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**Winter Term 2020/2021**

**Course:            **Development Economics – Macro and Finance (MA)****

**Part I                    Introduction and Basics (5 Sessions)**

- 08.10.20            1. Catching-Up Process in an Open Economy  
15.10.20            2. Integration into the World Economy  
22.10.20            3. Original Sin and External Indebtedness  
29.-31.10.2020    24<sup>th</sup> Forum for Macroeconomics and Macroeconomic Policies (FMM)  
Conference goes virtual  
05.11.20            4. Exchange Rates: Fixed, Flexible or None at All?  
12.11.20            5. The Role of Central Banks and Regulatory Authorities  
6.-15.11.2020    **Young Scholar Initiative of INET: YSI Virtual Plenary 2020.**  
More info: <https://ysi.ineteconomics.org/plenary>

**Part II                    Macro and Development (5 Sessions)**

- 19.11.20            6. Credit Allocation and Financial Repression\*  
26.11.20            7. Hyperinflation, Indexation and Dollarisation\*  
03.12.20            8. Sovereign Debt Crises and Debt Restructuring  
10.12.20            9. Banking Crises and Balance Sheet Effects  
17.12.20            10. Currency Crises and Contagion

**Part III                   Finance and Development (5 Sessions)**

- 07.01.10            11. Volatile Capital Flows and Capital Account Regulations  
15.01.21            12. Financial Remittances, Digital Financial Services and Financial Inclusion  
22.01.21            13. Development of Regional Financial Markets  
29.01.21            14. National and International Public Financial Institutions  
04.02.21            15. Wrap-up and Outlook; presentation of seminar paper topics; review mid-term exam and oral performances

\*We could win **Emilia Buccella** from Buenos Aires **to give talks on session 6 and 7**. Emilia is a PhD Student at the University of Buenos Aires with a scholarship from CONICET (the National Scientific and Technical Research Council of Argentina – Centre for Labour Studies and Research). Please, mind due to the time difference between Berlin and Buenos Aires, sessions 6 and 7 will begin only **at 2 pm Berlin time**.

## Readings

- Agénor, P.-R., Montiel, P.J. (2015), Development Macroeconomics, Princeton: Princeton University Press, fourth edition
- Cypher, J.M., Dietz, J.L., 2008. The Process of Economic Development 3<sup>rd</sup>. Edition. Routledge.
- Feenstra, R.C., Taylor, A.M. (2014), International Economics. New York: Worth Macmillan, third edition.
- Fry, M.J. (1995), Money, Interest, and Banking in Economic Development. Baltimore and London: The Johns Hopkins University Press, second edition.
- Meier, G.M., Rauch, J.E. (2005), Leading Issues in Economic Development. Oxford: OUP, eighth edition.
- Mitchell, W., Wray, L.R, Watts, M. (2019), Macroeconomics, London: Red Globe Press / Macmillan International Higher Education, 1<sup>st</sup> edition.
- Rodrick, D., Rosenzweig, M. (eds.) (2009), Handbook of Development Economics Vol. 5, Books in Economics, Amsterdam: North Holland (Elsevier).
- Valdez, S., Molyneux, P. (2013), An Introduction to Global Financial Markets. Houndsmill, Basingstoke / New York: Palgrave Macmillan, seventh edition. The library provides us with the e-book version:  
<https://ebookcentral.proquest.com/lib/hwr/detail.action?docID=4763196>

You find a **detailed reading list for part I-III** and **supplementary readings** on the **course website** on Moodle.

## Sessions & Office Hours

Please mind, I will offer this course in the winter term 2020 **only in a digital way**. Accordingly, our course room from now on will be our digital room ‘Development Economics’ using the software BigBlueButton. You are able to enter the course room using the link (<https://meet.hwr-berlin.de/b/met-1iq-ieb>) plus the key 443917.

During online teaching: we will use several **digital means**, of which the BigBlueButton, and Moodle are the most important ones. It is absolute essential for you to be able to handle both systems. Digital literacy is required for this course.

