

International Economics Development Economics

Academic year 2021-2022

Advanced Development Macroeconomics: Drivers of Growth

EI085 - Autumn - 3 ECTS

Course Description

The course presents the main theories of economic growth. In addition to the main frameworks, we review the impact of several dimensions such as competition and education, and then considers the available policies.

The first part of the course consists of lectures by the Professor that go over the main points of each topic. In the second part, each student makes a presentation (25 min) of papers from the reading list. The closed book final exam will be in the last week. The presentation of the paper should focus on the motivation of the question, the salient findings, and avenues for future work.

The course grade is based on the final exam (60% of the grade), and the presentation of the paper (40%).

> PROFESSOR

[Cédric Tille](#)

[Office hours](#)

> ASSISTANT

[Office hours](#)

Syllabus

The course relies on textbook by Philippe Aghion and Peter Howitt, *The economics of growth* (MIT press, 2009), as well as some papers from the reading list below.

The class does not go through a detailed presentation of the mechanisms in the textbook, but instead focusing on the main points to provide a big picture of the issue. The reading list provides you with a range of papers.

LECTURES

1. The main theories of growth

The Neoclassical model, and the AK model (class 1), Aghion and Howitt, chapters 1-2.

Variety, Schumpeterian growth, and accounting (class 2), Aghion and Howitt, chapters 3-5.

2. Factors affecting growth (class 3)

Finance, spillovers, market size and technologies

Aghion and Howitt, chapters 6-11 (emphasis on 10-11)

3. Policies (class 4)

Competition, education, trade, and the environment, Aghion and Howitt, chapters 12-13, 15-16

TOPICS FOR PRESENTATIONS BY STUDENTS

Acemoglu, Daron (2010). "Theory, General Equilibrium, and Political Economy in Development Economics." *Journal of Economic Perspectives*, 24(3), pages 17-32.
<https://www.aeaweb.org/articles?id=10.1257/jep.24.3.17>

Banerjee, Abhijit and Esther Duflo (2005), "Growth Theory through the Lens of Development Economics", *Handbook of Economic Growth*, Vol. 1A, eds. Philippe Aghion and Steven Durlauf, Amsterdam: Elsevier, pages 473-552.
<https://economics.mit.edu/files/521>

Bloom, Nicholas, John Van Reenen, and Heidi Williams. 2019. "A Toolkit of Policies to Promote Innovation." *Journal of Economic Perspectives*, 33 (3), pages 163-84.
<https://www.aeaweb.org/articles?id=10.1257/jep.33.3.163>

Caselli, Francesco, (2005). "Accounting for Cross-Country Income Differences," *Handbook of Economic Growth*, in: Philippe Aghion and Steven Durlauf (ed.), *Handbook of Economic Growth*, edition 1, volume 1, chapter 9, pages 679-741.
<https://www.nber.org/papers/w10828>

Deaton, Angus (2010). "Understanding the Mechanisms of Economic Development." *Journal of Economic Perspectives*, 24(3), pages 3-16.
<https://www.aeaweb.org/articles?id=10.1257/jep.24.3.3>

Johnson, Paul, and Chris Papageorgiou. 2020. "What Remains of Cross-Country Convergence?" *Journal of Economic Literature*, 58 (1), pages 129-75.
<https://www.aeaweb.org/articles?id=10.1257/jel.20181207>

Jones, Charles and Peter Klenow (2016) "Beyond GDP? Welfare Across Countries and Time," *American Economic Review* 106(9), pages 2426-2457.
<https://www.aeaweb.org/articles?id=10.1257/aer.20110236>

Klenow, Peter and Andrés Rodríguez-Clare (1997). "The Neoclassical Revival in Growth Economics: Has It Gone Too Far?," *NBER Chapters*, in: *NBER Macroeconomics Annual 1997*, Volume 12, pages 73-114 National Bureau of Economic Research, Inc.
<https://www.nber.org/chapters/c11037.pdf>

Lee, Kenneth, Edward Miguel, and Catherine Wolfram. 2020. "Does Household Electrification Supercharge Economic Development?" *Journal of Economic Perspectives*, 34 (1), pages 122-44
<https://www.aeaweb.org/articles?id=10.1257/jep.34.1.122>

Mankiw, Gregory., David Romer, and David Weil (1992) "A Contribution to the Empirics of Economic Growth," *Quarterly Journal of Economics*, 107(2), pages 407-437.
https://eml.berkeley.edu/~dromer/papers/MRW_QJE1992.pdf

Ray, Debraj (2010). "Uneven Growth: A Framework for Research in Development Economics." *Journal of Economic Perspectives*, 24(3), pages 45-60
<https://www.aeaweb.org/articles?id=10.1257/jep.24.3.45>

Romer, Paul (1990). "Endogenous Technological Change," *Journal of Political Economy* 98(5), pages 71-102.

<https://www.journals.uchicago.edu/doi/abs/10.1086/261725>

Romer, Paul (1986). "Increasing Returns and Long-Run Growth," *Journal of Political Economy* 94(5), pages 1002-1037.

<https://www.journals.uchicago.edu/doi/10.1086/261420?mobileUi=0>

Symposium (2010). "The Agenda for Development Economics", *Journal of Economic Perspectives*, 24 (3)

<https://www.aeaweb.org/issues/149>

Draft. Subject to change