

GRADUATE – Disciplines Menu
Doctorate and Masters in Economics

DISCIPLINE: Development Economics I	CODE: MDPCFP001
ACRONYM: DEC1	
PROFESSOR: Pedro Cavalcanti Gomes Ferreira	WORKLOAD: 40h CREDIT HOUR: 4
MANDATORY: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	COURSE: <input type="checkbox"/> M <input type="checkbox"/> D <input checked="" type="checkbox"/> MD
PREREQUISITES: None	
CONCENTRATION AREA: GROWTH, FLOATING AND ECONOMIC PLANNING.	
STUDY PLAN	
<p>Economic Development I Course</p> <p>This course will seek to analyze some of the most relevant issues related to the process of growth and economic development of countries. Basically, we will study why some countries are (so much) richer than others, starting with the most apparent causes (TFP or production factors) and, afterward, we will study some of the most fundamental causes for dispersion of productivity among countries. Among the last ones, in a more aggregated approach, institutions, and trade barriers, and at a micro level, “misallocation” or sectoral differences.</p> <p>The focus of the course will be basically applied, but we will address some of the main theoretical models of growth among other reasons for studying their empirical implications. The basic theoretical structure closely follows what was taught in the macroeconomics discipline of the first year, and many articles use simulation techniques similar to those studied in class. The bibliography is indicative and the articles will not be necessarily studied in the order below, and some of them will not be addressed. The articles with an asterisk are more recommended for reading and will certainly be presented in class.</p>	
GOALS To analyze some of the most relevant issues related to the process of growth and economic development of countries.	
BIBLIOGRAPHY	
<p>1) Stylized Facts: Long-Term Trends, Convergence, and Divergence</p> <p>Jones, C. (1997) “On the Evolution of World Income Distribution,” <i>Journal of Economic Perspectives</i>, 11, 19-36.</p> <p>Jones. C. (1997) “Convergence Revisited,” <i>Journal of Economic Growth</i>, 2, pp. 131-153.</p> <p>Prichett, L.(1997) “Divergence, Big Time,” <i>Journal of Economic Perspectives</i>, 11, pp. 3-17.</p>	

Barro, R. e X. Sala-i-Martin, (1992) "Convergence," Journal of Political Economy," 100, pp. 223-51.

2) Differences in per capita income level: apparent causes

Caselli, F 2005 "Accounting for cross-country income differences." In: P. Aghion and S.N. Durlauf, Editors, Handbook of Economic Growth vol. 1A, North-Holland, Elsevier, New York, NY (2005), pp. 679–741.

Mankiw, G., Romer, D. and D. Weil, (1992) "A Contribution to the Empirics of Economic Growth", Quarterly Journal of Economics, 107, 2, pp. 407-437.

Klenow, P. J. and A. Rodriguez-Clare. (1997.) "The neoclassical revival in growth economics: has it gone too far?" em NBER Macroeconomics Annual 1997 eds. Ben S. Bernanke e Julio J. Rotemberg Cambridge, MA: The MIT Press, 73-103

Ferreira, P. C., Pessôa, S. A. e F. Velloso (2008) "The Evolution of International Output Differences(1970-2000): from Factors to Productivity"; BE Journal of Macroeconomics.

Todd Schoellman, Education Quality and Development Accounting, The Review of Economic Studies, 2011.

3) Per capita income differences: some basic causes

Hall, R. and C. Jones (1999) "Why Do Some Countries Produce so Much More Output per Worker than Others?," Quarterly Journal of Economics, February, Vol. 114, pp. 83-116.

Acemoglu, D., S. Johnson e J. Robinson (2005) "Unbundling Institutions", Journal of Political Economy Easterly.

W and R. Levine (2003) "Tropics, Germs and Crops: How Endowment Influenced Economic Development," Journal of Monetary Economics, V 50.1, pp.3-39.

Estevadeordal, Antoni, Alan M. Taylor 2013. "Is the Washington Concesus dead? Growth, Opness, and the Great Liberatlization: 1970s-2000s," Review of Economics and Statistics.

*Acemoglu, D., S. Johnson e J. Robinson, (2001) "The Colonial Origins of Comparative Development: An Empirical Investigation", American Economic Review.