- All lectures will take place in the **BigBlueButton (BBB)**; please mind also, all lectures will be recorded.
- During lectures and phases of group work in form of breakup-rooms during class, we also use the chat on BigBlueButton. However, I will not save this chat; accordingly, students have no access to the BigBlueButton chat anymore after individual sessions.
- Students please make yourself familiar with BigBlueButton here:  
<https://www.youtube.com/watch?v=uYYnryIM0Uw>

- I will also use the **Forum** in Moodle to inform you about any updates or upcoming events – however, only when necessary.
- **Individual consultations** will be on appointment. If you do have an issue, which requires individual consultation, please write me an e-mail and I will arrange a meeting with you. The consultation will take place in my office room on BigBlueButton: <https://meet.hwr-berlin.de/b/met-xw2-ppd>, key: 777046

**You will find on Moodle** all course-related documents, in particularly

- All documents related to the Course Organisation (e.g. module description, outline, reading list, grading scheme for term papers).
- All documents related to the Sessions 1-15 (professor’s PPTs, background papers, required papers, group work assignments, other recommended academic papers and further readings).
- The Moodle course website is structured in a way, which can easily be grasped. There is the folder “Course organisation” and then the folders “Session 1”, “Session 2”,...”Session 15”. I will allocate all information and material, which is related to one specific session only, to the specific folder of the session. You find all other material and information in the folder “Course Organisation” and info
- Students please make yourself familiar with the **course website**. You need to be able to find all information there.

## **Aim of the Course**

This course aims to provide students with a critical understanding of the principal theoretical approaches, historical developments and current policy debates in the field of development economics with the specialisation of macro and finance. Students will become familiar with the features, functioning and risks of financial systems in countries of the Global South in contrast to financial systems in advanced countries. Students will examine causes, channels and impacts to financial-sector related crises, which compromise development efforts. In addition, students will analyse policy responses and prevailing financial sector regulation in terms of their contribution to the stabilisation of financial systems and the advancement of development and growth. Finally, they will discuss how financial sector development processes might be organised on a unilateral, regional or global level and which role financial governance might play. Finally, invited external speakers will deliver lectures on related fields.

## **Teaching**

In **face-to-face teaching**, the course meetings would be as interactive as possible. Normally, the course combines presentations and inputs by the professor plus Q+A. In addition, students would present the major findings of a paper with subsequent discussion in the audience. The

professor would provide an overview of the basics and stylized facts of the corresponding topic; students would present and discuss details of the topic in greater depth.

However, as the Covid-19 forces all of us to switch to **online teaching** and learning, this course will be less interactive given the limited technological capacities available. **With e-teaching** classes are organised as the following. **Each class or session** consists of **four sections à 45 min.**

In the **first two sections** of the session (90 min), I will introduce the topic of the session based on a **background paper** and a formerly uploaded **PPT**; in addition, you will have opportunities for a Q+A during which you may put forward all your questions.

For the **third and fourth section** of the session, I will provide you with **group work assignments** for the sessions (1-14) in form of eight questions. The assignments refer to the **required paper**; accordingly, **the required paper is a must-read**. Together with the PPT of the session, I will upload the group work assignments onto Moodle at least 24 hours before the session to which the assignment refers. The required reading is already available on the Moodle website.

**During the third section** of the session, students will work in breakup-rooms within BBB, prepare their responses in a written form and upload their responses to Moodle. **During the fourth and final section**, we come together again in our classroom at BBB; the working groups will present their responses in class and discuss the paper. After class, I will upload **sample responses for all questions of the group work assignments**. This ensures that students are able to compare their own solutions with the sample solution.

The **questions of the group work assignment** follow the idea of **guided reading** in order to deepen your understanding of the subject and individual topics. They also serve to **acquire more easily major concepts** and approaches in development economics. In addition, they should **prepare you to write the exam and your term paper**.

