




Language :	English
Place of the course	Louvain-la-Neuve
Main themes	<p>This course studies macroeconomic aspects of economic development, growth, and inequality with a focus on theoretical analyses.</p> <p>The following subjects are studied:</p> <p><b>Part 1: Economic development and structural change</b></p> <ul style="list-style-type: none"> <li>• The evolution of income differences across and within countries (empirical)</li> <li>• The diffusion of technologies towards developing countries                             <ul style="list-style-type: none"> <li>• A model of technology diffusion                                     <ul style="list-style-type: none"> <li>• Endogenous distance to the technological frontier</li> <li>• Appropriateness of technologies</li> </ul> </li> </ul> </li> <li>• Consumer demand and structural change                             <ul style="list-style-type: none"> <li>• Stone-Geary preferences and Engel curves</li> <li>• Structural change and endogenous growth in a two-sector model</li> </ul> </li> <li>• Dual economy models                             <ul style="list-style-type: none"> <li>• Urbanization</li> <li>• Formal and informal activities</li> </ul> </li> <li>• The O-ring theory of economic development</li> <li>• Coordination failures                             <ul style="list-style-type: none"> <li>• Rent-seeking and endogenous career choices</li> <li>• Aggregate demand externalities</li> </ul> </li> </ul> <p><b>Part 2: Inequality and growth</b></p> <ul style="list-style-type: none"> <li>• The neoclassical theory of distribution                             <ul style="list-style-type: none"> <li>• Robotization and the labor income share</li> </ul> </li> <li>• Capital market imperfections, inequality, and growth                             <ul style="list-style-type: none"> <li>• One-period lifetime with bequest model                                     <ul style="list-style-type: none"> <li>• Decreasing returns to individual investment</li> <li>• Increasing returns and investment indivisibilities</li> </ul> </li> </ul> </li> <li>• Factor income distribution and growth                             <ul style="list-style-type: none"> <li>• Infinite horizon (Ramsey)</li> <li>• Overlapping generations</li> <li>• Growth, distribution, and political economy</li> </ul> </li> <li>• Personal income distribution and growth                             <ul style="list-style-type: none"> <li>• Homothetic preferences</li> <li>• Consumption indivisibilities and demand-driven innovation</li> </ul> </li> </ul>
Learning outcomes	<p><b>At the end of this learning unit, the student is able to :</b></p> <p>1 The goal of this course is to improve students' understanding of the above-mentioned topics and should learn to rigorously address various related issues.</p>
Evaluation methods	There is a final written exam at the end of the course
Content	<p>The course consists of lectures in which the topics are presented (by the lecturer) and discussed. There are some exercises that have to be prepared at home before being solved in class.</p> <p>The goal of this course is to improve student's understanding of the above-mentioned topics and to enable them to rigorously address various related issues.</p>
Bibliography	<ul style="list-style-type: none"> <li>• Several chapters from the following books:                             <ol style="list-style-type: none"> <li>1. "Introduction to Modern Economic Growth"; Daron Acemoglu; Princeton University Press; 2009</li> <li>2. "Income Distribution in Macroeconomic Models"; Giuseppe Bertola, Reto Föllmi, Josef Zweimüller; Princeton University Press; 2006</li> </ol> </li> <li>• Various papers indicated during the course</li> </ul>

Other infos	Course in charge of Unamur BUT <a href="#">taught at UCLouvain</a> Prerequisites: Undergraduate Macroeconomics course Reception: 2 hours per week
Faculty or entity in charge	ECON

<b>Programmes containing this learning unit (UE)</b>				
Program title	Acronym	Credits	Prerequisite	Learning outcomes
Master [120] in Multilingual Communication	MULT2M	5		
Master [60] in Economics : General	ECON2M1	5		
Master [120] in Economics: General	ECON2M	5		
Master [120] in Agriculture and Bio-industries	SAIV2M	5		