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Winter Term 2026 / 2027

Course: Development Economics – Macro and Finance (MA)
(MA-Eco-M04-F01-WiSe-2026)

Part I Introduction and Basics (5 Sessions)

- 26.11.26 1. Catching-Up Process in an Open Economy
- 01.12.26 2. Integration into the World Economy
- 03.12.26 3. Original Sin and External Indebtedness
- 08.12.26 4. Exchange Rates: Fixed, Flexible or None at All?
- 10.12.26 5. The Role of Central Banks

Part II Macro and Development (5 Sessions)

- 15.12.26 6. Financial Repression and Dollarisation
- 17.12.26 7. **Mid-Term Exam (in Presence)** & Inflationary Processes
- 05.01.27 8. Sovereign Debt Crises and Debt Restructuring **(Online Class)**
- 07.01.27 9. Banking Crises and Balance Sheet Effects **(Online Class)**
- 12.01.27 10. Currency Crises and Contagion

Part III Finance and Development (5 Sessions)

- 14.01.27 11. Banking and Bond Markets
- 19.01.27 12. International, Regional and National Public Financial Institutions
- 21.01.27 13. Financial Inclusion through Digitalisation of Money and Finance
- 26.01.27 14. The Role of the State in the Developmental Process
- 16.02.27 15. **Term-End Exam (in Presence)**

Office Hours

Individual consultations in presence are on **Thursdays between 4-5 pm**, beginning with 26 November 2026 or by appointment. Please note: there are **no regular consultations in presence** on the **7 January 2027** and **after the 28 January 2027**. Online consultations are available upon request.

Our course website on Moodle

On Moodle, you will find all course-related documents, specifically,

- All documents related to the Course Organisation (e.g. module description, syllabus, requirements and grading as well as the reading lists for Part I, Part II and Part III).
- All documents related to the Sessions 1-14 (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",....until "Session 14". 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".
- **Students should make themselves familiar with the course website on Moodle. It is important to be able to find all information there.**

Readings

You find detailed reading lists for the three parts of the course, PPTs from the professor and papers uploaded to our course website on Moodle. For each session, I will offer you one required paper.

Interesting Textbooks

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, third Edition. Routledge.

Feenstra, R.C., Taylor, A.M. (several editions), International Economics. New York: Worth Macmillan.

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, and Watts, M. (2019), Macroeconomics, London: Red Globe Press / Macmillan International Higher Education, first edition.

http://hwr.ciando.com.ezproxy.hwr-berlin.de/book/index.cfm?bok_id=2128959

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>

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

Tuesdays: 08:30 – 10:00 am and 10:15 – 11:45 am

Thursdays: 12:00-1:30 pm and 2:15-3:45 pm

The **class meetings in presence** should be as interactive as possible. Every session there will be a lecture by the professor providing an overview of the basics and stylized facts of the corresponding topic followed by a discussion within class on the required paper.

Each class or session consists of **2 parts**:

In the first part of class (90-120 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.

In another part of class (60-90 minutes), we will share and discuss responses to the **group work assignments** in form of eight (8) questions. The assignments refer to the **required papers**; accordingly, **the required paper is a must-read. You find all required papers** in the reading lists Part I, Part II and Part III; in addition, all required papers are also uploaded to the respective session folders of our course website on Moodle. Together with the PPT of the session, I will upload the group work assignments onto Moodle, latest one week before the session to which the assignment refers. Students will have to prepare their responses in a written form and upload their responses to Moodle latest **before class during which you have to present them**. You find the details about the deadlines in the section “**Grading and Requirements**” below.

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 assignments** 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 exams**.

Should we need to practice **online teaching**, we will use BigBlueButton. It is absolute essential for you to be able to handle BBB. Digital literacy is required for the digital teaching.

- Students please make yourself familiar with BigBlueButton here:
<https://www.youtube.com/watch?v=uYYnryIM0Uw>
- You find the link to our BBB room on Moodle in the folder Course Organisation.
- Please mind, online sessions might be recorded.
- During an online lecture, we might also use the chat on BBB. However, I will not safe this chat; accordingly, students have no access to the BBB chat anymore after individual sessions.

Grading and Requirements (6.5 ECTS)

Besides attending and preparing classes, you are required to

- (1) participate in the group work assignments based on the required papers and present your responses in class as a group
- (2) write a mid-term exam, and
- (3) write a term-end exam.

The grading will be divided between the oral presentations of the group work assignments (25 per cent or 30 scores), the mid-term exam (25 per cent or 30 scores) and the term-end exam (50 per cent or 60 scores). Students may gain 120 scores max.

Oral Presentations of Group Work Assignments (25% or 30 scores):

I will assign students (according to alphabet) to working groups with each four to five (4-5) 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 on Moodle to check out to which group of students you are allocated. Please also have in mind, students will stay in the working groups throughout the complete term. Working group hopping is not possible.

For session 1-12, there is one required paper for students to read. I will provide 8 questions per required paper. **Questions 1-4** are always the same for each paper and refer to the research question(s), the applied method, the new contribution to literature and the theoretical foundation used in the paper. **Questions 5-8** are paper-specific questions which differ from paper to paper.

All working groups prepare the questions 1-4 of the group work assignments. These four questions should prepare students to better understand the literature and structure it. In addition,

students will learn to make themselves more familiar with academic writing by established authors and by this will be able to improve their own paper writing skills.

In addition, all working groups also respond **to one more question**, in detail it is the following:

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

The responses should be submitted to Moodle in a written form. When you upload your responses to Moodle, **please display in your response file your working group number**. Use only your own words. **Under no circumstance, do not copy and paste and please cite correctly! This also covers AI: If you use it, you need to reference it.**

In total, there are 12 group work assignments covering the sessions 1-12. Students must respond to all 12 group work assignments. These obligatory 12 group work assignments will represent **the participation in the course**.

Working groups will present their responses to questions 5-8 of each group work assignment in class. In addition, 2 of the existing **8 working groups** will share their responses also on questions 1-4 of the group work assignments with the class.

The group work assignments have to be handed in before class, in detail the deadlines for the group work assignments are:

Group work assignment 1:	01.12.26. (@ 8:30 am for Tuesdays and 12 pm Thursdays)
Group work assignment 2:	03.12.26
Group work assignment 3:	08.12.26
Group work assignment 4:	10.12.26
Group work assignment 5:	15.12.26
Group work assignment 6:	07.01.27
Group work assignment 7:	07.01.27
Group work assignment 8:	07.01.27
Group work assignment 9:	12.01.27
Group work assignment 10:	14.01.27
Group work assignment 11:	19.01.27
Group work assignment 12:	21.01.27

Mid-Term Exam (25% or 30 scores):

Students will have to write a mid-term exam of 45 minutes on **Thursday, 17 December 2026**. The exam will cover **Part I Introduction and Basics** of the course. **The mid-term exam will take place in presence in classroom.** More information and instructions on the exam will be provided in class during session 5.

Term-End Exam (50% or 60 scores):

Students will have to write a term-end exam of 90 minutes on **Tuesday, 16 February 2027**. **The term-end exam will take place in presence in classroom.** The exam will cover **Part II Macro and Development** and **Part III Finance and Development** of the course. More information and instructions on the exam will be provided in class during session 14.