

Financial University under the Government of the Russian Federation

Department of Economic Theory

V.V. Maltsev

Development economics

SYLLABUS

Level of study: *Master's degree*

Study program: *38.03.01 - "ECONOMICS"*

MOSCOW 2020

Syllabus

1. Course title: Development economics

2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated

Table 1

Competence code	Competence	Competence development indicators ¹	Learning outcomes (skills ² , and knowledge) and indicators that show competence development
ДКН-3	The ability to develop key managerial decisions in the public sector.	-	<p>Knowledge of particular analytical tools to assess the macroeconomic and institutional methods of managing the public sector</p> <p>The ability to: provide efficiency estimates of economic policy and various recommendations.</p> <p>Grasp the applications of modern economic models and theories</p>
ПК-5	Mastery of modern methods of economic diagnostics, analysis and problem solving, as well as their practical applications.	-	<p>Knowledge of modern analytical tools and methods in the sphere of economic development;</p> <p>The ability to: systematize and apply the obtained knowledge to interpret the problems of economic development as well as devise solutions to them;</p> <p>Have the understanding of the basic development economics toolkit, consisting of models, lexicon and theoretical concepts.</p>

3. Place of the subject in the curriculum

The development economics is an elective subject, deepening the knowledge and understanding of the basic economics principles. The discipline is based on a sum total of knowledge, accumulated during undergraduate studies in microeconomics, macroeconomics, political science and law.

4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated

¹ To be filled in when the updated Financial University educational standards and federal state educational standards of higher education “3+” are implemented.

² Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education “3+” are implemented.

The data are presented in the form of a table.

Table 2

Type of work	Total (in credits and hours)	Semester (Module)1 (in hours)
Overall workload	<i>3 credits; 108 hours</i>	<i>108</i>
<i>Class work</i>	<i>32/12</i>	<i>32/12</i>
<i>Lectures</i>	<i>8/4</i>	<i>8/4</i>
<i>Seminars, practical tasks</i>	<i>24/8</i>	<i>24/8</i>
<i>Self-study</i>	<i>76/96</i>	<i>76/96</i>
Formative assessment		<i>Midterm</i>
Summative assessment		<i>Exam</i>

5. Subject content (with the thematic components indicated).

Section 1. Economic development: history and modernity. Economic growth and economic development. The problem of measurement and key indicators of economic growth. Economic growth in a historical retrospective. The problem of sustainable economic development.

Section 2. Technological progress as the basis for a long-term economic development. Technological progress and its role in the economic development. The modern theory of economic cycles. Theories of technological-economic paradigms. Modern industrial revolution and its main prospects.

Section 3. Innovation entrepreneurship as the driving force behind technological development. Innovations and economic growth. Innovation activity as the main function of entrepreneurs. Incentives towards innovation. The innovational firm as the source of technological progress. Information and knowledge in the socio-economic development. The economy of knowledge. Intellectual capital in a country's economic growth.

Section 4. Macroeconomic models of economic growth. Keynesian models of growth in theory and practice. The Keynesian theory of the "vicious cycle of poverty." Savings, investment and economic growth in the neoclassical model. The Solow model. Modern models of endogenous growth. A two-sector endogenous growth model with knowledge accumulation (the model of Paul Romer).

Section 5. Institutions as the fundamental cause of long-term economic growth and development. The problem of fundamental causes of long-term economic development (Douglass North). The environment, culture and institutions as key factors of growth. Institutions at the heart of the economic growth. Exclusive and inclusive economic institutions and their influence on economic growth (D. Acemoglu and J. Robinson). Institutional transformation as the fundamental condition for economic development.

Section 6. The political economy of development. Interactions between economic and political institutions. The state of political institutions as the main factor of economic development. Public choice theory. Direct democracy: problems and limitations. Rational ignorance. Electoral manipulation and its consequences. The political business cycle and its influence on economic policy. Government "failure." Extractive political institutions and

economic growth. Capacity and limitations of growth under authoritarian regimes. The problem of creative destruction. Authoritarianism, democracy and economic growth.

Section 7. Human capital and economic development. The definition of human capital. The influence of human capital on economic development. Structure and types of human capital. Economic growth and the problem of inequality. Institutional fatalism and institutional voluntarism (Chang). Behavioral economics and the problem of development. Animal spirits and economic growth (Keynes).

Section 8. The state policy of economic growth. Key directions of the economic growth policy. Financial policy of sustainable economic growth. The institutional growth policy. Industrial policy: main forms and methods of implementation. International trade policy. The features of catching up economic development policy. The reform strategies: shock therapy and gradualism. Importation and cultivation of institutions.

