

ECGA 6470: Economic Growth & Development Course Calendar

Fall 2019

See the [course syllabus](#) for [books and videos](#) as well as course requirements see also Part 2 of [this Calendar \(from last year\)](#). So it should not change, for most HW assignments including the readings you need are included as urls in the questions. Our special focus this year will be on poverty traps and the future of capitalism (China?). Africa remains the key source of young people for the world, and there were growth surges in Africa and Latin America. See [Problem Set #1 problem 1](#) on the African growth miracle) [Convergence Big Time](#) (not OECD) club convergence [Part 2 of this calendar](#) from 2018

Aug- Sept-Oct 2019						
Mon	Tu	W	Th	Fri	Sat	Sun
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

[One Growth Strategy?](#) LatAm course [Hope for Venezuela](#) [NY Times Child Mortality Trends](#) [Premature Deindustrialization](#)

9-11-2019: Most important for us, China joined the WTO (Vietnam followed in 2004) [Commanding Heights Transcript](#) [Prologue Daniel Yergin](#) [Nobel Prize 2018](#)

[Three growth models](#) with Sachs supply-side poverty trap appendix

[PIIE Confronting Inequality](#) note the flying geese

HW LDQ-0.1 to .0.3 See also [Global Elephant Growth Incidence Curve Diagram 2019 update](#) Richard Baldwin, Graduate Inst, The great convergence: Information Technology and the New Globalization PIIE [Presentation](#) Headquarter Economy opens up pipeline to Factory Economy

[Oct 10th World Mental Health Day](#) Martin Weitzman [An Economist ahead of his Time](#) dies before his time [Virtuoso climate change economist dead at 77](#)

[Paul Romer goes to Burning Man in search](#) of??. [Piketty Introduction](#) (he is a lead editor on new HDR on inequality Our 2018 [Inequality and Growth Lecture notes](#)

Jones & Volrath 3rd ed [Chapter 8: Population and Growth](#) [Chapter 8 slides](#) [Problem Set #1](#)

2018 Nobel Prize: The 2018 Nobel Prize was shared by two outstanding Development Macro Economists Paul Romer and William Nordhaus. The summary of Romer’s work is quite good, both [the technical](#) and [less technical](#) version, The Sveriges Riksbank Prize in [Economic Sciences in Memory of Alfred Nobel 2018](#) However this new paper by iis even better Jones, Charles I. "[Paul Romer: Ideas, Nonrivalry, and Endogenous Growth.](#)" *The Scandinavian Journal of Economics* 121, no. 3 (2019): 859-883, Jones’s J of Scandinavian Economics [Jones 1995 R&D based models of Econ Growth](#)

Causality Topics Rodriguez and Rodrik (2000) [Trade and Growth](#) Education and Growth

New material (not sure how useful, some pictures are not working...) Volrath’s Growth Econ Blog “Deep roots of Development” Part 5 [Regressions predicting Light density \(light/area\)](#) Part 4 [Culture and Development \(ethnicity and trust, happiness?\)](#) Part 3 [Skeptics Guide to Institutions](#)

New Book (just published by U of Chicago Press for NBER); [The Economics of Poverty Traps](#) [Free Sample](#) [U Chicago NBER Drafts](#) [Depression for Economists](#) (of Economists?)

Sample Chapter [Can Transfers help next gen escape poverty?](#) No but look at Ecuador...

HW questions: Answer [Problem Set LDQ 0.1 and 0.3 word copy](#) or see [the pdf the reading for](#) LDQ 0.5 on population and growth, answers will be due Monday midday on Blackboard (BB). Also please read [question LDQ 1.1. in this homework...](#) Africa [Regional Economic Outlook April](#) 2019 (to be updated mid October)

Many Latin American [Growth incidence Curves \(GICs\) including Ecuador](#)

Research Projects or Country case studies

Causality Trade & Growth: Rodriguez, Francisco, and Dani Rodrik (2000) "Trade policy and economic growth: a skeptic's guide to the cross-national evidence." *NBER macroeconomics annual* 15: 261-325. ([4792 citations](#))

Classic: South Africa Growth Diagnostics: Rodrik, Dani. "Diagnostics before prescription." [Journal of Economic Perspectives](#) 24, no. 3 (2010): 33-44 (see also Harvard CID and the [National Treasury, Rep of South Africa](#))

Frontier: [David Evans, Latest Research on Africa?](#)

Bils, Mark, and Peter J. Klenow (1998) [Does schooling cause growth or the other way around?](#). No. w6393. National Bureau of Economic Research.

“Volrath the shapestealer?” no Volrath’s growth blog <https://growthecon.com/blog/> See “new evidence on convergence” What is the best thing about this PIIE post?

