on the severity of the Great Recession, when output and consumption dropped precipitously and were slow to recover see figure 1. More broadly, should economists and policymakers concerned with macroeconomics be worried about wealth inequality? The values in are normalized to Bureau of Economic Analysis, U. Census Bureau, and Haver Analytics. Next, we turn to the Panel Study of Income Dynamics PSID and Credit Bureau Panel Data Equifax to examine the interaction between consumption and wealth during the Great Recession, highlighting several dimensions of the data that are likely to tighten the relationship between wealth inequality and the intensity of a downturn. Our recent working paper 4 argues that the role of borrowing constraints cannot be adequately captured by only having a large share of households with little wealth before a recession, as is currently the case in most macroeconomic theory Kaplan and Violante 5 are a notable exception. The first paper, KS, proposes a model of consumption and savings with incomplete capital markets and aggregate uncertainty, where wealth inequality is the cumulative result of different past labor market experiences. To proxy a recession, the authors induce a negative shock to aggregate productivity, which lowers wages and raises unemployment. This paper teaches us that aggregate consumption can depend on the shape of the wealth distribution, even though price and inflation dynamics only depend on average wealth. The intuition for this duality is that low-wealth households make up a sizable fraction of consumption and have the largest MPCs, while contributing the least to aggregate capital and price determination. Their enriched model endogenously generates much more wealth inequality than the KS baseline economy. The authors compare the dynamics of these two models and find that the KMP version generates a larger drop in consumption in response to a downturn, even after holding the total amount of wealth in the economy fixed. Thus, increasing wealth inequality can increase the severity of a recession. These two important papers provide convincing evidence that inequality can worsen the negative effects of a recession. However, these models still miss some important aspects of the data that characterized the Great Recession. These features include endogenous changes to wealth due to changes in asset and house prices, the composition of asset holdings, the tightening of credit standards, and the complex earnings dynamics of those who remain employed. Taking into consideration these additional elements can help provide a better picture of who is borrowing constrained and how their consumption changes when they are hit by a shock. The PSID is a widely used and nationally representative panel of households that observes their wealth, earnings, and consumption every two years in our data, covering from to The Equifax data set is a nationally representative sample of individual borrowers, containing data on all aspects of individual and household-level borrowing and credit. This data set allows us to characterize the experience of households prior to and during the recession. First, the models we discussed so far do not have the sizable wealth losses due to the changing asset and house values that were observed during the Great Recession. In figure 2, we follow households as they transition across fixed wealth quintiles and find that downward movements in wealth are associated with negative consumption growth rates, shown in bold. However, more than one-third of the households who were in this wealth quintile in lost enough wealth to drop into lower-wealth groups. They also experienced an annualized $\hat{c} \approx -2$. Similarly, for the Q3 to Q2 group, Second, these models abstract from portfolio choice and the important observation that the composition of household assets changes over the wealth distribution. For example, in the PSID, only Thus, the collapse of the housing bubble affected households differently across the wealth distribution. In contrast, low-wealth households were less affected by housing price declines, since so few owned a home.

Chapter 3 : Disposition and Development Agreement (DDA) - June, | Treasure Island Development Authority

Hey Everyone, Welcome to the Development Economics, the last section of the IB Economics syllabus. Also, before you go on, check out this explanation of the Skip navigation.

Economic nationalism Following mercantilism was the related theory of economic nationalism, promulgated in the 19th century related to the development and industrialization of the United States and Germany, notably in the policies of the American System in America and the Zollverein customs union in Germany. A significant difference from mercantilism was the de-emphasis on colonies, in favor of a focus on domestic production. Following Brexit and the United States presidential election, some experts have argued a new kind of "self-seeking capitalism" popularly known as Trumponomics could have a considerable impact on cross-border investment flows and long-term capital allocation [8] [9] See also: Only after the war did economists turn their concerns towards Asia, Africa and Latin America. At the heart of these studies, by authors such as Simon Kuznets and W. Arthur Lewis [14] was an analysis of not only economic growth but also structural transformation. Rostow in *The Stages of Growth*: These stages are "the traditional society, the pre-conditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption" [16] Simple versions of the Harrod-Domar model provide a mathematical illustration of the argument that improved capital investment leads to greater economic growth. That is to say that this early and simplistic theory failed to account for political, social and institutional obstacles to development. Furthermore, this theory was developed in the early years of the Cold War and was largely derived from the successes of the Marshall Plan. This has led to the major criticism that the theory assumes that the conditions found in developing countries are the same as those found in post-WWII Europe. The pattern that a particular country will follow, in this framework, depends on its size and resources, and potentially other factors including its current income level and comparative advantages relative to other nations. The two-sector surplus model, which was developed in the 1950s, has been further criticized for its underlying assumption that predominantly agrarian societies suffer from a surplus of labor. Actual empirical studies have shown that such labor surpluses are only seasonal and drawing such labor to urban areas can result in a collapse of the agricultural sector. The patterns of development approach has been criticized for lacking a theoretical framework. Unlike earlier theories, international dependence theories have their origins in developing countries and view obstacles to development as being primarily external in nature, rather than internal. These theories view developing countries as being economically and politically dependent on more powerful, developed countries which have an interest in maintaining their dominant position. There are three different, major formulations of international dependence theory: The first formulation of international dependence theory, neocolonial dependence theory, has its origins in Marxism and views the failure of many developing nations to undergo successful development as being the result of the historical development of the international capitalist system. Neoclassical theories argue that governments should not intervene in the economy; in other words, these theories are claiming that an unobstructed free market is the best means of inducing rapid and successful development. Competitive free markets unrestrained by excessive government regulation are seen as being able to naturally ensure that the allocation of resources occurs with the greatest efficiency possible and the economic growth is raised and stabilized. These different takes on neoclassical theory are the free market approach, public-choice theory, and the market-friendly approach. Of the three, both the free-market approach and public-choice theory contend that the market should be totally free, meaning that any intervention by the government is necessarily bad. Public-choice theory is arguably the more radical of the two with its view, closely associated with libertarianism, that governments themselves are rarely good and therefore should be as minimal as possible. Anne Krueger noted in that success and failure of policy recommendations worldwide had not consistently been incorporated into prevailing academic writings on trade and development. This approach still advocates free markets but recognizes that there are many imperfections in the markets of many developing nations and thus argues that some government intervention is an effective means of fixing such imperfections. In fact, the majority of development economists are employed by, do consulting with, or

