

Lecture 1: 5/2-07
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Outline:

The neoclassical view Part I: Theory

I. The Framework

- A. Economic Environment
- B. Components of the Model
- C. Solving the Model, Phase diagram

II. Empirical Implications

- A. Can the model motivate differences in long-run (say 30 years +) growth rates in income per capita across countries? Transitional dynamics, rate of convergence.
- B. Can we motivate observed income per capita differences?
- C. Convergence properties. The evolution of world wealth (/income) inequality (Stiglitz, 69')