

Brown University  
Department of Economics  
Fall 2017

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Econ 2070: Macroeconomics Part II (second half of fall semester)

Office Hours: Wed 2-4 or by appointment

This half semester course continues the examination of economic growth and income differences among countries. The largest focus of this half of the semester will be on human capital, primarily from the point of view of its measurement and contribution to variation in economic outcomes. Other topics that will be touched on include technological progress, productivity growth and differences among countries, and health, both as a contributor to income growth and as a dimension of welfare. An overall theme of this part of the semester will be putting a quantitative flesh on our theoretical understanding of the determinants of economic growth.

Grading will be based on problem sets (20%) and a final exam (80%). The anticipated time required for the course is 90 hours over this half semester, broken down as follows: lectures: 3 hours per week (18 hours); TA section 1 hour per week (6 hours); reading: 3 hours per week (18 hours); problem sets: 5 hours per week (30 hours); preparation for final examination: 15 hours; final exam: 3 hours.

### **Outline and Readings**

I have included several chapters of my undergraduate textbook, *Economic Growth*, as background reading. These will be particularly valuable for students who have not worked in this area, but it should be clear that the presentation in this book is well below the level of technical complexity expected of graduate students. Copies of the book may be found floating around the department or borrowed from me directly. There are three editions, and it doesn't matter which you look at.

#### **1. Empirical Analysis of the Solow Model**

Weil Lecture Notes, Part 1 (speed of convergence, growth empirics) -- posted on Canvas

Mankiw, N.G., David Romer, and David N. Weil, "A Contribution to the Empirics of Economic Growth," QJE, 1992.

Gallup, John Luke, and Jeffrey D. Sachs. "The economic burden of malaria." *The American journal of tropical medicine and hygiene* 64.1 suppl (2001): 85-96.

Acemoglu, Daron, *Introduction to Modern Economic Growth* (2007), Chapter 3.

#### **2. Lucas Growth Model**

Lucas, Robert E. "On the mechanics of economic development." *Journal of monetary economics* 22.1 (1988): 3-42.

Weil, Economic Growth, Chapter 8.

### **3. The Mincer Approach to Human Capital and Development Accounting**

Weil, Economic Growth, Chapters 6 and 7.

Caselli, Francesco, "[Accounting for Human Capital Differences](#)" in Aghion and Durlauf, eds., Handbook of Economic Growth, Volume 1, 2005.

### **4. Various Human Capital Issues**

Jones, Benjamin F. "[The Knowledge Trap: Human Capital and Development Reconsidered](#)" Working Paper, 2014.

Bils, Mark, and Peter J. Klenow. "Does schooling cause growth?." American economic review (2000): 1160-1183.

Hazan, Moshe. "Longevity and lifetime labor supply: Evidence and implications." Econometrica 77.6 (2009): 1829-1863.

### **5. Human Capital and Long Run Growth**

Lucas, Robert E. "Some macroeconomics for the 21st century." The Journal of Economic Perspectives 14.1 (2000): 159-168.

Jones, Charles I. "Sources of US economic growth in a world of ideas." The American Economic Review 92.1 (2002): 220-239.

### **6. Human Capital in the Form of Health**

Weil, David N., "Health and Economic Growth" in Aghion and Durlauf, eds., The Handbook of Economic Growth Volume 2B, North Holland, 2014.

Weil, David N., "Accounting for the Effect of Health on Economic Growth," Quarterly Journal of Economics, 122:3, August, 2007.

### **7. The Value of Life and Health Spending**

Hall, Robert E., and Charles I Jones. "The Value of Life and the Rise in Health Spending." The Quarterly Journal of Economics 122(1): 39-72, February 2007

Charles I. Jones & Peter J. Klenow, 2016. "Beyond GDP? Welfare across Countries and Time," American Economic Review, vol 106(9), pages 2426-2457.