

ECON 4020 Advanced Macroeconomics

2nd Semester 2017 - 2018

Class Schedule: Tue 10:30 a.m. – 12:15 p.m. ELB 308 (Jan 9 – Apr 17)
 Thu 1:30 p.m. – 2:15 p.m. ELB 303 (Jan 11 – Apr 19)

No class: Jan 9, Tuesday, 10:30 a.m. – 12:15 p.m.

Makeup Class: Apr 24, Tuesday, 10:30 a.m. – 12:15 p.m., ELB 308

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

TA: Mr. Chen Xilu; mobile: 65730321, chenxilu@cuhk.edu.hk

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 Textbooks for References:

1. Philippe Aghion and Peter Howitt, *The Economics of Growth*, The MIT Press, 2009.
2. Acemoglu, D., *Introduction to Modern Economic Growth*, the Princeton University Press, 2009.

Evaluation:

Paper Presentation	50%
Final Exam (to be centrally planned)	50%
Problem Sets (to be discussed in classes and tutorials; hand in for bonus up to 10%)	

Course Outline:

1. Introduction/Basic Techniques
2. Growth and Development (Level) Accounting
3. Basic Growth Models of Factor Accumulation
4. Basic Models of Technological Change
5. Stage of Growth and Structural Change
6. Technology and Growth

Course Readings:

Galor, O., Weil, D.N., 2000. "Population, Technology and Growth: From the Malthusian Regime to The Demographic Transition." *American Economic Review* 110, 806-828.

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.

Hsieh, C.T., Klenow, P.J., 2009. "Misallocation and manufacturing TFP in China and India." *Quarterly Journal of Economics* 124, 1403-1448.

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.

Caselli, F., Coleman, W., 2006. "The world technology frontier." *American Economic Review* 96, 499-522.

Klump, R., de la Grandville, O., 2000. "Economic growth and the elasticity of substitution: two theorems and some suggestions." *American Economic Review* 90, 282-291.

Caselli, Francesco, Accounting for Income Differences across Countries, in *Handbook of Economic Growth*, Vol. 1A, P. Aghion and S. Durlauf, eds. (Amsterdam: Elsevier, 2005, Chap. 9).

Caselli, Francesco, *Technology Differences Over Space and Time*, the Princeton University Press, 2017.