**Research Topics in Growth and Development**

**Fall, 2021**

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**Course Description**

The objective of this short course is to present frontier research topics in growth and development to students who are interested in doing research in this area. To set the stage, I will first talk about the basic neoclassical growth model and growth accounting. Then I will discuss six topics listed below:

1. Development Accounting
2. Models of structural change
3. Agricultural Proudctivity Gap
4. Barriers to structural change
5. Trade, migration and aggregate productivity
6. Trade and structural change

**Reading List**

General data reference

* The [*Groningen Growth and Development Centre*](https://www.rug.nl/ggdc/) *at the University of Groningen maintains several datasets that are commonly used for research in growth and macro-development. In particular, there are four productivity datasets that are very useful:*
  + [**Penn World Table**](https://www.rug.nl/ggdc/productivity/pwt/)
  + [**10-Sector Database**](https://www.rug.nl/ggdc/productivity/10-sector/)
  + [**EU KLEMS Database**](https://www.rug.nl/ggdc/productivity/eu-klems/)
  + [**Productivity Level Database**](https://www.rug.nl/ggdc/productivity/pld/)

1. Growth Accounting

* \*Lecture Note on Growth Accounting
* \*Young, Alwyn. 1995. “The Tyranny of Numbers,” *Quarterly Journal of Economics*, 110 (3): 641-680.
* \*Hsieh, Chang-Tai. 2002. “What explains the Industrial Revolution in East Asia? Evidence from the Factor Markets,” *American Economic Review*, 92(3): 503-526.
* \*Zhu, Xiaodong. 2012. “Understanding China’s Growth: Past, Present and Future.” *Journal of Economic Perspectives*, 26(4): 103-124.
* Ventura, Jaume. 1997. “Growth and Interdependence,” *Quarterly Journal of Economics*, 112(1): 57-84.
* Neiman, Brent and John Fernald. 2011. “Growth Accounting with Misallocation: Or, Doing Less with More in Singapore,” *American Economic Journal: Macroeconomics*, 3(2): 29-74.
* Hayashi, Fumio and Edward C. Prescott. 2002. “The 1990s in Japan: A Lost Decade,” *Review of Economic Dynamics*, 5: 206-235.

1. Level Accounting

* \*Lecture Note on Development Accounting
* \*Mankiw, N. Gregory, David Romer, and David N. Weil. 1992. “A Contribution to the Empirics of Economic Growth,” *Quarterly Journal of Economics*, 107(2): 407-37.
* \*Jones, Charles I. 2016 “[The Facts of Economic Growth](http://www.nber.org/papers/w21142.pdf)” *Handbook of Economic Growth*, Section 4.4-4.5
* \*Hsieh, Chang-Tai and Pete Klenow. 2010. “Development Accounting.” *American Economic Journal: Macroeconomics*, 2(1): 207-223.
* Jones, Benjamin. 2014. “Human Capital Stock: A Generalized Approach.” *American Economic Review*, 104(1): 3752-3777.
* Hendricks, Lutz and Todd Schoellman. 2018. “Human Capital and Development Accounting: New Evidence from Wage Gains at Migration,” *Quarterly Journal of Economics*, 133(2): 665-700.

1. Models of Structural Change

* \*Lecture Note Structural Change
* \*Herrendorf, Berthold, Richard Rogerson, and AkosValentinyi. 2014. “[Growth and Structural Transformation](http://www.public.asu.edu/~bherrend/Published%20Papers/Handbook%202013.pdf).” in *Handbook of Economic Growth*.
* \*Comin, Diego, DanialLashkari, and Marti Mestieri. 2018 “[Structural Change with Long-run Income and Price Effects](https://docs.google.com/viewer?a=v&pid=sites&srcid=ZGVmYXVsdGRvbWFpbnxtYXJ0aW1lc3RpZXJpfGd4OjUxNDY2Zjc0YWJmYzY2ZjA),” unpublished working paper.
* \*Boppart, Timo. 2014.“[Structural Change and the Kaldor Facts in a Growth Model with Relative Price Effects and Non-Gorman Preferences](http://www.iies.su.se/polopoly_fs/1.166943.1392369488%21/menu/standard/file/structural_change_%28revised_version%29.pdf).” *Econometrica* 82 (6).
* Alder, Simon, Timo Boppart, and Andreas Muller. 2019. “[A Theory of Structural Change That Can Fit the Data](https://www.dropbox.com/s/kn6yh1euametrtp/ABM_StructuralChange.pdf),” unpublished working paper.
* Baumol, William J. 1967. “Macroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis.” *American Economic Review* 57: 415-426.
* Kongsamult, Piyabha, Sergio Rebelo, and DanyangXie. 2001. “Beyond Balanced Growth.”*Review of Economic Studies* 68 (4): 869-882.
* Ngai, L. Rachel and Christophe Pissarides.2007. “Structural Change in a Multi-Sector Model of Growth.” *American Economic Review* 97 (1): 429-443.
* Acemoglu, Daron and Veronica Guerrieri. 2008. “Capital Deepening and Nonbalanced Economic Growth.” *Journal of Political Economy* 116 (3): 567-498.

