

Professor Raquel Fernández
Spring 2008

Department of Economics
New York University

Economic Growth and Development
V31.0370

This course is offered by the Economics Department and by the Alexander Hamilton Center for Political Economy.

Class Times: Mondays and Wednesdays, 2-3:15pm
Class Location: 19 W. 4th St. Rm 102

Office Hours: Wednesdays, 3:15-4:15
Location: 19 W. 4th St. Rm 709

TA: Shenghao Zhu email: sz436@nyu.edu
Office hours: Wednesdays, 3:30-5:30 and by appointment (212 992-9773)
Location: 19 W. 4th St. Rm 821

Midterm Exam: TBA
Final Exam: 7 May 2008

Course Description: The first half of the course will be spent examining the roles of factor accumulation and productivity to the variation in observed growth and income across countries and across time. The second half of the course will explore, in more depth, some of the reasons for this variation and implications for policy. The exact ordering and topics covered may change over the course of the semester.

We will be asking several fundamental questions: How can we explain differences in economic status across countries? Why do some countries have higher income levels, others have higher health and educational outcomes, and even others have more equal outcomes with lower poverty levels? What are the determinants of growth? What is the role of technology? What are the barriers to technological change and adoption? How does political economy play a role in determining growth and development? We will examine the roles of government policy, openness to the world economy, income inequality and culture.

Grading: 10% Homework Assignments, 40% Midterm, and 50% Final Exam

Textbooks:

Weil, David, Economic Growth. 2004 (W)
Jones, Charles, Introduction to Economic Growth. 2nd Edition, 2002 (J)

Some useful websites:

<http://www.nyu.edu/fas/institute/dri/global%20development%20network%20growth%20database.htm>

<http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

http://chd.ucla.edu/dev_data/index.html

Course Outline: In addition to the textbook chapters, I will be complementing the general readings with some more advanced research papers. Please note that the second half of the course, in particular, may change.

I. Motivation and Math Tools

- Chapter 1: “Why Growth Matters” from The Elusive Quest for Growth by William Easterly, 2002.
- Chapter 1 (W): “The Facts to Be Explained”
- Chapter 1 (J): “Introduction: The Facts of Economic Growth”
- Appendix A (J): Mathematical review

II. The Role of Physical Capital

- Chapter 3 (W): “Physical Capital”
- Chapter 2.4 (J): “Growth Accounting, the Productivity Slowdown and the New Economy”

III. The Role of Human Capital

- Chapter 6 (W): “Human Capital”
- Chapter 3 (J): “Empirical Applications of Neoclassical Growth Models”

IV. The Role of Population Growth

- Chapters 4 (W): “Population and Economic Growth”
- Chapter 5 (W): “Future Population Trends”

V. The Role of Productivity

- Chapter 7 (W): “Measuring Productivity”
- Chapter 4 (J): “The Economics of Ideas”

VI. Technology

- Chapter 8 (W): Technology & Growth
- Chapter 9 (W): Technological Progress
- Chapter 10 (W): Efficiency (READ ON YOUR OWN)

VII. Open Economy

- Chapter 11 (W): Growth in the Open Economy

VIII. Endogenous Growth

Course Notes

Chapter 8 (**J**): Some Endogenous Growth Models

IX. Government & Growth

Chapter 12 (**W**): The Role of Government

X. Inequality

Chapter 13 (**W**): Inequality and Growth

Fernández Research I:

Sorting and Long-run Inequality

<http://homepages.nyu.edu/~rf2/Research/LongRunSortingInequality.pdf>

Love and Money: A Theoretical and Empirical Analysis of
Household Sorting and Inequality

(<http://homepages.nyu.edu/~rf2/Research/fgkcompletefinalRF.pdf>)

XI. Culture

Chapter 14 (**W**): Culture and Development

Fernández Research II:

Culture: An Empirical Investigation of Beliefs, Work, and Fertility

<http://homepages.nyu.edu/~rf2/Research/culturepapernewest.pdf>