

Economic Growth: Empirical Methods

MADE-MEDEG
Universidad Carlos III de Madrid
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1. The empirics of economic growth: an overview

Tuesday, Sep 24 – 9:00-11:00

Session 1

Thursday, Sep 26 – 9:00-11:00

Session 2

- Introduction to Economic Growth
- Growth empirics
- The genesis of growth economics
- Growth measurement

Mandatory Readings: Durlauf, Johnson and Temple (2005)

Suggested Readings: Boianovsky and Hoover (2013); Romer (1994)

2. Growth Accounting

Tuesday, Oct 1 - 9:00-11:00

Session 3

Thursday, Oct 3 – 11:00-13:00

Session 4

- Methodology
- Sources
- Empirical evidence and implications

Mandatory Readings: Mankiw, Romer and Weil (1992); Barro (1999); Young (1995); Bosworth and Collins (2008).

Suggested Readings: Barro and Sala-i-Martin (2005), ch. 10.; Crafts (2004); Hsieh (1999); Prados de la Escosura and Rosés (2009); Prados de la Escosura and Rosés (2010).

3. Searching for growth

Tuesday, Oct 8 - 9:00-11:00

Session 5

Thursday, Oct 10 – 11:00-13:00

Session 6

- Growth regressions and convergence
- Long-run determinants: natural resources and population
- Ultimate sources: social capital, institutions and economic growth

Mandatory Readings: Barro and Sala-i-Martin (2005), ch. 11&12; Galor and Weil (1999). Sachs and Warner (2001); Tabellini (2010).

Suggested Readings: Abramovitz (1986); Acemoglu and Robinson (2005); Alesina (2003); Barro (1996);

4. Open session – To be determined

Tuesday, Oct 15 - 9:00-11:00
Session 7

5. Final Wrap-up – Review for Exam

Thursday, Oct 17 - 11:00-12:00
Session 8

Final Grade

The final grade will be based on a final exam (60%) and homework (40%).

Resources:

Internet databases:

<http://pwt.econ.upenn.edu>. (Penn World Tables);
<http://www.ggdcc.net>. (Groningen Growth and Development Center);
<http://www.worldbank.org>. (World development Indicators – Banco Mundial);
<http://www.oecd.org>. (OECD databases).

Recommended Books:

Acemoglu, D. (2009), *Introduction to Modern Economic Growth*, Princeton: Princeton U. Press
Aghion, P. and P. Howitt (2009), *The Economics of Growth*. Cambridge, Mass.: MIT Press.
Baldwin, R. (2016). *The Great Divergence. Information Technology and the New Globalization*.
Harvard University Press.
Barro, R.J. and X. Sala-i-Martin (2005), *Economic Growth*, Cambridge: MIT Press.
Easterly, W. 2003. *The Elusive Quest for Growth*. 2ª edición. The MIT Press.
Jones, C. (2000), *Introduction to Economic Growth*, New York: Prentice-Hall.
Parente, S. and Prescott, E. C. (1998): *Barriers to riches*. The MIT Press.
Sorensen, P.B., Whitta-Jacobsen, H.J. (2005), *Introducing advanced macroeconomics: growth and business cycles*, New York: MacGraw-Hill.
Weil, D (2005), *Economic Growth*, Boston: Addison-Wesley.

