



INSTITUTE
OF ECONOMIC STUDIES
Faculty of Social Sciences
Charles University

Comparative Economics

Spring Term

Professor: [Doc. Ing. Tomáš Cahlík CSc.](#)

Office hours: by personal arrangement

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Credits: 3 U.S. credits (6 ECTS)

Course Code: JEB103

Course Description:

The aim of this course is to compare and contrast countries and regions on different stages of economic development and economic transition, using the new institutional approach. Technological development as the basic reason of economic growth and economic differences in developed countries is analyzed - using different approaches - in the broader economic and social framework, from inventions to innovations.

Course Objectives:

By the end of this course the students will be able to:

- 1) analyze the process of economic changes in the broad context of social and political development,
- 2) enumerate the dynamics of economic performance
- 3) define major current economic, social and political changes in the world,
- 4) compare economic, social and political developments among different countries
- 5) contrast the basic differences and commonalities of the economy of a student's home country and other economies and policies.

The midterm exam stresses the fulfillment of objectives 1-3.

Homework, teaching assistance and the final exam stresses the fulfillment of objectives 4 and 5.

Structure:

The structure of this course will be divided between lectures and seminars. Lectures as well as seminars will meet once per week for 1.5 hours.

Instructions:

Please contact the IEF staff to learn more about the instructions for this course, including meeting times and how to register.

Requirements:

For this course, team work is welcomed (maybe necessary, with higher number of students in the group).

Academic Honesty:

Although the students are encouraged to exchange ideas in and outside class, everybody is required to submit their own work. That means that copying the work of other students or published materials is strictly prohibited.

Grading System:

Written midterm exam	20%
Written final exam	20%
Homework (answering questions on required readings, until Wednesday at noon of the relevant week in the Moodles system)	36 %
One week teaching assistance (Students are expected to enrich the teacher's standard approach to the topics (look at the teacher's PowerPoint presentations in the Moodles Wiki).	24%

Course Content:

Necessary Theoretical Background (3 weeks):

1. Introduction to the course:

The End of History or the Clash of Civilizations?
Economic Development, Economic Transition and Economic Growth.
Understanding Historical Development, Basic Current Issues.
Changes of Social Systems.
Sources of Information.

2. Institutional Economics:

The Coase Theorem – The Link to Institutions.
Institutions and Economic Growth; Static and Dynamic Case.
The Polity as Creator of Institutions.

3. Economic Performance:

Measurements.
System of National Accounts.
Basic Economic Mechanisms.
Economic Analysis of Financial Systems – Transaction Costs and Asymmetric information.

Economic Development (3 weeks):

4. A Theoretical Framework for Economic Development.

A Comparative Perspective on Developing Economies.
Population Growth and the Constraint of Natural Resources.
Breaking the Resource Constraint.

Suggested Topics for Teaching Assistance:

Poverty and Attacking Poverty
Population Growth and Attacking Population Growth
Population Stagnation and Aging and Attacking Population Stagnation and Aging.

5. Capital Accumulation in Economic Development.

Patterns and Sources of Technological Progress.
Income Distribution and Environmental Problems.

Suggested Topics for Teaching Assistance:

AIDS
Case Studies from South America or South-East Asia

6. Market and State.

The Role of Community in Economic Modernization.
Tradition and Modernization.

Suggested Topics for Teaching Assistance:

Case Studies from India
Case Studies from Islamic Countries

Economic Transition and EU Enlargement (3 weeks)

7. Basic Facts, Basic Mechanisms, Partial Analysis and Global Analysis of Transition:

Reallocation. Restructuring. Privatization.
How can we explain the U-shaped evolution of GDP?

Suggested Topics for Teaching Assistance:

Case Studies from the Former Soviet Union Countries
Case Studies from China

8. Czech Approach to Transformation: Gradualism x Shock Therapy.

Accepted Transformation Strategy.
Voucher (Coupon) Privatization – a Specifically Czechoslovak Approach.
Privatization Summarized. Critical Remarks.

Suggested Topics for Teaching Assistance:

Case Studies from the Central and East European Countries

9. The EU Enlargement Process

Midterm Exam

Economic Growth and Innovations (3 weeks):

10. Human Capital and Absorption Capacity.

Suggested Topics for Teaching Assistance:

Education
Health Care
On-the-Job Training

11. The Economics of Innovation: Socio-Cognitive Network.

Development and the Diffusion of Technology.
Aspects of Public Policy for Science, Technology and Innovations.
Historical Illustrations; the Rise of Science Related Technology.
National Systems of Innovation.

Suggested Topics for Teaching Assistance:

7th Framework Programme in Europe
Case Studies from National Systems of Innovation

12. Scientometric Analysis of the R&D Sector

Suggested Topics for Teaching Assistance:

Miscellaneous on Economic Growth and Innovations

Summary of the Course (1 week):

13. Current Issues - Globalization.

Suggested Topics for Teaching Assistance:

The Global Capitalist System
The Global Institutions
The Global Financial Crisis
The Way Ahead

Reading Materials:

Required:

In Moodle UK: <http://dl1.cuni.cz/course/category.php?id=44>

Supplementary:

Blanchard, O: *The Economics of Post-Communist Transition*. Oxford University Press 1997. ISBN 0-19-828926-X

Cahlík, T. at al. *Real Economic Convergence – Selected Topics*. Praha: Karolinum, 2004.

Cahlík, T. *Technologický rozvoj jako produkt sociokognitivní sítě*. Praha: Karolinum, 2000.

Freeman, Ch.-Soete, L.: *The Economics of Industrial Innovation*. The MIT Press 1997.
ISBN 0-262-56113-1

Hayami, Y: *Development Economics*. Oxford University Press 1997. ISBN 0-19-829493-x (pb)
Jones, CH.I.: *Introduction to Economic Growth*. W.W.Norton&Comp. 1998. ISBN 0-393-97174-0

Yager, T.J.: *Institutions, Transition Economies and Economic Development*. Westview Press
1999. ISBN 0-8133-3573-6 (pb)

Some basic economic textbooks (just selected parts – the lecturer can give you his recommendation)