

MOD. III – GROWTH, CREDIT, WELFARE, POVERTY AND INEQUALITY

Course Title: **Economic Growth**

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Course Overview:

Summary of Course Content

- Growth facts, puzzles, and measurement: stylized facts, convergence/divergence, structural change, and core measurement issues.
- Growth models: instability, optimality, exogeneity, endogeneity of growth in the contribution of relevant literature.
- Development and social goals
- Environment and growth, sustainability.
- Perspectives and complexity-based approaches: agent-based models as complements to traditional analytics.

Course Objectives:

The course aims to provide students with a solid grounding in the core analytical and quantitative frameworks of economic growth, showing how traditional growth models account for the mechanisms through which nations accumulate wealth over time. Students will learn to use these tools rigorously and intelligently, and to connect theory to data and to real-world episodes of convergence, divergence, and structural change.

The central objective of the course, however, is to frame growth as an emergent phenomenon arising from the complex interplay of economic and social relations within a system. Beyond capital accumulation and productivity in the narrow sense, the course emphasizes how expectations, relational structures, institutional settings, and innovation dynamics shape growth trajectories and ultimately determine development outcomes. In this perspective, growth is studied as a dynamic path linking different levels of development over time. Social stratification, inequality, the concentration of resources and opportunities, patterns of expenditure on education and culture, and the mechanisms behind human-capital formation and brain drain are therefore integral to the analysis.

Accordingly, the course equips students to interpret past and current growth experiences by linking the structural features of societies to innovation regimes and industrial policy, in order to understand growth through its economic, technological, and social drivers.

Learning Outcomes:

At the end of this course, having completed the essential readings and activities, students should be able to:

- understand growth theory to interpret long-run growth dynamics and cross-country differences in income levels;

- explain the main mechanisms behind growth and development, including capital accumulation, productivity change, innovation, and structural transformation;
- understand how education, culture, human-capital formation, and brain drain affect growth trajectories and the innovative capacity of economies;
- distinguish conceptually and empirically between growth and development, and relate development outcomes to social and institutional structures (e.g., inequality, stratification, concentration of opportunities);
- discuss hypotheses on convergence among countries;
- understand the contribution of agent-based and complex-systems approaches to growth, focusing on emergence, feedbacks, and path dependence and their implications for interpretation and policy.

Exam:

Written Exam.

Reading List:

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- Rebelo, S., (1991), Long-Run Policy Analysis and Long-Run Growth, *Journal of Political Economy*, vol.99(3), pp.500-521.
- Romer, P.M., (1986), Increasing Returns and Long-Run Growth, *Journal of Political Economy*, vol.94(5), pp.1002-1037.
- Romer, P.M., (1990), Endogenous Technological Change, *Journal of Political Economy*, vol.98(5), pp.S71-S102.
- Solow, R.M. (1956), A Contribution to the Theory of Economic Growth, *Quarterly Journal of Economics*, vol.70(1), pp.65-94.
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