

## *The Macroeconomics of Development*

### **Course Reading List – Revised Feb. 2**

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#### **1) Productivity and technology adoption**

*Lectures based on:*

Stephen L. Parente and Edward C. Prescott, *Barriers to Riches*, MIT Press, 2000.

Peter J. Klenow and Andres Rodriguez, “Externalities and Growth,” forthcoming in the *Handbook of Economic Growth*.

*Student presentation #1:*

Chang Tai Hsieh, “What Explains the Industrial Revolution in East Asia? Evidence from Factor Markets,” *American Economic Review*, June 2002.

*Student presentation #2:*

Peter Howitt, “Endogenous Growth and Cross-Country Income Differences,” *American Economic Review*, December 2000, 90(4), pp. 829-846.

*Related papers:*

Francesco Caselli “The Missing Input: Accounting for Cross-Country Income Differences,” forthcoming in the *Handbook of Economic Growth*, November 2003.

Chang Tai Hsieh and Peter Klenow, “Relative Prices and Relative Prosperity,” mimeo., August 2004

Wolfgang Keller, “International Technology Diffusion,” *Journal of Economic Literature* (September 2004).

Daron Ademoglu and Fabrizio Ziliboti, “Productivity Differences,” *Quarterly Journal of Economics* (May 2001) 563-606.

Daron Ademoglu and Jaume Ventura, “The World Distribution of Income,” *Quarterly Journal of Economics* (May 2002) 659-694.

#### **2) Inequality and development**

*Student presentation #3:*

Oded Galor; Joseph Zeira, “Income Distribution and Macroeconomics,” *Review of Economic Studies*, Vol. 60, No. 1. (Jan., 1993), pp. 35-52.

*Related papers:*

Francesco Caselli and Jaume Ventura, "A Representative Consumer Theory of Distribution," *American Economic Review* 90(4) (September 2000): pp. 909-926.

Esther Duflo and Abhijit Banerjee, "Inequality and Growth: What Can the Data Say?" mimeo., June 2003.

Forbes, Kristin J. (2000) "A reassessment of the relationship between inequality and growth," *American Economic Review* 90(4), 869-887.

Robert J. Barro (2000) "Inequality and Growth in a Panel of Countries," *Journal of Economic Growth* 5 (1), 5-32.

Roland Bénabou, "Inequality, Technology, and the Social Contract," December 2003, forthcoming in the *Handbook of Economic Growth*.

### **3) Finance and development**

*Student presentation #4:*

P. Aghion, P. Howitt, and D. Mayer-Foulkes, "The effect of financial development on convergence: Theory and Evidence," *Quarterly Journal of Economics*, forthcoming.

*Related papers:*

Ross Levine, "Finance and Growth: Theory and Evidence," forthcoming in the *Handbook of Economic Growth*, September 2004.

J. Greenwood and B. Jovanovic, "Financial Development, Growth, and the Distribution of Income," *Journal of Political Economy* 98 (1990) 1076-1107.

Valerie R. Bencivenga and Bruce D. Smith, "Financial Intermediation and Endogenous Growth," *Review of Economic Studies* 58 (1991) 195-209.

### **4) Poverty Traps**

*Student presentation #5:*

Costas Azariadis and John Stachurski, "Poverty Traps," forthcoming in the *Handbook of Economic Growth*.

## 5) Transitions in Development

*Student presentation #6:*

Oded Galor and David N. Weil, "Population, Technology, and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond," *American Economic Review* 90(4) (September 2000): pp. 806-828.

*Related papers:*

Stephen L. Parente and Edward C. Prescott, "A Unified Theory of the Evolution of International Income Levels," forthcoming in the *Handbook of Economic Growth*, September 2003.

L. Rachel Ngai, "Barriers and the Transition to Modern Economic Growth," mimeo., October 2003

Gary D. Hansen and Edward C. Prescott, "Malthus to Solow," *American Economic Review* 92 (2002), 1205-1217.

Charles I. Jones, "Was an Industrial Revolution Inevitable? Economic Growth Over the Very Long Run," *Advances in Macroeconomics*, Vol. 1, No. 2, 2001.

## Other Topics

William Easterly, "National Policies and Economic Growth: A Reappraisal," forthcoming in the *Handbook of Economic Growth*.

## Foreign Aid

Burnside, Craig and David Dollar, "Aid, Policies, and Growth," *American Economic Review* 90(4) (September 2000): pp. 847-68.

William Easterly, Ross Levine, and David Roodman, "New Data, New Doubts: A Comment on Burnside and Dollar's 'Aid, Policies, and Growth'" *American Economic Review*, forthcoming.

William Easterly, "Can Foreign Aid Buy Growth?" *Journal of Economic Perspectives* 17(3), 2003, pp. 23-48.

Jakob Svensson, "Why Conditional Aid Doesn't Work and What Can Be Done About It", *Journal of Development Economics*, 2003, vol. 70 (2): 381-402.

## **The Role of Human Capital and Schooling**

Jess Benhabib and Mark M. Spiegel, "Human Capital and Technology Diffusion," forthcoming in the *Handbook of Economic Growth*

Bils, Mark and P. Klenow, "Does Schooling Cause Growth?" *American Economic Review*, December 2000, 90(5), pp. 1160-1183.

Eric A. Hanushek and Dennis D. Kimko, "Schooling, Labor-Force Quality, and the Growth of Nations" *American Economic Review*, December 2000, 90(5), pp. 1184-1208.

Pritchett, Lant (2001). "Where Has All the Education Gone?" *World Bank Economic Review*.

Krueger, Alan B. and Mikael Lindahl "Education for growth" *Journal of Economic Literature*, 2001

Lutz Hendricks, "How Important Is Human Capital for Development? Evidence From Immigrant Earnings" *American Economic Review*, March 2002, 92(1), pp. 198-219.