

Economics 751.01

Macroeconomic Theory IIC

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Background Textbooks:

David Romer, *Advanced Macroeconomics*, New York: McGraw-Hill, 1996 [Romer].

Robert J. Barro and Xavier Sala-i-Martin, *Economic Growth*, New York: McGraw-Hill, 1995 [BSM].

Growth Theory

1. Introduction

* BSM [Barro and Sala-i-Martin, *Economic Growth*], Introduction (pp. 1-13).

* Charles I. Jones, *Introduction to Economic Growth*, New York: Norton, Chapter 1 (Introduction: The Facts of Economic Growth, pp. 1-16).

Further reading:

G. M. Grossman and E. Helpman (1992), *Innovation and Growth in the Global Economy*, Cambridge, The MIT Press, Chapter I (pp. 1-18).

R. Solow (1994), "Perspectives on Growth Theory", *Journal of Economic Perspectives* 8, pp. 45-54.

P. Romer (1994), "The Origins of Endogenous Growth", *Journal of Economic Perspectives* 8, pp. 3-22.

R. J. Barro (1997), *Determinants of Economic Growth.. A Cross-Country Empirical Study*. Cambridge, The MIT Press, Preface and Chapter 1, pp. 1-8.

P. Aghion and P. Howitt (1998), *Endogenous Growth Theory*, Cambridge (Mass.): The MIT Press, Introduction, pp. 1-10.

2. A Review of the Neoclassical Growth Models

a. The Solow Model

* Romer, Chapter 1

* BSM 1.1 and 1.2.

Further reading:

R. Solow (1956), "A Contribution to the Theory of Economic Growth", *Quarterly Journal of Economics*, 70, pp. 65-94.

N. G. Mankiw, D. Romer, and D. N. Weil (1992), "A Contribution to the Empirics of Economic Growth", *Quarterly Journal of Economics*, 107, pp. 407-437.

b. The Ramsey -Cass -Koopmans Model

* Romer, Chapter 2, Part A

* BSM, Chapter 2.

Further reading:

Olivier J. Blanchard and Stanley Fischer, *Lectures on Macroeconomics*, Cambridge (Mass.): The MIT Press, 1989, Chapter 2.

3. Endogenous Growth Models

a. AK Models

* BSM, 1.3; 4.1 and 4.2.

Further reading:

S. Rebelo (1991), "Long-Run Policy Analysis and Long-Run Growth", *Journal of Political Economy*, 99, pp. 500-521.

b. Learning by Doing, Knowledge Spillovers, and Human Capital

* BSM, Section 4.3

* Romer, Chapter 3, Part B

*R.E. Lucas (1988), "On the Mechanics of Economic Development", *Journal of Monetary Economics* 22, pp. 3-42.

Further reading:

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

c. R&D and Technological Change

* Romer, Chapter 3, Part A

* C.I. Jones (1995), "R&D-Based Models of Economic Growth", *Journal of Political Economy*, 103 (4), pp. 759-784.

Further reading:

G.M. Grossman and E. Helpman (1994), "Endogenous Innovation in the Theory of Growth", *Journal of Economic Perspectives* 8, pp. 23-44.

C. I. Jones (1995), "Time Series Tests of Endogenous Growth Models", *Quarterly Journal of Economics*, May, 105(2), pp.495-526.

M. Kremer (1993), "Population Growth and Technological Change: One Million B.C. to 1990", *Quarterly Journal of Economics*, 108, pp. 681-716.