

ECON 4020 Advanced Macroeconomics

2nd Semester 2016 - 2017

Class Schedule: Tue 10:30 a.m. – 12:15 p.m. ELB 308 (Jan 10 – Apr 18)
Thu 1:30 p.m. – 2:15 p.m. ELB 303 (Jan 12 – Apr 20)

No class: Jan 12, Thursday, 1:30 p.m. – 2:15 p.m.

Makeup Class: Apr 25, Tuesday, 10:30 a.m. – 12:15 p.m., ELB 308

Instructor: Prof. Yip Chong Kee, ELB 922; ext: 38187, chongkeeyip@cuhk.edu.hk

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Objective:

The emphasis of this course is on the modern analysis of economic growth. New development on the theories of growth and development are studied. It also provides an introduction to different models of endogenous growth and technological change. Topics may include: dynamic macro models of finite and infinite horizon, search and growth, models of endogenous technological change, and models of structural change, unified growth models, etc. This course strikes a balance between theoretical developments and empirical studies in modern dynamic macroeconomics. In addition, calibration techniques will be introduced for learning the quantitative analysis used in research papers.

Learning Outcome:

Based on different dynamic macroeconomic models, we try to understand the driving forces behind the growth process of an economy, and the related policy implications.

Basic Textbook:

(AH) Philippe Aghion and Peter Howitt, *The Economics of Growth*, The MIT Press.

Evaluation:

Midterm Exam (Feb 28, Tues, in class)	50%
Final Exam (to be centrally planned)	50%
Problem Sets (to be discussed in classes and tutorials; hand in for bonus)	

Course Outline:

1. Introduction/Basic Techniques
2. Basic Growth Models of Factor Accumulation
3. Basic Models of Technological Change
4. Growth and Development (Level) Accounting
 - Zhu, X., 2012. "Understanding China's Growth: Past, Present, and Future." *Journal of Economic Perspectives* 26 (4), 103-124.
 - Hsieh, C.T., Klenow, P.J., 2010. "Development Accounting." *American Economic Journal: Macroeconomics* 1, 207-223.
5. Misallocation and Growth
 - Hsieh, C.T., Klenow, P.J., 2009. "Misallocation and manufacturing TFP in China and India." *Quarterly Journal of Economics* 124, 1403-1448.
 - Song, M. Z., Storesletten, K., Zilibotti, F., 2011. "Growing Like China." *American Economic Review* 101(1), 202--241.
6. Technology and Growth

- Jones, C., 2005. "The Shape of Production Functions and the Direction of Technical Change." *Quarterly Journal of Economics*, 517-549.
 - Acemoglu, D., 2015. "Localised and Biased Technologies: Atkinson and Stiglitz's New View, Induced Innovations, and Directed Technological Change." *The Economic Journal* 125, 443-463.
7. Stage of Growth and Structural Change (optional if time allows)
- Galor, O., Weil, D.N., 2000. "Population, Technology and Growth: From the Malthusian Regime to The Demographic Transition." *American Economic Review* 110, 806-828.