GENERAL INFORMATION
Course name: Refresh of economic growth models - “The renaissance of the long-run”
Number of credits: 1 CFU
Name(s) of teacher(s): Vinicio Guidi
Modules (if applicable):
Semester: II
Venue: Florence
Website:

CONTENTS
Objectives: Provide the students with a quick refresh of economic growth models
Contents (< 1,000 characters): Harrod and Domar extended the Keynesian analysis to the long run showing that the pessimist conclusions of unemployment where reinforced. But their assumptions were too restrictive: the conclusions change dramatically if through redistribution the aggregate rate of saving was flexible (post Keynesian school) or if along the production function the capital output ratio change like in the neoclassical Solow-Swan. In the lectures we examine this last model in detail showing that there is a the conditional convergence, that is every country converge in the long run to its steady state at a speed inversely related to the distance between the actual situation and the steady state. But reality is disconfirming this conclusion with great variety of results and from a theoretical point of view it seemed paradoxically that the growth was explained by exogenous and continuous technical progress: in the late ‘80s the literature elaborated the endogenous growth model which gave more satisfactory answers to real economies. Special emphasis will be placed on the inter-temporal consumption problem and its solution using optimal control theory and the AK model and its variants. References: Acemoglu D (2009), *Introduction to Modern Economic Growth*, Princeton University Press Barro, R. J and X. Sala-i-Martin (2004), *Economic Growth*, 2nd Ed., Cambridge (Mass.) and London (England): MIT Press Snowdon B., Vane H.R. (2005), *Modern Macroeconomics*, Edward Elgar.
Prerequisites: - required: microeconomics - recommended:
Teaching approach: - lecture hours: 6 - labs hours: - other:
Exams: written

TEACHERS
Short bio 1: Vinicio Guidi is a Professor of Economics at the University of Florence
Short bio 2:
Short bio 3: