

Topics in Growth Theory

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Logistics

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Content

This course focuses on recent work in economic growth and long-run economic development. The course is taught by Fabrizio Zilibotti, Tuntex Professor of Economics at Yale University. We discuss two topics: theories of endogenous technical change, and factor misallocation.

1 Topics

1.1 Directed Technical Change

- Theory of Directed Technical Change (DTC)
- Cross-Country Inequality and Structural Development Accounting
- Offshoring, Trade and DTC
- Robotization, Factor Shares, and Inequality

1.2 Misallocation, Financial Development, and Growth

- Analytical Framework
- Capital mobility: liberalization in China
- Financial Development, Risk, Reallocation, and Growth
- Occupational Choice & Endogenous Preferences

2 Extended Reading List

2.1 Introduction and Macro Facts (background material)

- Jones, Charles (2016): "The Facts of Economic Growth", Chapter 2 in *Handbook of Macroeconomics vol.2A*. Edited by John B. Taylor Harald Uhlig.
- Young, Alwyn (2012): "The African Growth Miracle", *Journal of Political Economy* 120 (4), 696-739
- Caselli, Francesco (2005): "Accounting for Cross Country Income Differences", Chapter 9 in *Handbook of Economic Growth vol.1*. Edited by Philippe Aghion and Stephen Durlauf.
- Hsieh, Chang-Tai (2002): "What Explains the Industrial Revolution in East Asia? Evidence from the Factor Markets," *American Economic Review* 92(3), 502-526
- Hsieh, Chang-Tai, and Peter J. Klenow (2010): "Development Accounting," *American Economic Journal: Macroeconomics* 2(1), 207-223.
- Storesletten, Kjetil and Fabrizio Zilibotti (2014): "China's Great Convergence and Beyond" Annual Review of Economics 6, 333-362.
- Zilibotti, Fabrizio (2017): "Growing and Slowing Down Like China." Presidential Address European Economic Association. *Journal of the European Economic Association* 15(5), 15(5), 943-988.

2.2 Directed Technical Change

- Acemoglu, Daron (2008), *Introduction to Modern Economic Growth*, Princeton University Press, 2008, Chapters 12,13, 15, 18.
- Acemoglu, Daron, Gino Gancia, and Fabrizio Zilibotti (2012): "Competing Engines of Growth: Innovation and Standardization". *Journal of Economic Theory* 147(2), 570-601.
- Acemoglu, Daron G. Gancia, and Fabrizio Zilibotti (2015): "Offshoring and Directed Technical Change." "Offshoring and Directed Technical Change." *American Economic Journal: Macroeconomics* 7, 84-122. (2015).
- Acemoglu, Daron, and Pascual Restrepo (2017): "The Race Between Machine and Man: Implications of Technology for Growth, Factor Shares and Employment," forthcoming in the *American Economic Review*.
- Acemoglu, Daron, and Pascual Restrepo (2017): "Robots and Jobs: Evidence from US Labor Markets," Mimeo MIT <https://economics.mit.edu/files/12763>.
- Acemoglu, Daron, and Pascual Restrepo (2018): "Artificial Intelligence, Automation, and The Future of Work." Prepared for Economics of Artificial Intelligence, edited by Ajay Agarwal, Avi Goldfarb and Joshua.
- Acemoglu, Daron and Fabrizio Zilibotti (2001): "Productivity Differences." *Quarterly Journal of Economics* 115, 563-606.
- Acemoglu, Daron (2002): "Directed Technical Change", *Review of Economic Studies* 69, 781-810.
- Aghion, Philippe, Benjamin F. Jones, and Charles I. Jones (2017) "Artificial Intelligence and Economic Growth," NBER Working Paper No. 23928.
- Gancia Gino, and Fabrizio Zilibotti (2005): "Horizontal Innovation in the Theory of Growth and Development", Chapter 3 in *Handbook of Economic Growth Volume 1A*. Edited by Philippe Aghion and Steve Durlauf.
- Gancia, Gino, Andreas Müller, and Fabrizio Zilibotti (2013): "Structural Development Accounting". In *Advances in Economics and Econometrics: Theory and Applications* (Tenth World Congress of the Econometric Society), D. Acemoglu, M. Arellano and E. Dekel (eds.), Cambridge University Press.
- Gancia, Gino and Fabrizio Zilibotti (2009): "Technological Change and the Wealth of Nations", *Annual Review of Economics* 1, 93-120.
- Hemous, David, and Morten Olsen (2016): "The Rise of the Machines: Automation, Horizontal Innovation and Income Inequality," Mimeo, University of Copenhagen, http://morten-olsen.com/rise_machines_June2016.pdf.

- Rivera Batiz, Luis, and Paul Romer (1991): "Economic Integration and Endogenous Growth," *Quarterly Journal of Economics*, 106, 531-555.
- Romer, Paul (1990): "Endogenous Technical Change", *Journal of Political Economy* 98, S71-S102.

2.3 Misallocation, Financial Development, and Growth

- Acemoglu, Daron, and Fabrizio Zilibotti (1997): "Was Prometheus Unbound by Chance? Risk Diversification and Growth." *Journal of Political Economy*, 105, 709-51.
- Doepke, Matthias, and Fabrizio Zilibotti (2008): "Occupational Choice and the Spirit of Capitalism." *Quarterly Journal of Economics* 123, 747-793 (2008).
- Doepke, Matthias, and Fabrizio Zilibotti (2014): "Culture, Entrepreneurship, and Growth." Chapter 1 in the *Handbook of Economic Growth volume 2a*. Editors Philippe Aghion and Steven Durlauf, NorthHolland.
- Doepke, Matthias, and Fabrizio Zilibotti (2017): "Parenting with Style: Altruism and Paternalism in Intergenerational Preference Transmission" *Econometrica*, 85(5), 1331–1371.
- Hsieh, Chang-Tai, and Peter J. Klenow (2009): "Misallocation and Manufacturing TFP in China and India", *Quarterly Journal of Economics* 124, 1403-1448.
- Hsieh, Chang-Tai, Erik Hurst, Chad Jones, and Pete Klenow (2016) "The Allocation of Talent and U.S. Economic Growth", Mimeo, Chicago Booth (<http://klenow.com/HHJK.pdf>). For an earlier version, see NBER Working Paper No. 18693.
- Hopenhayn, Hugo A. (2014) "Firms, misallocation, and aggregate productivity: A review", *Annual Review of Economics*
- Hsieh Chang-Tai, and Zheng Song (2015). "Grasp the large, let go of the small: the transformation of the state sector in China." *Brooking Papers of Economic Activity*, Spring 2015.
- Porzio, Tommaso (2017) "Cross-Country Differences in the Optimal Allocation of Talent and Technology," Mimeo UC San Diego.
- Storesletten, Kjetil, Zheng Song, and Fabrizio Zilibotti (2011), "Growing Like China", *American Economic Review* 101(1), 196-233