Section 9. The problems of economic development in Russia. Economic reforms in Russia. Radical reforms of the 1990s and methods of modernization. Key directions and institutional reform programs in 21st century Russia.

6. List of teaching and methodological materials needed for the students' self-study

Itemized subject content	Questions the students should answer within the self-study process	Types of out-of-class activities
1. Economic development: history and modernity	What is economic development? How did it proceed throughout history?	Home assignments, problem solving and case studies.
2. Technological progress as the basis for a long-term economic development.	What are the key features of technological progress and how will it proceed in the future?	Home assignments, problem solving and case studies.
3. Innovation entrepreneurship as the driving force behind technological development.	What key incentives exist in society that foster innovation?	Home assignments, problem solving and case studies.
4. Macroeconomic models of economic growth.	How can savings and investment foster economic growth?	Home assignments, problem solving and case studies.
5. Institutions as the fundamental cause of long-term economic growth and development.	What conditions need to be fulfilled for institutional transformation to take place?	Home assignments, problem solving and case studies.
6. The political economy of development.	What are the key sources of government failure? How can they be overcome?	Home assignments, problem solving and case studies.
7. Human capital and economic development.	What types of human capital are most prominent in Russia?	Home assignments, problem solving and case studies.
8. The state policy of economic growth.	What costs and benefits are there to shock therapy versus the gradualism approach?	Home assignments, problem solving and case studies.
9. The problems of economic development in Russia.	Were the reforms of 1990s a net benefit or a net loss to Russia?	Home assignments, problem solving and case studies.

6.2. List of questions/assignments/topics for students' preparation to formative

6.3. Assessment

Tentative questions for quizzes and exams

- 1) What are the key features of the Solow growth model? What another neoclassical model is it based on? What are its key assumptions?
- 2) According to the Keynesian interpretation, what causes and perpetuates the vicious cycle of poverty?
- 3) Is a parliamentary system of governance more prone to slide into authoritarianism, than a presidential one?
- 4) What are the main reasons for the lagging development of third world countries? What economic theories best explain these developments?
- 5) How does Hernando de Soto understand “good” and “bad” laws? What explains the prevalence of either in particular countries, for instance, in Russia?

7. Mandatory and optional reading list

Mandatory reading:

1. Нуреев Р.М. Россия: особенности институционального развития : монография / Р.М. Нуреев. - Москва: НИЦ Норма, 2011, 2015. - 448 с. - То же [Электронный ресурс]. - 2017. - Режим доступа: <http://znanium.com/catalog/product/560563>

2. Нуреев Р.М. Экономика развития: модели становления рыночной экономики: учебник для студ. экономич. вузов и факультетов / Р.М. Нуреев. - Москва: Норма, 2014, 2015. - 640 с. - То же [Электронный ресурс]. - 2019. - Режим доступа: http://znanium.com/catalog/product/1014352*

Optional reading:

3. Экономика развития: практикум / колл.авт.; Финуниверситет, Департамент экономической теории; под ред. Р.М. Нуреева - Москва: Норма, 2017. - 512 с. - То же [Электронный ресурс]. - Режим доступа: <http://znanium.com/catalog.php?bookinfo=780487>

4. Robinson, J., & Acemoglu, R. Why nations fail. New York: Crown Publishing Group, 2012.

5. De Soto, H. The mystery of capital: Why capitalism triumphs in the West and fails everywhere else. Civitas Books, 2000.

8. List of IT resources, incl. the list of software, information and reference systems (as appropriate).

8. 1. Software:

1. Windows, Microsoft Office software.
2. Kaspersky antivirus software.

8.2. Databases and information and reference systems

Вопросы экономики (<http://vopreco.ru>)

Банковское дело (<http://www.bankdelo.ru>)

Вестник Московского университета. Серия 6: Экономика

Вопросы экономики (<http://vopreco.ru>)

Деньги и кредит (<http://www.cbr.ru>)

Коммерсант (<http://www.kommersant.ru>)

Мир новой экономики (<http://www.worldneweconomy.ru>)

Мировая экономика и международные отношения (МЭиМО)
(<http://www.imemo.ru>)

Проблемы теории и практики управления

Российский экономический журнал (РЭЖ)(<http://www.rej.guu.ru>)

Секрет фирмы (<http://www.sfdv.ru>)

Финансы и экономика (<http://finans.rusba.ru>)

Эксперт (<http://www.expert.ru>)