Modern Growth Theories
Lecture 1

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http://prawo.uni.wroc.pl/user/12141/students-resources

Syllabus

- An introduction to modern economic growth
- The pattern of economic growth worldwide
- Measures of economic development

- The world income distribution
- Convergence across economies

- Determinants of Economic Growth
- Growth Strategies

Syllabus

- Keynesian approach to economic growth
- Harrod-Domar growth model

- The neoclassical growth theory
- The Solow growth model
- Convergence to the steady-state
- Growth accounting in the neoclassical framework

Syllabus

- Extentions of the Solow model

- Analytical foundation of growth theory. Elements of dynamic programming and optimal control.

- Growth model with endogenous savings

Syllabus

- Endogenous growth models

- One sector model – AK model

- Two sector models – capital human growth models

Syllabus

- R&D models of economic growth

- Scale and non-scale R&D-based models

- Convergence in the endogenous growth models

Syllabus

- Trade and growth theory

- Finance and growth theory – main channels, empirical evidence

- Foreign aid and economic growth

Recommended Reading

- Acemoglu, D., *Introduction to Modern Growth Theory*. Princeton University Press, 2009.

- Aghion, P., Howitt, P., *The Economics of Growth*. MIT Press, 2009.

- Barro, R.J., Sala-i-Martin, X., *Economic Growth*. 2nd edition, MIT Press, 2004.

- Sengupta J., *Understanding Economic Growth*. Springer, 2011.

- Haughton, J., Khandker, S.R., *Handbook on Poverty and Inequality*. The World Bank Washington, 2009.

Recommended Reading

- Romer D., *Advanced Macroeconomics*, McGraw-Hill, 1996.

- Chiang A.C., Wainwright K., *Fundamental Methods of Mathematical Economics*, McGraw-Hill/Irwin, Boston, Mass., (4th edition) 2005.

- Chiang A.C., *Elements of Dynamic Optimization*, Waveland Press, 1992.

Exam 2018

- Economic growth vs economic development.
- Growth strategies.
- Original and augmented Washington Consensus.
- Empirical tests of economic growth.
- The world income distribution.
- Sigma-convergence vs beta-convergence.
- The mechanism behind classic and technological convergence.

Exam 2018

- Types of growth models.
- Assumptions and conclusions of the Harrod model.
- The Domar model – the razor's edge.
- Growth rate and its properties.
- Labour- and capital-augmenting technical progress.
- The neoclassical production function.
- The Solow growth model – assumptions and growth rates at steady state.
- The Solow model – convergence to steady-state.
- Growth accounting in the neoclassical framework.

Exam 2018

- An extended Solow model with physical and human capital.
- CIES utility function and its properties.
- The neoclassical growth model with endogenous savings.
- Models of endogenous technological progress.
- Models with human capital – assumptions and determinants of growth rates.
- Determinants of growth rates in R&D-based growth models.
- Trade in growth models.
- Finance and growth theory.
- Foreign aid and economic growth.