COURSE DESCRIPTION:

This course is the first of a two-module seminar in economic growth, covering the first 6 weeks from January 23 to February 27. I will then administer student presentation on March 6, followed by the second module to be lectured by Professor Michele Boldrin after the Spring Break. This first module is primarily devoted to contemporary issues in growth and development. It begins with fundamentals in Shumpeterian Theory and Big Push Theory, followed by advanced topics in economic transition and transformation as well as in skills, institutions and trade through the process of growth and development. Its main purpose is to help you explore the frontier of growth and development to jump-start your potentially fruitful research in these areas.

GRADING:

Your performance in this module will be assessed based on (i) two homework assignments (25% each) and (ii) a term paper (related to topics covered, 50%, graded based on literature review, motivation and sketch of a new idea; double submission of a paper to multiple courses not permitted). No deferral of homework or term paper submission will be granted except medical or family emergency. Your course grade will be the simple average of the grades received from the two modules.

TEXTS:

There is no required text. Yet, limited chapters of the following books may be useful at various occasions:


TIMETABLE:

1/22  Lecture A-1, A-2, A-3
1/29  Lecture B-1
2/5  Lecture B-2, HW#1 distributed
2/12  Lecture B-3, C-1; HW#1 due by 4:15 PM
2/19  Lecture C-1, C-2; HW#2 distributed
2/26  Lecture C-2, C-3; HW#2 due by 4:15 PM
3/5  Presentation of term-paper-in-progress
3/19  final term paper due by 1:00 PM (hard copy only; in my department mail box)

* Everyone is encouraged to join the MSG (Macro Study Group) run by Wang, the MRG (Macro Reading Group) run by Manuelli and Shin, and the Study Group run by Boldrin.
READINGS:  (* Required; + Recommended)

A. Fundamentals: Stylized Facts and Theoretical Foundation

(AC), ch. 1.
(BS), chs. 1, 2.
Lucas, R.E. Jr. (1990), “Why doesn't capital flow from rich to poor countries?” AER, 80, 92-96.

1. Basic Models

(AC), ch. 11.
(AH), chs. 5, 10.
(BS), chs. 4, 5.
(GH), chs. 3, 4.
2. The Shumpeterian Theory of Economic Growth

(AC), chs. 15, 18, sec. 21.4.
(AH), chs. 2, 3.
(GH), chs. 3, 4, 11, 12.
3. The Big Push Theory of Economic Development

(RY), ch. 5.

B. Economic Transition and Transformation

1. Dynamic Transition and Economic Development

Maddison, Angus (1982), Phases of Capitalist Development, Oxford University Press, UK.

2. Industrial Transformation

Rostow, Walt W. (1960), The Stage of Economic Growth, Cambridge, UK: Cambridge University


3. Demographic Transition

(AC), sec. 21.2.
(BS), sec. 9.2.
Juan Carlos Córdoba, Xiying Liu, Marla Ripoll (2016), Fertility, social mobility and long run inequality, JME 77, 103-124.

C. Skills, Institutions and Trade in Economic Development

1. Labor-Market Development and Human Capital Evolution

(AC), ch. 10.


Economic Growth,” NBER #21699.


2. Institutional Development, Entrepreneurship and Organizational Capital

(AC), chs, 22, 23.
(AH), ch. 9.
(DZ), chs. 3, 7, 8, 14.


3. International Development and Globalization

(AH), ch. 11.
(GH), chs. 6, 7.