Other Readings

Abramovitz, M. (1986), "Catching up, Forging Ahead and Falling Behind", *Journal of Economic History*, vol. XLVI, nº 2, pp 385-406.
Acemoglu, D; S. Johnson and J. Robinson (2005). "The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth," *American Economic Review*, vol. 95(3), pp. 546-579.
Alesina, A. (2003), "The Size of Countries: Does it Matter?", *Journal of the European Economic Association*, vol. 1(2-3), pp. 301-316.
Barro, R.J. (1996), "Democracy and growth," *Journal of Economic Growth*, Vol. 1 (1), pp. 1-27.
_____ (1999), "Notes on Growth Accounting", *Journal of Economic Growth*, Vol. 4 (2), pp. 119-137
_____ and J.W. Lee (1993), "International Comparisons of Educational Attainment", *Journal of Monetary Economics*, 32. 363-394.
_____ and X. Sala-i-Martin (1992), "Convergence", *Journal of Political Economy*, vol.10 (2), pp. 223-251.
Boianovsky, M. and K.D. Hoover (2013), "In the Kingdom of Solovia: The Rise of Growth Economics at MIT, 1956-1970." CHOPE WP 04.
Bosworth B.P. and S.M. Collins (2008), "Accounting for Growth: Comparing China and India," *Journal of Economic Perspectives*, vol. 22 (1), pp. 45-66.
Caselli, F. (2005), "Accounting for Cross-Country Income Differences," en P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, vol. 1, ch. 9, pp. 679-741

- Crafts, N.F.R. (2004), "Steam as a general purpose technology: A growth accounting perspective," *Economic Journal*, vol. 114, pp. 338–351.
- Durlauf, S.N., P.A. Johnson and J.W. Temple (2005), "Growth Econometrics," in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*. Elsevier, pp. 556-677.
- Galor, O., D. and N. Weil (1999), "From Malthusian Stagnation to Modern Growth", *American Economic Review Papers and Proceedings*, vol. 89 (2), pp. 150-154.
- Hall R. and Jones C. (1999), "Why do Some Countries Produce So Much More Output Per Worker Than Others?", *Quarterly Journal of Economics*, Vol. 114 (1), pp. 83-116.
- Hausmann, Ricardo, Bailey Klingler, Rodrigo Wagner (2008), *Doing Growth Diagnostics in Practice: A 'Mindbook' CID Working Paper No. 177*. September 2008.
- Hsieh, C. (1999), "Productivity Growth and Factor Prices in East Asia," *American Economic Review*, vol. 89 (2) pp. 133-138.
- Jones, C.I and P.M. Romer, (2010), "The New Kaldor Facts: Ideas, Institutions, Population, and Human Capital," *American Economic Journal: Macroeconomics*, vol. 2(1), pp. 224-45.
- Karabarbounis, Loukas, and Brent Nieman. 2014. The Global Decline of the Labor Share. *Quarterly Journal of Economics* 129 (1): 61–103.
- Mankiw, G.N., D. Romer, and D.N. Weil (1992), "A Contribution to the Empirics of Economic Growth", *The Quarterly Journal of Economic*, pp 407-437.
- Prados de la Escosura, L. and J.R. Rosés (2009), "The Sources of Long-Run Growth in Spain, 1850-2000," *Journal of Economic History*, vol. 69 (4), pp. 1063-1091.
- _____ (2010), "Human capital and economic growth in Spain, 1850-2000," *Explorations in Economic History*, vol. 47(4), pp. 520-532.
- Pritchett, L. (1997), "Divergence, Big Time," *Journal of Economic Perspectives*, vol. 11 (3), pp. 3-17.
- Romer, P.M. (1986), "Increasing Returns and Long Run Growth", *Journal of Political Economy*, vol. 94 (5), pp. 1002-1037.
- _____ (1990), "Endogenous Technological Change", *Journal of Political Economy*, vol. 98 (5), pp 71-102.
- Romer, P.M. (1994), "The Origins of Endogenous Growth," *Journal of Economic Perspectives*, vol. 8 (1), pp. 3-22.
- _____ (1996), "Why, Indeed, in America? Theory, History, and the Origins of Modern Economic Growth," *American Economic Review*, vol. 86 (2), pp. 202-206.
- Sachs J.D., and A.M. Warner (2001), "The Curse of Natural Resources," *European Economic Review*, vol. 45 (4) pp. 827-838.
- Tabellini, G. (2010), "Culture and Institutions: Economic Development in the Regions of Europe," *Journal of the European Economic Association*, Vol. 8 (4), pp. 677–716.
- Temple, J. (1999), "The New Growth Evidence", *Journal of Economic Literature*, vol. 38, pp. 112-156.