



SYLLABUS



Cours : Growth economics

Ects : 5

Niveau d'étude : Licence 3 économie

Semestre : 5

CM : 30 heures

Enseignants : Francesco Ricci

TD : 15 heures

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Modalité de contrôle des connaissances :

contrôle continu : midterms, homework and participation to class activity

Overview and aim

The aim of this course is to provide an introduction to long term analysis of economies, specifically questioning the determinants of economic growth. Students are trained to apply methods to study dynamic economic systems. Moreover, the course offers the possibility to understand how economists test the empirical plausibility of their theories, while illustrating the mutual influence between academic thought in economics and the making of economic policy.

Prerequisites

Students should master some concepts in macro and microeconomics (gross domestic product, savings and the financial system, general equilibrium theory), in mathematics (solving a system of equations, graphical analysis of a function), and have minimum skills with spreadsheets software, such as MS Excel.

Content

The course follows the evolution of economic thought since the 2nd half of the last century concerning the determinants of economic growth. Much of the class focuses on the very first part of the content table below, when students learn how to analyze a dynamic economic system.

1) Apparent factors

- Physical capital accumulation
 - exogenous savings (Solow-Swan model);
 - endogenous savings (infinitely lived representative agent; overlapping generations model)
- The accumulation of other production factors:
 - demography (fertility choices à la Becker; Galor and Weil)
 - education (Mankiw, D. Romer and Weil; Lucas; Nelson et Phelps)

2) The evolution of total factors productivity

- Measuring differences in productivity and their evolution (development accounting)
- Schumpeterian theory with innovation induced by R&D (P. Romer; Aghion et Howitt)
- Incentives to effort and efficiency

3) The fundamental factors

- Geography, natural resources, culture
- The role of political and economic institutions (North; Acemoglu et Robinson)

Bibliography

Chapters to be studied and additional readings will be posted on the moodle website of the course.

- Weil, D. (2013), *Economic growth*, Pearson/Addison Wesley
- Mankiw, G. (2019), *Macroeconomics*, MacMillan Learning
- Aghion, P. and P. Howitt (2008), *The economics of growth*, The MIT Press
- Easterly, W. (2002), *The elusive quest for growth*, The MIT Press