

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 presentation of the paper should focus on the motivation of the question, the salient findings, and avenues for future work. Students should indicate the topic for presentation by November 25.

The course grade is based on the final exam (60% of the grade), and the presentation of the paper (40%). The closed book final exam will be on Wednesday December 22, 10:15-12:00.

> 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.

LECTURES

The lectures cover the first 4 sessions of the course (Thursday November 4, and Thursday November 25).

1. **The main theories of growth** (class 1: Thursday November 4, 10:15-12:00, room S1; class 2: Thursday November 4, 14:15-16:00, room S1).
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: Thursday November 25, 10:15-12:00, room S1)
Finance, spillovers, market size and technologies
Aghion and Howitt, chapters 6-11 (emphasis on 10-11)
3. **Policies** (class 4: Thursday November 25, 14:15-16:00, room S1)
Competition, education, trade, and the environment, Aghion and Howitt, chapters 12-13, 15-16.

TOPICS FOR PRESENTATIONS BY STUDENTS

The presentations cover the last 3 sessions of the course (Wednesday December 1, 10:15-12:00 and 14:15-16:00, all in room S1).

- 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>
- Akcigit, Ufuk, and Sina Ates (2021). "n Facts on Declining Business Dynamism and Lessons from Endogenous Growth Theory", *American Economic Journal: Macroeconomics* 13(1), pp.257-298.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.20180449>
- Angrist, Noam, Pinelopi Koujianou Goldberg, and Dean Jolliffe (2021). "Why Is Growth in Developing Countries So Hard to Measure?", *Journal of Economic Perspectives* 35(3), pp. 215-242.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.3.215>
- Ash, Elliott, Massimo Morelli, and Matia Vannoni (2021). "More Laws, More Growth? Evidence from U.S. States", CEPR discussion paper 15629.
https://cepr.org/active/publications/discussion_papers/dp.php?dpno=15629
- 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>
- Bloom, Nicholas, Tarek Alexander Hassan, Aakash Kalyani, Josh Lerner, and Ahmed Tahoun (2021) "The Diffusion of Disruptive Technologies", NBER working paper 28999.
<https://www.nber.org/papers/w28999>
- Broadberry, Stephen, and Alexandra de Pleijt (2021). "Capital and Economic Growth in Britain, 1270-1870: Preliminary Findings", CEPR discussion paper 15889
https://cepr.org/active/publications/discussion_papers/dp.php?dpno=15889
- Brynjolfsson, Erik, Daniel Rock, and Chad Syverson (2021). "The Productivity J-Curve: How Intangibles Complement General Purpose Technologies", *American Economic Journal: Macroeconomics* 13(1), pp. 333-372.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.20180386>

- 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>
- Chari, Anusha, Peter Blair Henry, and Hector Reyes (2021). "The Baker Hypothesis: Stabilization, Structural Reforms, and Economic Growth", *Journal of Economic Perspectives* 35(3), pp. 83-108.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.35.3.83>
- 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>
- Dreher, Axel, Andreas Fuchs, Bradley Parks, Austin Strange, and Michael J. Tierney (2021). "Aid, China, and Growth: Evidence from a New Global Development Finance Dataset", *American Economic Journal: Economic Policy* 13(2), pp. 135-174.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/pol.20180631>
- 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
- Nordhaus, William (2021). "Are We Approaching an Economic Singularity? Information Technology and the Future of Economic Growth", *American Economic Journal: Macroeconomics* 13(1), pp. 299-332.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.20170105>
- Page, Lucy, and Rohini Pande (2018). "Ending Global Poverty: Why Money Isn't Enough", *Journal of Economic Perspectives* 32(4), pp. 173-200
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.32.4.173>
- 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>

Trew, Alex (2020). "Endogenous Infrastructure Development and Spatial Takeoff in the First Industrial Revolution" *American Economic Journal: Macroeconomics* 12(2), pp. 44-93.
<https://pubs.aeaweb.org/doi/pdfplus/10.1257/mac.20160162>