receive funding from institutions like the IMF and the World Bank. Where economic issues merge with social and political ones, it is referred to as development studies. Economic development and ethnicity[edit] A growing body of research has been emerging among development economists since the very late 20th century focusing on interactions between ethnic diversity and economic development, particularly at the level of the nation-state. While most research looks at empirical economics at both the macro and the micro level, this field of study has a particularly heavy sociological approach. The more conservative branch of research focuses on tests for causality in the relationship between different levels of ethnic diversity and economic performance, while a smaller and more radical branch argues for the role of neoliberal economics in enhancing or causing ethnic conflict. Moreover, comparing these two theoretical approaches brings the issue of endogeneity endogenicity into questions. This remains a highly contested and uncertain field of research, as well as politically sensitive, largely due to its possible policy implications. The role of ethnicity in economic development[edit] Much discussion among researchers centers around defining and measuring two key but related variables: It is debated whether ethnicity should be defined by culture, language, or religion. Several indices have been proposed in order to model ethnic diversity with regards to conflict.

Chapter 4 : Development economics - Wikipedia

Development economics is a branch of economics which deals with economic aspects of the development process in low income countries. Its focus is not only on methods of promoting economic development, economic growth and structural change but also on improving the potential for the mass of the population, for example, through health, education.

Factors affecting economic growth in developing countries Levels of infrastructure e. Educational standards and labour productivity. Basic levels of literacy and education can determine the productivity of the workforce. Levels of inward investment. For example, China has invested in many African countries to help export raw materials, that its economy needs. Is labour able to move from relatively unproductive agriculture to more productive manufacturing? The flow of foreign aid and investment. Targeted aid, can help improve infrastructure and living standards. Level of savings and investment. Higher savings can fund more investment, helping economic growth. Economic growth without development It is possible to have economic growth without development. For example, if a country produces more oil, it will see an increase in GDP. A country may see higher GDP, but the benefits of growth may be syphoned into the bank accounts of politicians Environmental problems. Producing toxic chemicals will lead to an increase in real GDP. However, without proper regulation, it can also lead to environmental and health problems. This is an example of where growth leads to a decline in living standards for many. Economic growth can cause an increase in congestion. This means people will spend longer in traffic jams. GDP may increase but they have lower living standards because they spend more time in traffic jams. If a state-owned industry increases output, this is reflected in an increase in GDP. However, if the output is not used by anyone then it causes no actual increase in living standards. A country may increase GDP by spending more on military goods. However, if this is at the expense of health care and education it can lead to lower living standards.

Chapter 5 : Development Economics

State and local governments offer large financial incentives to attract employers to their part of the country. John Oliver explains what communities get, or often don't get, in return.

Chapter 6 : Difference between economic growth and development | Economics Help

The Washington Economic Development Commission is an independent, non-partisan commission charged by the legislature with the mission of creating a comprehensive statewide strategy to guide investments in.

Chapter 7 : Inequality and Recessions - Federal Reserve Bank of Chicago

Economic growth means an increase in real national income / national output. Economic development means an improvement in the quality of life and living standards, e.g. measures of literacy, life-expectancy and health care. Ceteris paribus, we would expect economic growth to enable more economic.

Chapter 8 : Barrow County Georgia Economic Development Department

local economic development and to stimulate business and commercial activity in the 3 This is a common provision in ordinances. It might repeal "to the extent of the conflict only."