Nobel Prize Logic: Romer and everyone find no evidence of absolute convergence, so we need a new “endogenous growth model” also we can’t explain 200 years of 1.8% U.S. growth (The Nobel committee uses the scatter diagram)

Demand side poverty traps, see Jaime’ Ros’ growth text Notre Dame Press (nontraded goods, RosBookJune1999.pdf)

Savings and Growth

Diversity and Growth (birthplace or ethnic diversity?) Alesina, Alberto, Johann Harnoss, and Hillel Rapoport (2016) "Birthplace diversity and economic prosperity." *Journal of Economic Growth* 21, no. 2: 101-138 (332 citations, 33 versions) [slides June 2013](#) (open 2016 JEG article on campus)

Finance and Growth: classic: Beck, Thorsten, Ross Levine, and Norman Loayza (2000) "Finance and the Sources of Growth." [Journal of financial economics](#) 58, no. 1-2: 261-300.

Aid and Growth (FDI & growth, remittances and growth?) see meshry.com

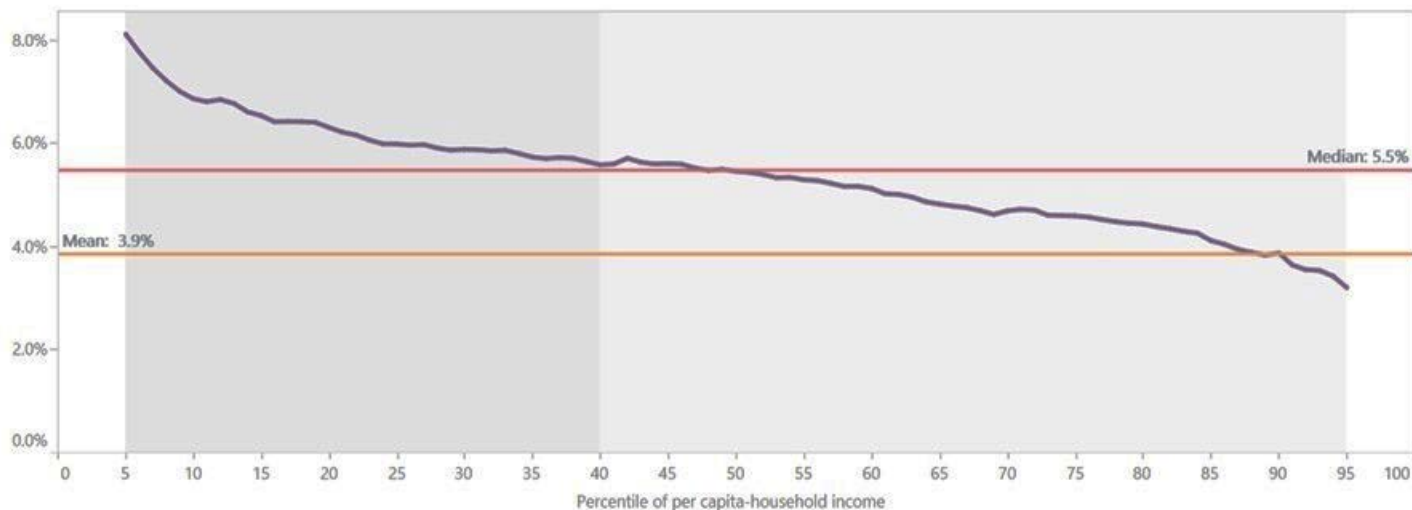
Conditional Convergence: Hall, Robert E., and Charles I. Jones (1999) "Why do some countries produce so much more output per worker than others?" *The Quarterly Journal of Economics* 114, #1:83-116. ([10,103 citations](#))

See also [Global Elephant Growth Incidence Curve Diagram 2019 update](#) Richard Baldwin, Graduate Inst, The great convergence: Information Technology and the New Globalization PIIE [Presentation](#) Headquarter Economy opens up pipeline to Factory Economy

Growth Incidence Curve (GIC)

Ecuador (2004-2017)

