

FECHAS: 11 al 21 de Junio

HORARIO: 8:30 a.m. a 12:00 m

Salón: ML-514

Sábado 15 de junio: 8:30 a.m. a 12:00 m (Salón: ML-514)

Professors

Margarida Duarte

University of Toronto

margarida.duarte@utoronto.ca

Diego Restuccia

University of Toronto

diego.restuccia@utoronto.ca

Descripción y Objetivos:

The main objective of this course is to apply economic theory to understand and interpret empirical observations on economic development and growth, with some emphasis on the Latin American experience. In this course we will study the main facts characterizing economic development and growth over time and across countries, as well as the ability of theoretical models to account for these facts.

Programa:

1) Development Facts

- Restuccia (2011). "Recent Developments in Economic Growth," Federal Reserve Bank of Richmond *Economic Quarterly*, Volume 97 (3): 329–357.
- Duarte and Restuccia (2006). "The Productivity of Nations," Federal Reserve Bank of Richmond *Economic Quarterly* 92 (3): 195–223. "
- Parente and Prescott (1993). "Changes in the Wealth of Nations," Federal Reserve Bank of Minneapolis *Quarterly Review* 17 (Spring): 3–16.
- Chari, Kehoe, and McGrattan (1996). "The Poverty of Nations: A Quantitative Exploration," NBER Working Paper 5414.
- McGrattan and Schmitz (1998). "Explaining Cross-Country Income Differences," Federal Reserve Bank of Minneapolis Staff Report 250.

2) Solow Model

- Lecture Notes

3) Development and Growth Accounting

- Lecture Notes
- Mankiw, Romer, and Weil (1992). "A Contribution to the Empirics of Economic Growth," *The Quarterly Journal of Economics* 107 (2): 407–437.
- Klenow and Rodríguez-Clare (1997). "The Neoclassical Revival in Growth Economics: Has It Gone Too Far?" In NBER Macroeconomics Annual 1997, Vol. 12, edited by B. S. Bernanke and J. Rotemberg. Cambridge, Mass.: MIT Press, 73–114.
- Hsieh and Klenow (2010). "Development Accounting," *American Economic Journal: Macroeconomics* 2 (January): 207–23

Application: The Latin American Experience

- Restuccia (2013). "The Latin American Development Problem: An Interpretation," *Economía*, forthcoming.
- Bello, Blyde, and Restuccia (2011). "Venezuela's Growth Experience," *Latin American Journal of Economics* 48 (2): 199–226.

4) Neoclassical Growth Model

- Lecture Notes

Application: The Growth Model with Distortions

- Restuccia and Urrutia (2001). "Relative Prices and Investment Rates," *Journal of Monetary Economics* 47 (1): 93–121.

5) The Role of Human Capital

Application: Human Capital and the Wealth of Nations

- Erosa, Koreshkova, and Restuccia (2010). "How Important is Human Capital: A Quantitative Theory Assessment of World Income Inequality," *Review of Economic Studies* 77 (October): 1421–1449.
- Manuelli and Seshadri (2010). "Human Capital and the Wealth of Nations," manuscript.
- Cubas, Ravikumar, and Ventura (2013). "Talent, Labor Quality, and Economic Development," manuscript.

6) The Structural Transformation

- Herrendorf, Rogerson and Valentinyi (2013). "Growth and Structural Transformation," Forthcoming: *Handbook of Economic Growth*.

Application: The role of agriculture

- Restuccia, Yang, and Zhu (2008). "Agriculture and Aggregate Productivity: A Quantitative Cross-Country Analysis," *Journal of Monetary Economics* 55: 234–50.
- Lagakos and Waugh (2012). "Selection, Agriculture, and Cross-Country Productivity Differences," *American Economic Review*, forthcoming.

Application: The role of services

- Duarte and Restuccia (2010). "The Role of the Structural Transformation in Aggregate Productivity," *The Quarterly Journal of Economics* 125 (February): 129–73.
- Duarte and Restuccia (2013). "Relative Prices and Sectoral Productivity," Manuscript, University of Toronto.

- Buera and Kaboski (2012). “The Rise of the Service Economy,” *American Economic Review* 102 (October): 2540–2569.

7) Misallocation and Productivity

- Restuccia and Rogerson (2013). “Misallocation and Productivity,” *Review of Economic Dynamics* 16 (January): 1–10.

8) Misallocation and Productivity: The Indirect Approach

- Restuccia and Rogerson (2008). “Policy Distortions and Aggregate Productivity with Heterogeneous Establishments,” *Review of Economic Dynamics* 11 (October): 707–720.
- Hsieh and Klenow (2009). “Misallocation and Manufacturing TFP in China and India,” *The Quarterly Journal of Economics* 124 (November): 1403–1448.

Application: The Latin American Experience

- Restuccia (2013). “The Latin American Development Problem: An Interpretation,” *Economía*, forthcoming.
- Pagés (2010). *The Age of Productivity: Transforming Economies from the Bottom Up*. New York: Palgrave MacMillan.

9) Misallocation and Productivity: The Direct Approach

- Guner, Ventura, and Xu (2008). “Macroeconomic Implications of Size-Dependent Policies,” *Review of Economic Dynamics* 11 (October): 721–44.
- Buera, Kaboski, and Shin (2011). “Finance and Development: A Tale of Two Sectors,” *American Economic Review* 101 (August): 1964–2002.
- Adamopoulos and Restuccia (2013). “The Size Distribution of Farms and International Productivity Differences,” Manuscript, University of Toronto.
- Bhattacharya, Guner and Ventura (2013). “Distortions, Endogenous Managerial Skills and Productivity Differences,” *Review of Economic Dynamics* 16 (January): 11–25.

Nota:

La nota definitiva se aproximará al múltiplo de 0.5 más cercano de acuerdo a la siguiente regla: 2.75 a 3.24 = 3.0; 3.25 a 3.74 = 3.5, etc.

Fecha de Retiro:

El estudiante podrá retirar el curso, sin devolución, hasta un día hábil antes de la fecha de entrega del take-home examination (June 25).