1. Agricultural Productivity Gap

* \*Lecture Note Agricultural Productivity Gap
* \*Restuccia, Diego, Dennis Tao Yang, and Xiaodong Zhu. 2008. “Agriculture and Aggregate Productivity: A Cross-Country Quantitative Analysis.” *Journal of Monetary Economics* 55 (2): 234-250.
* \*Gollin, Douglas, David Lagakos, and Michael Waugh. 2013. “The Agriculture Productivity Gap.” *Quarterly Journal of Economics* 129(2): 939-993.
* \*Lagakos, David, and Michael Waugh. 2013. “Selection, Agriculture, and Cross-Country Production Differences.” *American Economic Review* 103(2): 948-80.
* Hicks, Joan Hamory, Marieke Kleemans, Nicholas Y. Li, and Edward Miquel. 2017. “Reevaluating Agricultural Productivity Gaps with Longitudinal Microdata.” NBER Working Paper 23253.

1. Barriers to Structural Change: Time-series Analysis

* \*Lecture Note on Barriers to Structural Change
* \*Caselli, Francesco and John Coleman 2001. “[The U.S. Structural Transformation and Regional Convergence: A Reinterpretation](http://personal.lse.ac.uk/casellif/papers/structural.pdf).**”***Journal of Political Economy*109(3): 584-616.
* \*Young, Alwyn. 2003. “Gold into Base Metals: Productivity Growth in the People’s Republic of China during the Reform Period.” *Journal of Political Economy*, 111 (6): 1220-1261.
* \*Brandt, Loren, Chang-Tai Hsieh, and Xiaodong Zhu.2008. “[Growth and Structural Transformation in China](http://www.economics.utoronto.ca/xzhu/paper/BHZ.pdf).” In Loren Brandt and Thomas Rawski ed. *China’s Great Economic Transformation*, pp. 569-632, Cambridge University Press.
* \*Brandt, Loren and Xiaodong Zhu. 2010. “[Accounting for China’s Growth](https://www.economics.utoronto.ca/public/workingPapers/tecipa-394.pdf),” University of Toronto Working Paper No.394.
* Hayashi, Fumio and Edward C. Prescott. 2008. “The Depressing Effect of Agricultural Institutions on the Prewar Japanese Economy.” *Journal of Political Economy* 116 (4)
* Rodrik, Dani. 2013. “Unconditional Convergence in Manufacturing.” *Quarterly Journal of Economics* 126 (1): 165-204.

1. Trade, Migration and Aggregate Productivity

* \*Lecture Note on Trade and Migration
* \*Eaton, Jonathan and Samuel Kortum. 2002. “Technology, Geography, and Trade.”*Econometrica* 70 (5) :1741-1779.
* \*Tombe, Trevor and Xiaodong Zhu. 2019. “[Trade, Migration, and Productivity: A Quantitative Analysis of China](http://homes.chass.utoronto.ca/~xzhu/paper/tombezhulatest.pdf),” *American Economic Review*, 109(5): 1843-1872.
* Bryan, Gahrad and Melanie Morten. 2018. “[The Aggregate Productivity Effects of Internal Migration: Evidence from Indonesia](http://stanford.edu/~memorten/ewExternalFiles/Bryan_Morten_Indonesia.pdf),” *Journal of Political Economy*, forthcoming.
* Caliendo, Lorenzo, MaximilianoDvorkin, and Fernando Parro. 2015. “Trade and Labor Market Dynamics: General Equilibrium Analysis of China Shock.” NBER Working Paper No. 21149.

1. Trade and Structural Change

* \*Lecture Note on Trade and Structural Change
* \*Mastuyama, Kiminori. 2009. "Structural Change in an Interdependent World: A Global View of Manufacturing Decline." *Journal of the European Economic Association* 7: 478-486.
* \*Uy, Timothy, Kei-mu Yi, and Jing Zhang. 2013. “Structural Change in an Open Economy.”*Journal of Monetary Economics*, 60: 667-682.
* \*Matsuyama, Kiminori. 2019. "Engel's Law in the Global Economy: Demand-Induced Patterns of Structural Change, Innovation, and Trade"***,*** *Econometrica*, 87: 497-528.
* Tombe, Trevor. 2015. “The Missing Food Problem: Trade, Agriculture, and International Productivity Differences.” *American Economic Journal: Macroeconomics*, 7(3): 226-258.
* Sposi, Michael. 2018. “[Evolving Comparative Advantage, Sectoral Linkages, and Structural Change](https://doi.org/10.1016/j.jmoneco.2018.08.003).” *Journal of Monetary Economics* forthcoming