Syllabus

Course title **THE ECONOMICS OF UNDERDEVELOPMENT**
Instructor Istvan Konya
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Prerequisites Intermediate Micro- and Macroeconomics

1. COURSE DESCRIPTION/ OVERALL AIM AND BACKGROUND

Content The course is designed to give a thorough but intuitive overview of the main causes and consequences of underdevelopment in the global economy. The focus will be on country-level analysis, but inequality within countries will also be discussed. Students will be exposed to the role of technology, human capital, openness, political factors and institutions in explaining underdevelopment. We will explore successful and failed policies in the context of development. Students are expected to contribute actively debating these issues.

2. LEARNING OUTCOMES

Key outcomes.

- understand the main theories of underdevelopment.
- critically evaluate policies that help or hinder economic growth.
- locate and use data sources related to economic development.
- formulate specific policy proposals for individual countries.

Other outcomes. The course will also help develop skills in the following areas.

Learning Area	**Learning Outcome**
Critical Thinking	Understand the complexities of economic relationships. Exercise an independent elaboration of facts. Use the powers of inquiry and logical thinking to evaluate theoretical arguments and empirical evidence.
Quantitative Reasoning	Apply economic reasoning and data analysis to think about economic development.
Technology Skills	Use online databases such as the World Economic Outlook, FRED, or the Penn World Tables to analyze macroeconomic phenomena.
Interpersonal Communication Skills	Participate in a group home assignment about economic development. Participate in class discussions.
Management Knowledge and Skills	Plan and coordinate group assignment.
Cultural Sensitivity and Diversity	Harness the international and professional diversity of students in viewing issues and problems from different perspectives. Learn about different countries, their diverse problems and opportunities, economic and cultural strengths and weaknesses.
Ethics and Social Responsibility	Evaluate and discuss challenges related to ethical and professional behavior in the context of development policies.

3. READING LIST

Course materials will be distributed electronically on the CeuLearning website, including lectures slides that form the core material for the course.

Textbooks.

- The main reference textbooks are Economic Development, 11/E by Todaro-Smith, Economics of Development (Seventh Edition) by Perkins-Radelet-Lindauer-Block, and Development Economics by Schaffner. All these titles are available in the library.
- You are also highly advised to read The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics by William Easterly. Another optional, but very enjoyable book is Guns, Germs, and Steel by Jared Diamond. Additional recommended readings will be available online.

Databases. The CEU Library boasts a range of databases covering financial and company data, market and industry reports, global news and more. For a full list of databases visit the CEU Library. In addition, there are many publicly available databases for macroeconomic analysis that we will discuss in class.

4. TEACHING METHOD AND LEARNING ACTIVITIES

The course will involve a mix of in-class activities, case discussions and group project work. Specifically, learning objectives will be achieved through

- Interactive classes: The instructor will present theoretical and applied material, with questions and comments from students in class.
- Class preparation: Before each lecture, students will read a popular journal article that is relevant for the topic. The class will start with a brief discussion of the key concepts from the article.
- Group project: Students will form groups of 4 to carry out a home assignment on development problems in a country of their choice.

5. ASSESSMENT

Grading will be based on the total score out of 100, in line with CEU's standard grading guidelines

Final exam	50 %
Group assignment	40 %
Class participation	10 %

Final exam (50%). The final exam will be a 60-minute closed-book comprehensive exam covering the entire syllabus. The questions will be multiple choice or short open-ended essay questions.

Group project (40%). Students will be asked to form groups of 4 to carry out a home assignment on development problems in a country of their choice. Details will be formally announced and discussed in the third week of class.

Class participation and problem solving (10%). Class participation will include attendance, attitude, and volunteered and cold call responses.

Audit. Class participation and the group assignment are required for auditing the course.

6. TECHNICAL REQUIREMENTS (IF ANY)

Econometric software such as Stata is useful, but not essential.

7. TOPIC OUTLINE/COURSE CONTENT

Session	Topics
1	Introduction and overview: main concepts
2	Measuring growth and development
3	Classic models of development
4	Institutions and technology
5	Market failures
6	Public and private investment
7	Poverty and inequality
8	Population and demography
9	Human capital and health
10	Structural change and agriculture
11	FDI, trade and financial flows
12	Final exam