

Course description for

Economic Growth

Spring 2008

Course title: Economic Growth (videregående vækstteori)

ECTS credits: 8 ECTS

Semester: Spring

Department(s): Department of Economics

Contact person(s): Christian Groth, chr.groth@econ.ku.dk

Day and time: Lectures: Monday 10-12 in CSS 2-1-30 and Wednesday 10-12 in CSS 2-2-42

Duration: 15 weeks

Teaching method: Lectures (with some exercises) and term paper (mandatory)

Aim: The object of the course is to study what factors determine productivity and productivity growth in the longer run. We endogenize productivity growth via human capital accumulation and endogenous research activity. We will also address models and current issues in topics such as natural resources, open economy, inequality, technology transfer, poverty traps, and others. There will be an emphasis on formal models (understanding them, being able to evaluate them from both a theoretical and empirical perspective, and to use them to analyse specific questions). Calculus intensity is high.

Themes:

1. How is the world income distribution evolving?
2. Do countries converge towards steady state paths and, if so, how fast?
3. How rapidly do marginal returns to inputs like physical capital diminish?
4. Are poor countries poor mainly because they lack inputs, or technical knowledge, or growth supporting institutions?
5. Why do growth rates differ over long periods?
6. What happens in the very long run?
7. Are there limits to growth?

Recommended qualifications: Knowledge of basic macro and growth models at a level corresponding to David Romer, *Advanced Macroeconomics*, and of mathematical techniques such as differential equations, phase diagrams, and dynamic optimization (optimal control theory). Useful reading before the course is taken includes the mentioned book by David Romer (chapters 1-3) and for example Charles Jones, *Introduction to Economic Growth*, 2. ed., Norton 2002.

Assessment: Written closed-book examination (conditional on the term paper being accepted)

Syllabus: Barro and Sala-i Martin: *Economic Growth*, 2. ed., MIT Press 2003, selected chapters, journal articles, lecture notes.

Teaching language: only English

Last updated: 31/1-2008.