## **Grading and Requirements (6.5 ECTS)**

You are required to prepare and attend digital classes, participate in the group work assignments based on the required papers and accordingly present in different sessions your responses to the questions of the group work assignments, participate in a mid-term exam and write a term paper.

The grading will be divided between the oral part (25 per cent or 30 points), the mid-term exam (25 per cent or 30 points) and the term paper (50 per cent or 60 points). **Grading rubrics for the term paper may be found on Moodle.**

### **Mid-Term Exam (25% or 30 points):**

Students will have to write a mid-term exam of 45 minutes on **03 December 2020**, which will cover **Part I Introduction and Basics** of the course. The exam will have two blocs of which **one (1)** has to be answered. **The exam will take place in classroom.** More information and instructions on the exam will be provided during class on 19 November 2020.

### **Oral Part (25% or 30 points):**

I have assigned students (according to alphabet) to working groups with each five (5) students. You find the breakdown of the groups in the file “Working Groups”, uploaded to the folder “Course Organisation”. So, please have a look at this file on our course website to check out to which group of students you are allocated. Please also have in mind, students will stay in the working groups for the total term. Working group hopping is not possible.

During the third section of the sessions, students prepare responses to the questions of the group work assignment of the session. **All working groups** prepare the questions 1-4, which refer to the research question, method, new contribution and the theoretical foundation of the paper in question. These four questions should prepare students to better understand the literature and structure it. **In addition**, working groups also respond **to one more specific question**, in detail it is the following:

Working Group 1 & 5 will also prepare the response to:	Q5 of each assignment
Working Group 2 & 6 will also prepare the response to:	Q6 of each assignment
Working Group 3 & 7 will also prepare the response to:	Q7 of each assignment
Working Group 4 & 8 will also prepare the response to:	Q8 of each assignment

After the third section of our session, working groups will upload their responses to Moodle. When you submit your responses, **please display in your response file your working group number**. Use only your own words. **Under no circumstance, do not copy and paste!**

In total, there are 13 group work assignments covering session 1-13. Students must respond to 12 out of these 13 assignments. For this semester, these obligatory 12 group work assignments will represent **the participation in the course, which is mandatory and has to be at least 80 %** (12 sessions out of 15 sessions).

During **the fourth section**, working groups will present their responses in class. In particular, I will **randomly nominate 2** of the existing 8 working groups, to share their responses on questions 1-4 with us.

**Students will earn points for the responding to the group work assignments, in detail:**

- 1 point for the **in-class presentation of the response to one of the questions 5-8** per group work assignment (max. 12 points)
- 6 points for the **in-class presentation of the responses to questions 1-4**. Students will have to present their responses to questions 1-4 three times during the term, **once in each part I-III** of the course (max. 18 points).

### **Term Paper (50% or 60 points):**

Students choose the subject of their term paper out of several topics provided by the professor on **4 February 2021**.

The term paper has a volume of **2500 words** (font size 12, spacing 1.5), **not including** cover sheet, contents page, references, and data appendices. Variance shall not extent +/-10 per cent.

Regarding **style and citation** please follow Prof. Hein's guidelines, which you also find on Moodle (folder "Course Organisation").

Students have to submit their term papers in **an electronic version**, which is to be uploaded on Turnitin. The **deadline** of the term paper is Friday **28 February 2021**. Students comply with the deadline if they upload their term paper on Turnitin until 11:59 pm of 28 February 2021. Our course name is "MA Macro, Finance & Development Winter Term 2020"; the course ID is "26737961" and the password is "MAMFD\_WT2020". More detailed delivery instructions for the term paper will be sent out at a later stage.

**Please note:** Deadlines are binding! Any late or partial submission of responses to the group work assignments or term papers has to be notified *before* the above corresponding deadlines. Students will need **a medical certificate** to avoid a downgrading. **Late work** will lose **10 per cent** the final grade per 24 hour period.