Annualized Growth

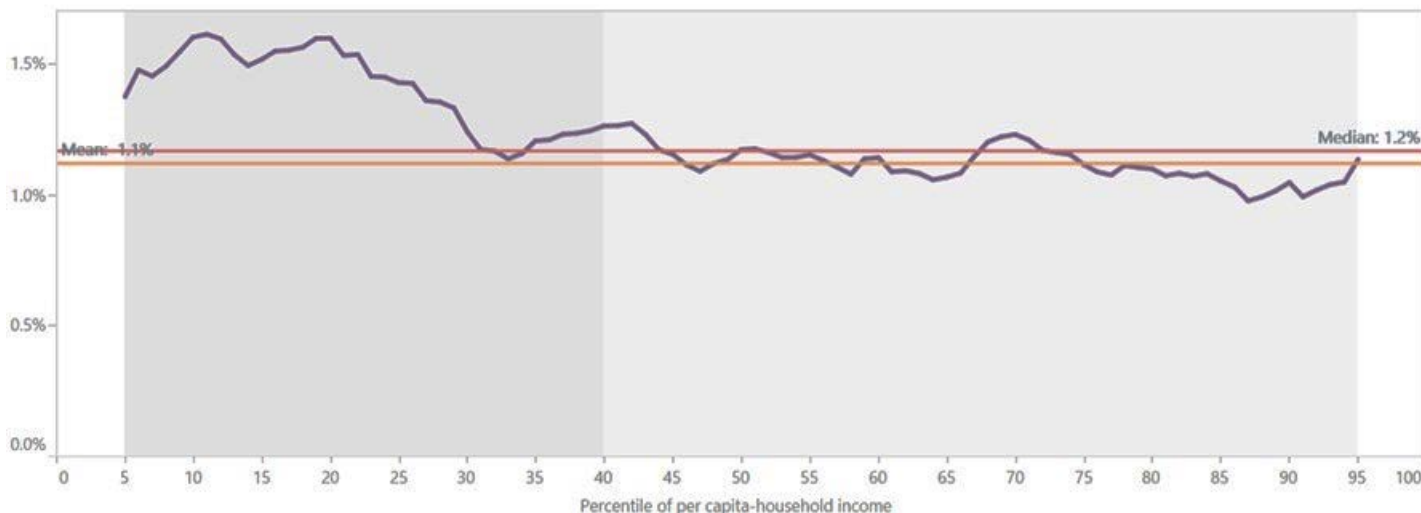


Source: LAC Equity Lab tabulations using SEDLAC (CEDLAS and World Bank) WDI for LAC interpolations.

Growth Incidence Curve (GIC)

Latin America & the Caribbean (2012-2017)

Annualized Growth



<https://www.worldbank.org/en/topic/poverty/lac-equity-lab1/economic-growth/growth-incidence-curve>

Tribute: . Start with the FT video on [China's "Lewis Turning Point"](#) (best on our web page) Books: The Jones & Vollrath text has had [slides](#) and useful [web pages](#) for Jones 3rd edition and a growth blog see [Chad Jones' research web page](#) as well, especially [facts of economic growth](#). William D. Nordhaus "for integrating climate change into long-run macroeconomic analysis" See also [Hans Rosling's "Don't Panic"](#) a classic from another development professional who left us too soon, this film focuses on modern hospitals in urban Bangladesh and Mozambique, notes the falling birthrate in both countries and makes Romer's point about why cities are so important. His work lives on after his passing February 2017 was a terrible loss to the development community. He used data to communicate and worked to make sure it is freely available (open source). He was also a pioneer in the struggle against disease in Africa originally in Mozambique,

more recently helping Liberia fight Ebola. His fundamental insight is that better delivery of health care to mothers can reduce the birth rate and alter the course of development in the poorest nations. Reduced maternal and child mortality leads to fall birth rate, the same demographic transition Europe and the Americas experienced earlier. This demographic dividend creates a virtuous circle of rising incomes and falling poverty rates. Birth rates are falling and more important cities are growing (this is where Paul Romer and Hans Rosling intersect, but loved cities, and Rosling starts at city hospitals). Videos and Podcasts are new, see our web page [Paul M. Romer](#) “for integrating technological innovations into long-run macroeconomic analysis” and see also If you heard Paul Romer on [Growth, Cities, and the State of Economics Apr 22 2019](#) Nobel Laureate [Paul Romer](#) of New York University talks with EconTalk host [Russ Roberts](#) about the nature of growth, the role of cities in the economy, and the state of economics. Romer also reflects on his time at the World Bank and why he left his position there as Chief Economist.

Updated Books and Videos (<http://gdsnet.org/ECON6470CalendarFall2019Part2.pdf> Econ6470BooksFall2019.pdf) Calendar Misc 2018 http://gdsnet.org/Econ6470Fall2019_LDQZeroHW1_AnswerTemplate.pdf

Rivera-Batiz, L.A. and P.M. Romer (1991), “Economic Integration and Endogenous Growth”, Quarterly Journal of Economics, 106(2), 531-555. *{2640 GS Citations} globalization varieties of goods...*

Romer, P.M. (1986), “Increasing Returns and Long-Run Growth”, Journal of Political Economy, 94(5), 1002-1037. *{28648 GS Citations, endogenous growth} externalities offset diminishing returns, so no steady state but also no convergence dynamis...*

Romer, P.M. (1987a), “Growth Based on Increasing Returns Due to Specialization”, American Economic Review, Papers and Proceedings, 77(2), 56-62.

