



## Syllabus

Academic Year	2023/2024
Program	Politics: Philosophy and Economics
Course	Political Economy of Development
Term	I semester
Year	3
SSD	SECS-P/02 - Politica economica
Credits	6

This class provides an introduction to contemporary research on the political economy of development. The major questions to be addressed by the course are: How central are institutions and politics to economic development? How does culture shape institutions? How important are human capital, technology and entrepreneurship as drivers of economic development? How important are international effects relative to domestic features? Why do governments employ policies that hinder development?

Students who complete this course successfully should:

### INSTRUCTIONAL GOALS

- understand the most important concepts within the subfield of political economy of development
- learn how to answer main questions regarding the proximate and the fundamental causes of growth and development
- learn a good deal about substantive areas of political economy of development (technology, human capital and development, institutions and economic performance, economic policy and development, social choice and welfare)
- connect theories routinely to real-world examples
- improve ability to use economic theory and empirical evidence.

### INTENDED LEARNING OUTCOMES

They describe what a learner is expected to know, understand and be able to demonstrate after completion of a learning path.

#### **Knowledge and understanding:**

The graduate is able to understand both macroeconomic/microeconomic theories and phenomena and the lines that can inspire economic policy actions, in the context of developing economies. The reference methods are inductive, deductive, static and dynamic.

#### **Applying knowledge and understanding:**

The graduate is in a position to critically evaluate the proposed or pursued economic policy actions, checking whether or not the promised effects correspond to those foreseeable in



light of empirical evidence and the prevailing economic theories. These skills, in addition to being assessed in the final phase in the final verification moments (in written and oral form), are monitored in itinere through intermediate tests, which constitute a fundamental moment of improvement or adjustment of teaching based on the results achieved, both at the individual student level and at the class group level.

The graduate acquires methodological tools useful for independently developing analyzes including the stages of collection, processing and interpretation of data relating to economic, social, political, organizational and communication phenomena.

**Making judgements:**

The judgment capacity independently is transmitted in the context of lectures and seminars and is verified in occasion of class presentations and during the profit examination through the evaluation of the critical exposure capacity of the analyzes treated. Graduates develop the ability to communicate their specific knowledge, exhibit the results of their study to their colleagues and work in team.

**Communications Skills:**

The communication skills acquired are verified in the context of class team presentation and the profit exams.

**Learning skills:**

The graduate develops an autonomous higher level study ability, which allows to analyze the problems in their complexity and specific dynamics. The adoption of this ability is stimulated through participation in seminars on current socio-political issues, through individual reading and understanding of scientific texts and articles and in the context of the drafting of the degree thesis, a privileged location in which it is also verified.

Pre-requisites	Microeconomics and Macroeconomics.
Course content	There are very large differences in income per capita and output per worker across countries today. Countries at the top of the world income distribution are more than thirty times as rich as those at the bottom. For example, in 2000, GDP (or income) per capita in the United States was over \$33000. In contrast, income per capita is much lower in many other countries: less than \$9000 in Mexico, less than \$4000 in China, less than \$2500 in India, and only about \$700 in Nigeria, and much lower in some other sub-Saharan African countries such as Chad, Ethiopia, and Mali. These numbers are all at 1996 US dollars and are adjusted for purchasing power parity (PPP) to allow for differences in relative prices of different goods across countries. How can we explain these differences? Main Topics: Cross-Country Income Differences Measurement Issues - Income and Welfare - Development vs. Growth Theories of Economic Growth and Development The Solow Model Market vs. non market failures Underdevelopment trap and multiple equilibria, coordination failures Proximate vs. Fundamental Causes of Economic Growth/Development Institutions and Development: Geography and Development ;"Luck" and Development; Culture and Development Health and Development Education and Growth Environment and Development Openness and Growth Diagnostics and Development policymaking.
Reference Books	Michael P. Todaro, Stephen C. Smith, Economic Development, 2012, Pearson Education (chs 1-4). (11th edition).  Daron Acemoglu, Introduction to Modern Economic Growth, 2009, Princeton University Press (chs. 1 and 4); (draft version) Acemoglu-2007.  Dany Rodrik, One Economics, Many Recipes: Globalization, Institutions, and Economic Growth, Princeton University Press, 2007 (pp.1-55; 153-183)  Readings: Acemoglu D. and Robinson J.A., (2015), The Rise and Decline of General Laws of Capitalism, Journal of Economic Perspectives, 29(1): 3-28.  Baumol W. (1990), Entrepreneurship: Productive, Unproductive and Destructive, The Journal of Political Economy, vol. 98 n. 5. 893-921.



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Engermann S. and Sokoloff K. (2000), Institutions, Factor Endowments, and Paths of Development in the New World, *Journal of Economic Perspectives*, vol. 14 n.3, 217-232.

Guiso, L., Sapienza, P. & Zingales, L. (2006). "Does Culture affect Economic Outcome?" *Journal of Economic Perspectives*, 20(2): 23–

Hanushek E. A., Woessmann L. (2011), How much do educational outcomes matter in OECD countries?, *Economic Policy* July 2011, Great Britain, pp. 427–491.

North D. C. (1991), Institutions, *The Journal of Economic Perspective*, vol. 5 n. 1, 97-112

Margolis By Choice and by Necessity: Entrepreneurship and Self-Employment in the Developing World

North, D. C. , (1994), "Economic Performance Through Time", *American Economic Review*, 84:359-368.

Rodrik D. (2017), Populism and the Economics of Globalization, NBER Working Paper No. 23559 June 2017.

Rodrik D. (2015), Premature Deindustrialization, *Rodrik deindustrialization2014*

Stiglitz J. (1991), Markets, Market failures and Development, vol. 79 n.2, 197-203.

Tabellini, G. (2010). "Culture and Institutions: Economic Development in the Regions of Europe", *Journal of the European Economic Association*, 8(4): 677-716.

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Teaching Methods

Lecture, class discussion, seminars, team presentation.

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Assessment

In class team presentation + oral final examination.

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