

## **Syllabus**

Instructor:	Gurgen Aslanyan
Language of Instruction:	English
Total Number of Credits (ECTS):	5
Location	VŠE RB105 (Tue. 9:15-12:30)
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### ***Course Description***

This is a first course in Development Economics. An introduction to all major development issues will be made from macroeconomic as well as microeconomic perspective. The course is designed to show how tools of economic analysis can be utilized to confront the problems in this field.

### ***Course Objective***

The objective of this course is to convey concepts of development theory to students as well as to demonstrate application of economic theory to everyday life. The emphasis of this course is on reasoning and understanding, not memorising.

### ***Prerequisites***

MIE403 (2/1), MAE405 (2/1)

### ***Workload***

The total workload for the Development Economics course (5EN374) is 5 ECTS with the following distribution:

Participation in lectures and exercise sessions	13x4 hrs = 52	hrs
Preparation for lectures and exercise sessions (including preparation for in-class quizzes)	13x2 hrs = 26	hrs
Preparation for exams	52	hrs
<b>Total</b>	<b>130</b>	<b>hrs</b>

## **Texts**

- Thirwall, A.P. (2006). *Growth and Development with Special Reference to Developing Economics: Eighth Edition*. New York: Palgrave. (**Main Textbook:** Previous editions can also be used.)
- Clunies-Ross, A., Forsyth, D., & Huq, M. (2009). *Development Economics*. Berkshire: McGraw-Hill. (Excellent reference. Highly recommended)
- Ray, D. (1998). *Development Economics*. Princeton: University Press.
- McMahon, G., Esfahani, H.S., Squire, L. (2009). *Diversity in Economic Growth: Global Insights and Explanations*. Cheltenham: Edward Elgar. (This volume shall be used in group presentations.)
- Reinert, E.S. (2007). *How Rich Countries Got Rich... and Why Poor Countries Stay Poor*. New York: Carroll & Graf. (Unorthodox treatment of the material. For curious minds)
- Howard, M., La Foucade, A., & Scott, E. (2009). *Public Sector Economics for Developing Countries: Second Edition*. Jamaica: UWI Press. (Development issues through the lens of Public Economics. Optional)
- Lin, J.Y. (2009). *Economic Development and Transition: Thought, Strategy, and Viability*. Cambridge: University Press. (Development theory from the viewpoint of practice)
- Åslund, A. (2007). *Russia's Capitalist Revolution: Why Market Reform Succeeded and Democracy Failed*. Washington: Peterson Institute (Some transition issues)
- Salvedera, W., Nolan, B., & Smeeding, T.M. (Eds.) (2009). *The Oxford Handbook of Economic Inequality*. Oxford: University Press. (Reference on econ inequality)

## **Course Outline**

1. **Introduction**
2. **Poverty**  
Concepts and measurements, empirical evidence
3. **Inequality**  
Ethical vs. functional aspects, measuring inequality: Lorenz curve and Gini coefficient; Kuznets inverted U
4. **Growth**  
Growth vs. development, growth and poor, sources of growth, experience of developed countries
5. **Classical Growth Theories**  
Harrod-Domar model, Solow model, limits of classical models
6. **New Growth Theories**  
Convergence, spillovers and Romer model, multiple equilibria
7. **Land and Agriculture**  
Food production and famine, land tenure and reform, technology and agricultural system
8. **Human Capital**  
Notion of human capital, HC and development, returns to investment in education, wider effects of education
9. **Role of the State**  
Market failures, corruption, conflicts
10. **Trade and Globalisation**  
Market access problems of the poor, trade and poverty, globalisation and changing trade patterns, trade as engine for poverty reduction, barriers to trade
11. **Financing Economic Development**  
Domestic resources, foreign assistance, and debt

## ***Grading***

There will be two in-class presentations: An individual and a group one. Individual presentations will be on isolated topics on an example of a country or a group of countries. Groups will be randomly generated and assigned a topic (most often a growth and development experience of a group of countries). There is a one average grade for a group (in isolated cases an individual can get different than group grade, *e.g.* fail in case of unexcused absence). Each of the presentations contributes 15 per cent towards the final grade. There will be mid-term and final exams. While the final exam will be in-class during the last week of studies, the mid-term exam may be in-class or take-home. Mid-term exam will be 20 per cent and final exam 40 per cent of the final grade.

The grade for this course will be calculated as follows:

Lecture and seminar participation	10%
Group presentation	15%
Individual presentation	15%
Mid-term exam	20%
Final Exam	40%

## ***Academic Integrity***

All students that violate the academic honesty code will receive a failing grade. Academic honesty includes receiving and/or providing unauthorized help from/to other students on exams or quizzes.