Romer, P.M. (1987b), “Crazy Explanations for the Productivity Slowdown”, in Fischer, S. (ed.) NBER Macroeconomics Annual, 2, 163-210.

Romer, P.M. (1990), “Endogenous Technological Change”, Journal of Political Economy, 98(5), S71-S102 *{28648 GS Citations endogenous technical change, rival vs. nonrival extra, but in the end most influential ideas are knowledge which can be applied again and again and are never depleted... knowhow matters not particular people or inputs or resources, Moore’s law? Rapid spread of information technology, China has Tiktok... and it’s own search engine, open source programs make sense, operating systems, windows and IOS create temporary advantages... the great acceleration since 2007 and with the expansion of trade with China... trade }*

Romer, P.M. (1993), “Two Strategies for Economic Development: Using Ideas and Producing Ideas,” in Proceedings of the World Bank Annual Conference of Development Economics 1992, Washington, DC: World Bank

[ChadJones2019RomerNobelHightlights2.pdf](#)

[Confronting Inequality](#)

How Societies Can Choose Inclusive Growth Jonathan D. Ostry, Prakash Loungani, and Andrew Berg.
Foreword by Joseph E. Stiglitz. Columbia University Press

Foreword, by Joseph E. Stiglitz

Preface 1. Introduction 2. Inequality: Measures and Drivers

3. Inequality and Sustained Growth

4. Structural Policies and Inequality

5. Financial Globalization and Inequality

6. Austerity and Inequality

7. Central Banks and Inequality

8. Technology, Robots, and Inequality

9. Remedies for Inequality—Redistribution 10. Conclusions

Data Appendix Technical Appendix Glossary References Index

Jonathan D. Ostry is deputy director of the research department at the International Monetary Fund, where his work on financial globalization and inequality has been influential in bringing about a shift in the IMF's stance on these issues. His many books include *Taming the Tide of Capital Flows* (2017). His work on inequality and unsustainable growth has been cited by, among others, Barack Obama.

Prakash Loungani is assistant director in the IMF's Independent Evaluation Office. Known for his work on the difficulty of forecasting recessions, he blogs as *The Unassuming Economist*.

Andrew Berg is deputy director of the IMF's Institute for Capacity Development. He previously served at the U.S. Treasury, including as deputy assistant secretary for East Asia and Latin America in 2000–2001 and chief economist of the Mexican Task Force in 1995–1996

Economics of Poverty Traps [Introduction](#) Introduction

Christopher B. Barrett, Michael R. Carter, and Jean-Paul Chavas

I. Nutrition, Health, and Human Capital Formation

1. Human Capital and Shocks: Evidence on Education, Health, and Nutrition

Elizabeth Frankenberg and Duncan Thomas

2. Poverty and Cognitive Function

Emma Boswell Dean, Frank Schilbach, and Heather Schofield

Comment on chapters 1 and 2: John Hoddinott

II. Psychology of Poverty, Hope, and Aspirations

3. Depression through the Lens of Economics: A Research Agenda

Jonathan de Quidt and Johannes Haushofer

4. Hope as Aspirations, Agency, and Pathways: Poverty Dynamics and Microfinance in Oaxaca, Mexico

Travis J. Lybbert and Bruce Wydick

Comment on chapters 3 and 4: Rachid Laajaj

III. Imperfect and Incomplete Financial Markets

5. Taking Stock of the Evidence on Microfinancial Interventions

Francisco J. Buera, Joseph P. Kaboski, and Yongseok Shin

6. Poverty Traps and the Social Protection Paradox

Munenobu Ikegami, Michael R. Carter, Christopher B. Barrett, and Sarah Janzen

Comment on chapters 5 and 6: Stephen C. Smith

IV. Dynamics and Resilience in Natural Resources and Agriculture

7. Heterogeneous Wealth Dynamics: On the Roles of Risk and Ability

Paulo Santos and Christopher B. Barrett

8. Agroecosystem Productivity and the Dynamic Response to Shocks

Jean-Paul Chavas Comment on chapters 7 and 8: Edward B. Barbier

V. Policy in the Presence of Poverty-Trap Mechanisms

9. Sustaining Impacts When Transfers End: Women Leaders, Aspirations, and Investments in Children

Karen Macours and Renos Vakis

10. Can Cash Transfers Help Households Escape an Intergenerational Poverty Trap?

M. Caridad Araujo, Mariano Bosch, and Norbert Schady

Comment on chapters 9 and 10: Maitreesh Ghatak