

## **TOPICS IN DEVELOPMENT ECONOMICS**

**Elective Curricular Unit (Licenciatura em Economia), English language, 12 weeks (24 classes)**

**Course lecturers: Alexandre Abreu (alexandreabreu@iseg.ulisboa.pt), Henrique Pita Barros (pitabarros@iseg.ulisboa.pt)**

### **Course description**

This course explores some key challenges and policy debates in development economics. Students will examine topics such as structural change, institutions, conflict, poverty and inequality, forced displacement, corruption and governance, environmental sustainability, and the role of international aid. The course aims to equip students with the skills to critically read, analyze, and engage with contemporary development debates, using a rigorous, theoretically informed, and evidence-based approach.

The course is divided into two parts. Part I (Alexandre Abreu) takes a critical approach to some key debates around the structural dimensions of economic development and the policies which seek to promote it. A variety of theories of economic development are mobilised to shed light on those issues and debates, and several “Development lab” classes encourage students to explore databases and answer specific development-related questions.

Part II (Henrique Pita Barros) explores recent advancements in development economics, focusing on cutting-edge empirical research and various causal identification methods. Students will work in groups to present a paper of their choice, analyzing its academic and policy relevance, the intuition behind its identification strategy, the interpretation of key findings, and broader policy implications. The goal is to equip students with the analytical tools needed to critically engage with the latest research and apply its insights in their professional careers.

### **Syllabus:**

#### **PART I: STRUCTURAL ASPECTS OF DEVELOPMENT (Alexandre Abreu)**

1. The concept and measurement of development
2. Development and underdevelopment in historical perspective
3. Dualism and structural change
4. Development lab 1: Development indicators
5. Poverty and inequality
6. Development lab 2: Monetary and multidimensional poverty
7. Agrarian change and agricultural development
8. Industrialisation and industrial policy
9. Development lab 3: Economic complexity and industrial upgrading
10. Development finance: internal and external resources
11. Population, migration and urbanisation
12. Economic development and environmental sustainability

## PART II: RECENT ADVANCEMENTS IN DEVELOPMENT ECONOMICS RESEARCH (Henrique Pita Barros)

13. Institutions, colonialism and state formation
14. Culture and religion
15. Econometric methods in development research (1/2)
16. Econometric methods in development research (2/2)
17. Health and nutrition
18. Education
19. Microfinance, savings, risk and insurance
20. Households and gender inequality
21. Conflict
22. Forced displacement
23. Corruption and governance
24. Aid and international organizations

### **Assessment:**

In the **regular assessment period** (“época normal”), assessment is comprised of two components: Continuous Assessment (40%) and Final Examination (60%). The grade for Continuous Assessment depends on class participation, presentations, and group assignments, with equal weight attributed to Part A (Prof. Alexandre Abreu) and Part B (Prof. Henrique Pita Barros) of the course. Regarding Part B of the course, students may additionally opt to replace the Final Examination with the submission of a research proposal (in such case, the examination shall cover only Part A of the syllabus and shall account for only 30% of the final grade). Details regarding the requirements for continuous assessment and the research proposal will be provided in class, or may be requested by email.

Alternatively, or in the event of failing to obtain approval in the regular assessment period, students shall be entitled to a **resit examination period**. In this case, the final grade shall correspond either to the mark of the Final (Re-sit) Examination, with a weighting of 100%; or, if more favourable to the student, to the same distribution of weightings as in the regular assessment, with the resit examination replacing the regular examination.

### **Readings:**

Specific readings to be made available in support of each class.

General bibliography:

- Acemoglu, D. and Robinson, J.A., 2013. *Why nations fail: The origins of power, prosperity, and poverty*. Crown Currency.
- Banerjee, A.V. and Duflo, E., 2019. *Good economics for hard times*. PublicAffairs.
- Chang, H-J.(ed.), 2003. *Rethinking development economics*. Anthem Press.
- Cypher, J. and Dietz, J., 2004. *The process of economic development*. Routledge.

- Duflo, E. and Banerjee, A., 2011. *Poor economics* (Vol. 619). New York: PublicAffairs.
- Collier, P., 2008. *The bottom billion: Why the poorest countries are failing and what can be done about it*. Oxford University Press, USA.
- Galor, O., 2023. *The Journey of Humanity: A New History of Wealth and Inequality with Implications for Our Future*. Penguin.
- Karlan, D. and Appel, J., 2012. *More than good intentions: Improving the ways the world's poor borrow, save, farm, learn, and stay healthy*. Penguin.
- Thirlwall, A. P. and Pacheco-López, P. (2017) *Economics of Development: Theory and Evidence*. Bloomsbury.