

Microfounding what? The dead ends of development economics

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The paper highlights the recent trends of the debate around the very nature and definition of economic development. The dissatisfaction of results in terms of economic growth, economic development and political stability related to the so-called Washington Consensus season of intervention, has prompted a wide debate around the possible alternative approaches to foster economic development. It is interesting to note that, after a growing consent revolved around the micro-foundation of economic development models culminated with randomized controlled trials (also known as Randomized Evaluations, REs), development economists are interrogating themselves on what this, mainly economic policy, approach is neglecting to analyze. REs are focused on individual behaviour and on the 'right' incentives that can favour economic development through the aggregation of individual actions. No place and no room is left to the analysis of economic policies intended as a general framework into which integrate the economic behaviour of micro unit of analysis. As a proof of this impasse, it is interesting to analyze how development economists interpreted the rise of the Chinese economy in the last thirty years.