

Economic Growth, spring 2007

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Course web: www.econ.ku.dk/dalgaard/growth.htm

As part of “Endogenous Growth through Factor Accumulation, Part I: Physical Capital”

Detailed Outline: Theories of Endogenous Growth through Productive Government Investment

Theory:

(i). Pure Public good case

- Assumptions regarding technology and the individual firm’s problem
- Deriving the aggregate production function and the equilibrium factor prices.
- Households and growth in the market economy
- Social Optimum

(ii) Public Goods with Congestion

- Assumptions regarding technology and the individual firm’s problem
- The Market Solution
- Social Optimum

Empirics:

(iii) Evidence of the impact from Government Investments in Infrastructure