THE NEW POLITICAL ECONOMY OF DEVELOPMENT
SPRING, 2015

Instructor: László Csaba, Member of the Hungarian Academy of Sciences & of Academia Europea/London

Course description: This Ph.D course, open also to MA students, is devoted to major issues of economic theory, development and policy failure. The focus is on the global perspective, not transition, in order to put the emerging market experience, elaborated in a separate course, in a global perspective. It addresses, on the base of a broad survey of competing theories and the newest literature, major factors explaining catching up and falling behind, furthermore if and to what degree policy convergence is a testable suggestion. The major question is not if institutions matter for growth, but which ones matter and how. Lessons from the financial crises and accounting scandals are being drawn. The main purpose of the course is to provide a broad overview of theories and approaches that exist in the international literature. We also try to specify what good governance may mean in practice and what is the potential of policy in bringing about change in the long run.

The course is composed of lectures and interactive seminars. Lectures introduce the topic, which is usually quite broad, and seminars are devoted to presentation, of recommended readings, by one or two of the participants, followed by a discussion of both the lecture material and of the seminar presentation. Required readings are supposed to be processed individually, though any major points of disagreement may be raised during the seminar. Points of clarification should be addressed by consulting the reference volumes and the lecturer during the office hours or before/after the classes. The three constitutive elements do not necessarily overlap in time and subject. Some background in macroeconomics, international finance and trade is though a positive advantage, however it is not a formal precondition for taking this course.

Grading:
- 10 p.c. regular and interactive participation in each class;
- 20 p.c. oral presentation of seminar material/including discussion/;
- 20 per cent midterm quiz/facts and figures/,closed book,on 23 February,2015,Monday/;
- 20 per cent final quiz/25 March,2015, Wednesday, closed book/;
- 15 p.c each book review

Notes: As no final essay/term paper is required, and in order to facilitate independent in-depth study, two book reviews are required, to be presented in printout or electronic form by 2 February, 2015 Monday/ and 2 March, 2015/Monday/ and 18 hrs respectively. One book review should be on general/functional/theoretical topics, the other on region-specific issues. Books may be freely selected from among the newest acquisitions of CEU library upon approval of the instructor. Reviews should not exceed 10 pages 1.5 space in printout form, with 8 pages describing the major findings, structure, puzzle of the book, arguments of the author/s/, and two pages providing a critical/analytical
assessment by the reviewer. Good reviews may be published in academic journals. Deadlines can not be modified and grades are non-negotiable. For improvement additional/voluntarily taken/ assignments, typically in the form of additional book reviews may be agreed upon. In case of difficulties/ e.g health problems seriously affecting your ability to deliver/ prior agreement of the instructor needs to be obtained. Grades are available only upon meeting each and every condition in full. This needs to be done/with potential second readings, petitions, additional readings or reviews and any other potential assignments by 8 April, 2015/Wednesday 17 hrs at the very latest. Requirements for audit do not include the quizzes, but do include the book reviews and the in-class presentation.

Reference Volumes/containing general and background information on individual subject matters, to be consulted for clarifying concepts and basics/. All available in CEU Library.

1. Economic Theories, Schools, Concepts/short analytical studies by leading professionals explaining the evolution of concepts, background etc/: DURLAUF,S. And BLUME,L. eds/2008/: The New Palgrave- A Dictionary of Economics- 2d edition. Basingsoke etc: Palgrave/Macmillan/available also online, the latter with interesting and continuous updates./


4. Current and Comparative Data: World Bank: World Development Report, 2014. Oxford University Press./regional reports on Africa, Asia and Latin America also available/. Current data are provided by the Economist Intelligence Unit for many countries/various , though not all, series subscribed electronically/Á la longue durée:


COURSE DESCRIPTION, READINGS and SCHEDULE

New Political Economy, Growth Theory and Economic Development

/week of 12 January/


The Rise and Fall of Traditional Development Economics
/week of 19 January/


Subsistence, Overpopulation and Alleviation of Chronic Poverty
/week of 26 January/


**Recommended:** MILANOVIĆ, B./2014/: The return of 'patrimonial capitalism': a review of Piketty. *Journal of Economic Literature*, vol.52.no.2.pp519-534.


**Conditions Promoting and Hampering Growth: Policies and Institutions**

/week of 3 February/


**Openness, Trade Orientation and Welfare**

/week of 10 February/


**Is Democracy an Alternative to Developmental Dictatorship?**

/week of 17 February/


**24 February, Monday/ : midterm quiz/closed book, facts and figures/**

26 February/Wednesday

**The Changing Role of International Financial Institutions in Development**


**Recommended:** LAL,D./2012/: Is the Washington Consensus dead? *CATO Journal*, vol.32.no.3.pp493-513.


**Financial Contagions and Development: What Is the Nexus?**

/week of 2 March/


**Do Institutions Defy Endowments? Explaining the African Paradox**

/week of 9 March/


The Chinese Alternative Path of Development
Week of 16 March


XU, Ch./2011/: The fundamental institutions of China’s reform and development. *Journal of Economic Literature*, vol.49.no.4., pp1076-1151.

Success and Failure of Policy Reform: Is There a Global Convergence?
/week of 23 March/


Institutions and Policies: What Role in Overcoming Poverty?
/30 March/ Monday


ANNEX/strongly recommended


1 April, 2015/Wednesday: final quiz/closed book, facts and figures

8 April, Wednesday, 18 hrs: grades in Infosys/unless administration decides otherwise

Note: Each occasion must be attended. Prior agreement is needed if you are unable to attend. If you have serious difficulties meeting the deadline also prior arrangement must be found, else a delay of each day deducts automatically 5 per cent of the final grade.

Consultations: usually before and after class and during office hours/Monday and Wednesday 17-19 hrs, faculty Tower 304, sign up sheet, registration needed/. If you need urgent help, please use e-mail. If you are unable to attend/meet deadlines, prior notification is required/round the clock answering machine at the IRES Department, phone 327-30-17/. My e-mail is: csabal@ceu.hu


Prof. László Csaba/IRES
Website: www.csabal.com/for info and downloads