UCL Université catholique de Louvain

LECON2312

2014-2015

Macroeconomics of the development

5.0 credits	30.0 h	2q

Teacher(s) :	Docquier Frédéric ;
Language :	Français
Place of the course	Louvain-la-Neuve
Main themes :	The course combines empirical and theoretical approaches. It starts with a description of development indicators and a statistical/ econometric analysis of the evolution of income disparities. Then, the theoretical part is based on the modern theory of growth. It reviews the earlier growth models of Har-rod-Domar and Solow. Based on these standard tools, the goal is to introduce various ingredients generating poverty traps. Poverty traps means that history matters: poor countries remain poor while rich countries remain rich. Theoretically, these traps are linked to the existence of multiple long-run equilibria. Among these mechanisms generating multiplicity, we include technological spillovers (at the macro and micro levels), agents' expectations, liquidity constraints, and endogenous quality of institutions. From year to year, some special issues will also be covered, such as brain drain and human capital, endogenous fertility, effectiveness of international aid, economic effects of AIDS, etc.
Aims :	The goal of this course is to analyze the factors governing the evolution of income inequality across nations. In particular, we will study inequality between industrialized and the least developed countries. At the end, stu-dents are expected to be able to rigorously address the following issues: - How to quantify inequality across nations? - How did income disparities evolve in the past? - Are developing countries blocked in poverty traps and why? - What can we expect for the future? - What are the policy recommendations if one aims at reducing income disparities? Students will handle various data sets on developed and developing countries. Data will be used to empirically assess the relevance of theories and to simulate the impact of policy reforms *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Content :	The course relies on ex-cathedra readings. The professor will present the theoretical and empirical tools which can be used to work with data and simulate models. Students are suggested to read some complementary refer-ences by themselves (reports of international institutions, books, articles). These additional references can be found in the general bibliography. Students are also recommended to solve practical exercises, i.e. theoretical exercises, numerical simulations and manipulation of data sets.
Other infos :	Macroeconomics I Written exam + homeworks Syllabus + complementary readings Professor (reception : 2 hours a week)
Cycle and year of study :	> Master [120] in Agricultural Bioengineering > Master [120] in Mathematical Engineering > Master [120] in Multilingual Communication > Master [120] in Economics: General > Master [60] in Economics : General
Faculty or entity in charge:	ECON