UNIVERSITÀ
DEGLI STUDI DI MILANO-BICOCCA

COURSE SYLLABUS

Macroeconomics of Development

2627-2-F5603M007-F5603M007-2

Learning objectives

The course provides students with the theoretical and empirical tools required to understand the main macroeconomic issues in development economics. Particular attention is devoted to the role of geography and institutions in economic development, the relationship between foreign aid and development, and sovereign debt problems in developing countries.

By the end of the course, students are expected to achieve the following learning outcomes.

Knowledge and understanding

Students will acquire knowledge and understanding of:

the main theories concerning the role of geography and institutions in long-run economic development;
the determinants of the allocation of both bilateral and multilateral foreign aid;
the theoretical and empirical debate on aid effectiveness;
the causes and consequences of sovereign debt problems in developing countries;
the main instruments for managing and resolving sovereign debt crises.
Applying knowledge and understanding

Students will be able to apply the theoretical and empirical tools introduced during the course to the analysis of economic development issues.

In particular, they will be able to:

interpret the main theoretical models covered in the course;
analyse and compare alternative explanations for differences in development levels across countries;
interpret empirical findings and assess their economic relevance;
understand the identification strategies used in the relevant literature;
relate the findings of academic research to major economic policy questions.

Through the econometric projects, students will also develop the ability to formulate a research question, use appropriate data, apply basic empirical methods and interpret the results obtained.

Making judgements

Students will develop the ability to critically evaluate theoretical and empirical contributions in development economics.

They will be able to assess:

the assumptions and limitations of alternative theoretical explanations;
the credibility of empirical identification strategies;
the robustness and interpretation of empirical findings;
the extent to which the available evidence supports specific economic policy conclusions.

Students will also be able to form independent judgements on debates concerning institutions, foreign aid and sovereign debt.

Communication skills

Students will be able to explain and discuss the main theoretical mechanisms and empirical findings covered during the course using appropriate economic terminology.

They will also develop the ability to:

present economic arguments clearly and in a logically structured manner;
provide concise, accurate and critical written answers;
present an empirical research question;
describe the methodology employed and interpret the results obtained.
Learning skills

Students will acquire the analytical and methodological skills required to explore development economics topics independently.

They will be able to:

read and critically analyse academic papers;
identify the research question and main contribution of a study;
understand the relationship between theoretical arguments and empirical evidence;
compare alternative approaches to the same research question;
independently explore further developments in the relevant literature.

Contents

1: **GEOGRAPHY VERSUS INSTITUTIONS**
2: **FOREIGN AID**
3: **SOVEREIGN DEBT**

Detailed program

Contents

1: **GEOGRAPHY VERSUS INSTITUTIONS**

a) Geography and growth

b) Institutions and Development

2: **FOREIGN AID**

a) Aid allocation (bilateral aid and multilateral aid)

b) Aid effectiveness

3: **SOVEREIGN DEBT**

a) Distortions:

b) Remedies

For more details see the specific sections of the module.

Prerequisites

Students are expected to have a good knowledge of the fundamental concepts of microeconomics and macroeconomics, as well as familiarity with basic econometric methods.

Teaching methods

The course consists of in-person lectures. Lectures introduce the main theoretical models, empirical methods and contributions in the development economics literature. Particular attention is devoted to the interpretation and critical discussion of theoretical and empirical papers.

Assessment methods

Assessment is based on a final written examination lasting 90 minutes.

The examination consists of three open-ended questions designed to assess students' ability to understand and critically analyse the theoretical and empirical contributions covered during the course. Two questions are worth 10 points each, while one question is worth 12 points.

The examination assesses:

knowledge and understanding of the main theories and empirical findings;
the ability to apply theoretical and empirical concepts to the analysis of development issues;
the ability to critically evaluate theoretical models, empirical methodologies and identification strategies;

the ability to compare alternative explanations and findings;
the ability to present economic arguments clearly, accurately and using appropriate terminology.

A mock examination is available on the course website to help students prepare.

Students who pass the written examination may request an oral examination. In this case, the final grade is determined as the average of the written and oral examination grades, provided that both examinations are passed.

The oral examination grade may be higher or lower than the written examination grade. Students who fail the oral examination must retake the written examination in a subsequent official examination session.

No midterm examinations are scheduled. All assessments take place exclusively during the official examination sessions.

Textbooks and Reading Materials

There is no single official textbook. The course is based on selected academic papers, book chapters and additional teaching materials.

Required and optional readings are listed in the sections devoted to each topic and are made available through the course platform.

Semester

Second semester.

Teaching language

English.

Sustainable Development Goals

DECENT WORK AND ECONOMIC GROWTH