

9/24/2009

ECON 270A, Fall 2007
The Theories and empirical methods of modern Economic growth

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Units: 4
Mode of Grading: Letter
Prerequisites for enrollment: ECON 200 D, E.
Auditing: Allowed
Class meets: Tuesday and Thursday 12-1.30
OH: Tue-Thu. 1.30-2.30 PM. Or by appointment
Class Room:

Description

The course aims at providing students with understanding of the most popular modeling techniques and methods of empirical analysis used in the modern economics of Growth. The course has a first half, mostly focused on basic models and basic Empirical Approaches and a second half mostly focused on interesting topics of recent research in economic growth.

My lectures for the first part of the course will be based on the book “**Economic Growth**” by Barro and Sala i Martin: originally published in 1995 by McGraw- Hill Cambridge Ma, now reprinted by MIT Press 2nd edition 2004 (**BS**). The second half of the course will be based on topical chapters of the book “**Modern Economic Growth**” by Daron Acemoglu, Princeton University Press, 2009. You may want to purchase one or both books if you are interested in doing research in this area. If not you can arrange copying of some relevant parts with me or with the library.

Readings

Reading all the chapters referenced in the syllabus is required for people who take this course. During the first half of the course I will present the material from the Barro and Sala (BS) book. In the second part of the course I will draw from the Acemoglu Book and from the references papers. In the second part of the course, as there will be class discussion it is very useful to read the chapters in advance.

Grades:

The Grades will be based on the following assignments.

The presentation of one of the topics presented in the second part of the class, basing the presentation on the Acemoglu (Ace) book (50%)

A critical summary of the literature relative to the topic presented (5 pages) to turn in at the end of the class (50%)

Detailed Course Outline
(Chapters of **BS** are based on the 2004 Edition)

Introduction: The facts and Challenges of Economic Growth

Week 1: The basic Solow Model and its variations

BS book (Economic Growth, Second Edition, MIT press) Sections 1.1-1.2.1-1.2.6, 1.2.9.
(or Chapter 2 of the Ace book)

Week 2/3: The Solow-Model based empirical methods: Regression analysis, growth accounting and development accounting.

Chapter 10, 11 and 12 of BS book;
Chapter 3 of Ace Book

Week 3/4: Dynamic Optimization and of the Neoclassical Growth Model, One-Sector Model of Endogenous Growth: Physical Capital and Growth

BS Chapter 2 and 3.
Mainly sections 2.1-2.6.5 and 3.2, 3.3
BS Chapter 4
Mainly Sections 4.1-4.4

Week 4: Two-Sector Models of Endogenous Growth: Human Capital and Growth

BS Chapter 5
Mainly Sections 5.1-5.2.1

Week 4/5:

Technological Change: Models with Expanding variety of products

BS Chapter 6
Mainly sections 6.1-6.3

Technological Change: Models with Improvements in the Quality of Products

BS Chapter 7.
Mainly sections 7.1-7.3

Week 6: Directed Technological Change

Chapter 15 of Ace book and references there, especially: Acemoglu 1998, 2002b, Acemoglu and Zilibotti 2001 and Caselli and Coleman 2005.

Week 7 Trade and Growth

Chapter 19 of Ace book and references there, especially: Acemoglu and Ventura 2002, Caselli and Feyrer (2007) and Rivera Batiz and Romer (1991). Among the empirical papers, Frenkel and Romer 1999 and Sachs and Warner 1995.

Week 8: Structural Change and Economic growth

Chapter 20 of Ace book and articles cited there especially: Acemoglu and Guerrieri (2004) Caselli and Coleman (2001), Gollin Parente and Rogerson (2001).

Week 9: Fundamental determinants of differences in economics Performance

Ace Book Chapter 4, and references there especially: Mauro 1995), hall and Jones (1999), Acemoglu Johnson and Robinson 2001, 2002 and Weil 2007.