

Course description for
Economic Growth
Master program
Spring 2002

Lecturer: Christian Groth

Aim: The object of the course is to study what factors determine productivity and productivity growth in the longer run. We endogenize productivity growth via either human capital accumulation or endogenous research activity. We will also address models and current issues in topics such as natural resources, open economy, inequality, technology transfer, poverty traps, and others. There will be an emphasis on formal models (understanding them, being able to evaluate them from both a theoretical and empirical perspective, and to use them to analyse policy questions). Calculus intensity is quite high.

Themes:

1. How is the world income distribution evolving?
2. Do countries converge towards steady state paths and, if so, how quickly?
3. How rapidly do marginal returns to inputs like physical capital diminish?
4. Are poor countries poor mainly because they lack inputs, or technical knowledge, or growth supporting institutions?
5. Why do growth rates differ over long periods?
6. What happens in the very long run?

Prerequisites: Knowledge of basic macro and growth models at a level corresponding to David Romer, *Advanced Macroeconomics*, and of methods of intertemporal optimization. Useful reading before the course is taken includes the mentioned book by David Romer (chapters 1-3) and for example Charles Jones, *Introduction to Economic Growth*, Norton 1998.

ECTS Credits: 8 ECTS.

Duration: Spring term.

Day and time: Wednesdays and Fridays 8.15-10.00 in Bisp 203. Course start: Feb. 6th.

Teaching method: Lectures and term paper (mandatory).

Assessment: Written exam without facilities (conditional on the term paper being accepted).

Examination requirements:

Barro and Sala-i-Martin: *Economic Growth*, MIT Press 1998, selected chapters.

Journal articles.

Lecture notes.