

Freie Universität Berlin
 Prof. Dr. Theodor N. Grigoriadis
 Prof. Dr. Sasa Randjelovic
 Department of Economics
 Institute for East European Studies
 Jean Monnet Chair on the External Economic Relations
 Of the European Union
 EUGLOBALECON
theocharis.grigoriadis@fu-berlin.de
randjelovic@ekof.bg.ac.rs
 Summer Semester 2025

Development Economics: Globalization & the European Union - Political Economy of Europe

Lecture: Tuesdays, 14-16, Garystr. 21/Hörsaal 108a (Theodor N. Grigoriadis).

Seminar (Block)

Monday, 14.04.2025, 14-18, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Wednesday, 16.04.2025, 16-20, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Thursday, 17.04.2025, 14-18, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Thursday, 15.05.2025, 14-18, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Friday, 11.07.2025, 14-18, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Monday, 14.07.2025, 14-18, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).
 Wednesday, 16.07.2025, 16-20, Ihnestr. 22/Raum UG 5 (Sasa Randjelovic).

Office Hours: Mondays, 8-10, Garystr. 55/101A (Theodor N. Grigoriadis).
 Upon request (Sasa Randjelovic).

Modules:

Master of Science in Economics/Public Economics: *Area Studies in Economic Policy Analysis*
 Master of Arts in East European Studies: *Dynamics of Societal Transformations* (Sasa Randjelovic)
 Master of Arts in Political Science: *Economics* (Theodor N. Grigoriadis, Sasa Randjelovic)

Development Economics: Globalization and the EU is a graduate course on development economics with a focus on EU economic relations with the Global South. It is offered under the auspices of the Jean Monnet Chair in External Economic Relations of the European Union held by Prof. Grigoriadis and his team. Within the context of EU policy decision-making, the first part of the course will concentrate on key models and approaches in development economics such as new growth models, inequality and poverty, population economics and rural-urban transitions, the role of resources such as land and labor and the impact of financial development through the lenses of credit markets and insurance modeling. Furthermore, we discuss theoretical and empirical topics in EU development policy with a strong focus on the political economy of foreign aid and international trade. Students are expected to become conversant with the analytical tools and theoretical discussions presented in the literature and related to EU development and trade policies. The role of the European Union as a global trade and development actor is central in the learning process. **Political Economy of Europe** is a graduate course on evolving role of government in promoting economic development, analyzed from the normative and from the policy aspects, with the focus on the EU and the EU-candidate countries. In the first part of the course the general arguments for government intervention in an economy will be presented and discussed, followed by the discussion on the role the institutions play in shaping economic development. The second part of the course is dealing with the economic and political aspects of government intervention in an economy, by discussing both the traditional functions of

government (intervention in redistribution and provision of social security services – primarily pension and health insurance), as well as the new functions of government in promoting sustainable development (environmental economics). Finally, the third building block of the course will be dealing with sustainable financing of government intervention, by analyzing the topic related to economics of tax evasion, combining arguments provided by the neoclassical and behavioral economics. All topics will be presented from the normative perspective, taking into account economic and political aspects, as well as from the policy perspective in Europe and the impact of the respective policies in the EU on other countries, such as the EU candidate countries.

Active Participation: collective presentation (12 slides per person, 15 minutes per person) in the last five weeks of the semester.

Regular Participation: 75% attendance of seminars and lectures.

Grade:

Final Exam: Wiwiss students.

Research Paper (4 K words): OEI/PolSoz students.

Note: OEI/PolSoz students wishing to take Political Economy of Europe separately are expected to produce a research paper of 4 K words for that course.

Required Texts:

Development Economics

1. Ray, Debraj. *Development economics*. Princeton University Press, 1998.
2. Roland, Gérard. *Development economics*. Routledge, 2016.
3. Carbone, Maurizio, and Jan Orbie, eds. *The trade-development nexus in the European Union: differentiation, coherence and norms*. Routledge, 2016.
4. Del Sarto, Raffaella, and Simone Tholens. *Resisting Europe: practices of contestation in the Mediterranean Middle East*. University of Michigan Press, 2020.
5. Dür, Andreas, and Manfred Elsig, Eds. *The European Union's foreign economic policies: a principal-agent perspective*. Routledge, 2014.
6. Grigoriadis, Theodoris N. *Aid in Transition*. Springer-Verlag New York, 2015.

Political Economy of Europe

1. Hindrix, Jean and Myles Gereth. *Intermediate Public Economics*. MIT Press, 2013.
2. Rosen, Harvey and Ted Gayer. *Public Finance*. McGraw Hill. 2014.
3. Barr, Nicholas. *Economics of the Welfare State*. Oxford University Press, 2020.
4. Acemoglu, Daren, Simon Johnson and James Robinson. *The Colonial Origins of Comparative Development: An Empirical Investigation*. *American Economic Review*, 2001: 91(5), 1369-1401.
5. Fouejieu, A. P., Kangur, A., Martinez, S. R., & Soto, M. (2021). *Pension Reforms in Europe: How Far Have We Come and Gone?*. IMF Departmental Paper 2021/016. 2021. Available at the [LINK](#)
6. Maresso, Anna, Philippa Mladovsky, Thomson, Sarah. et al. (2015). *Economic Crisis, Health Systems and Health in Europe: Country Experience*. World Health Organization, 2015. Available at the [LINK](#).
7. Milanović, Branko. *Worlds apart: Measuring International and Global Inequality*. Princeton University Press, 2011.
8. McKee, Martin., Laura MacLehose and Ellen Nolte. *Health Policy and European Union Enlargement*. McGraw-Hill Education, 2004.
9. Reibling, Nadine, Meraike Ariaans and Claus Wendt. *Worlds of Healthcare: a Healthcare System Typology of OECD Countries*. *Health Policy*, 2019: 123(7), 611-620.

10. Schneider, Friedrich, Konrad Raczkowski and Bogdan Mróz. *Shadow Economy and Tax Evasion in the EU*. Journal of Money Laundering Control, 2015: 18(1), 34-5
11. Schwarz, Anita and Omar Arias. *The Inverted Pyramid – Pension Systems Facing Demographic Challenges in Europe and Central Asia*. World Bank. 2014. Available at the [LINK](#)
12. Torgler, Beno, Ihsan Demir, Alison Macintyre, and Markus Schaffner. *Causes and Consequences of Tax Morale: An empirical Investigation*. Economic Analysis and Policy, 2008: 38(2), 313-339.
13. Tosun, Jale. *The European Union's Climate and Environmental Policy in Times of Geopolitical Crisis*. JCMS: Journal of Common Market Studies, 2023: 61, 147-156.

Development Economics: Globalization & the European Union

Week 1: Introduction

Lecture: The Development Gap & New Growth Theories

- Ch. 4, Ray (1998).
- Ch. 1 & 4, Roland (2016).
- Problems, Ch. 4, Ray (1998).

Week 2: Inequality: Measurement

Lecture: Economics of Inequality

- Ch. 6, Ray (1998).
- Ch. 2, Roland (2016).
- Problems, Ch. 6, Ray (1998).

Week 3: Inequality: Development

Lecture: Interconnections of Inequality

- Ch. 7, Ray (1998).
- Problems, Ch. 7, Ray (1998).

Week 4: Poverty

Lecture: Determinants of Poverty

- Ch. 8, Ray (1998).
- Problems, Ch. 8, Ray (1998).

Week 5: Demography

Lecture: Introduction to Population Economics

- Ch. 9, Ray (1998).
- Ch. 3, Roland (2016).
- Problems, Ch. 9, Ray (1998).

Week 6: Rural & Urban Economies

Lecture: Rural-Urban Transitions

- Ch. 10, Ray (1998).
- Ch. 12, Roland (2016).
- Problems, Ch. 10, Ray (1998).

Week 7: Agriculture, Land & Labor

Lecture: Resources & Development I

- Ch. 11, 12 & 13, Ray (1998).
- Ch. 13, Roland (2016).
- Problems, Ch. 11, 12 & 13, Ray (1998).

Week 8: Credit & Insurance

Lecture: Resources & Development II

- Ch. 14 & 15, Ray (1998).
- Ch. 15, Roland (2016).
- Problems, Ch. 14 & 15, Ray (1998).

Week 9: EU Foreign Aid

Lecture: International Trade & Foreign Aid

- Ch. 16, Ray (1998).
- Ch. 5, Roland (2016).
- Dür & Elsig, 2014.
- Problems, Ch. 16, Ray (1998).

Week 10: EU Development Policy & the East European Transition

Lecture: The Political Economy of EU Foreign Aid to the post-Soviet Space

- Grigoriadis, 2015.
- Problems, Ch. 16, Ray (1998).

Week 11: EU Trade I

Lecture: EU Trade Policy

- Problems, Ch. 17, Ray (1998).
- Ch. 6, Roland (2016).
- Problems, Ch. 17, Ray (1998).

Week 12 EU Trade II

Lecture: EU Trade & the Middle East Migration Crisis

- Del Sarto & Tholens, 2020.
- Ch. 7, Roland (2016).
- Problems, Ch. 17, Ray (1998).

Week 13: Global Trade & the EU

Lecture: Global Economic Policy of the EU I

- Ch. 18, Ray (1998).
- Ch. 17, Roland (2016).
- Carbone, Maurizio, and Jan Orbie, 2016.
- Problems, Ch. 18, Ray (1998).

Week 14: International Development & the EU

Lecture: Global Economic Policy of the EU II

- Carbone, Maurizio, and Jan Orbie, 2016.

- Ch. 18, Roland (2016).

Political Economy of Europe

Topic 1: Government Intervention and Economic Development

Seminar: Evolving Role of Government in Europe

- Ch. 2, Barr (2020).
- Ch. 5, Hindriks & Myles (2013).
- Ch. 1, Rosen & Gayer (2014).
- Problems; Barr (2020).

Topic 2: Institutions and Economic Development

Seminar: The Quality of Institutions in Europe - Measurement and Policies

- Ch. 7, Gerard (2016).
- Acemoglu et al. (2001).
- Problems.

Topic 3: Inequality

Seminar: Global Trends in Economic Inequality – Causes and Consequences

- Problems; Milanović (2011).
- Ch. 2, Barr (2020).
- Ch. 6, Raj (1998).
- Ch. 12, Rosen & Gayer (2014).

Topic 4: Social Security: Pension Insurance Policy

Seminar: Political and Economic Aspects of Pension Policies in Europe

- Problems; Schwarz and Arias (2014), Ch. 7, Barr (2020).
- Ch. 7, Barr (2020).
- Ch. 11, Rosen & Gayer (2013).

Topic 5: Social Security: Health Insurance Policy

Seminar: Political and Economic Aspects of Healthcare Policies in Europe

- Ch.7, Barr (2020).
- Ch. 11, Rosen & Gayer (2013).
- Problems; McKee et al. (2004); Mareso et al. (2015); Reibling et al. (2019).

Topic 6: Environmental Economics

Seminar: Environmental Policy in Europe

- Ch. 26, Hindriks and Myles (2013).
- Problems; Tosun (2023).

Topic 7: Economics of Tax Evasion

Seminar: Measuring Tax Evasion – Methodological Issues and Results in Europe

- Ch. 17, Hindriks & Myles (2013).
- Torgler et al. (2008).
- Problems; Schneider et al. (2015).