Glaeser EL, LaPorta R, de Silanes FL, Shleifer A. (2004) "Do Institutions Cause Growth?" Journal of Economic Growth.

*Acemoglu. Gallego e Robinson, 2014, "Institutions, Human Capital and Development"

Michalopoulos and Papaioanno (2011) Divide and Rule or the Rule of the Divided? Evidence from Africa, www.nber.org/papers/w17184

4) Aggregate impact of microeconomic distortions (“misallocation”)

Restuccia, D. and R. Rogerson (2008) “Policy Distortions and Aggregate Productivity with Heterogenous Plants”, Review of Economic Dynamics.

Chang-Tai Hsieh & Peter J. Klenow, 2009. "Misallocation and Manufacturing TFP in China and India", Quarterly Journal of Economics.

Ferreira, P.C and A. Trejos (2013), Gains from trade and measured total factor productivity, Review of Economic Dynamics.

Zilibotti, Song and Storesletten (2011) , “Growing Like China”, American Economic Review.

Bueira, F. and Shin, Y (2012), “Financial Frictions and the Persistence of History: A Quantitative Exploration”, JPE.

Jones, Charles I. 2011. "Intermediate Goods and Weak Links in the Theory of Economic Development". American Economic Journal: Macroeconomics, 3(2): 1-28.

Ordóñez, J.C, (2014), “Tax collection, the informal sector, and productivity”, Review of Economic Dynamics.

Laura Alfaro & Andrew Charlton & Fabio Kanczuk, 2008. "Plant-Size Distribution and Cross-Country Income Differences," NBER Working Papers 14060.

Kehoe, T. e K. Ruhl (2010) “Why have Economic Reforms in Mexico not Generated Growth?”, FED Minneapolis, Staff Report #453.

Jeremy Greenwood & Juan Sanchez & Cheng Wang, Quantifying the Impact of Financial Development on Economic Development, RED, 2013 (1).

Chang-Tai Hsieh & Peter J. Klenow, 2012. "The Life Cycle of Plants in India and Mexico," NBER Working Papers 18133, National Bureau of Economic Research, Inc.

Midrigan, Virgiliu and Daniel Xu (2010), "Finance and Misallocation: Evidence from Plant-level Data", New York University and Duke University.

Boyan Jovanovic (2014), Misallocation and Growth, AER.

Francisco J. Buera & Roberto Fattal-Jaef & Yongseok Shin, 2014. "Well-Intended Policies," Review of Economic Dynamics.

5) Structural change and aggregate implications of sectoral differences

GRADUATE – Disciplines Menu
Doctorate and Masters in Economics

Duarte, M. and D. Restuccia, 2010, “The Role of the Structural Transformation in Aggregate Productivity” Quarterly Journal of Economics.

Berthold Herrendorf, B., Rogerson, R. and A. Valentinyi (2013) “Growth and Structural Transformation”, NBER WP 18996.

Richard Rogerson, 2008. "Structural Transformation and the Deterioration of European Labor Market Outcomes," Journal of Political Economy.

Ferreira, P.C., Silva, L., 2015 “Structural Transformation in Latin America”, B.E Macroeconomics Journal.

Pereira, L., Ferreira, P. C e Monge-Naranjo (2014) “Structural Transformation, Education and Fertility”.

Francisco J. Buera , Joseph P. Kaboski, Richard Rogerson (2015), “Skill-Biased Structural Change and the Skill-Premium”.

Duarte, M. and D. Restuccia (2015) “Relative Prices and Sectoral Productivity”, Mimeo, University of Toronto.

Restuccia, Diego & Yang, Dennis Tao & Zhu, Xiaodong, 2008. "Agriculture and aggregate productivity: A quantitative cross-country analysis," Journal of Monetary Economics.

Herrendorf, B. and A. Valentinyi, 2011, “Which Sectors Make Poor Countries So Unproductive?”, forthcoming, Journal of the European Economic Association.

Buera, Francisco J., Joseph Kaboski, and Yongseok Shin (2011), "Finance and Development: A Tale of Two Sectors," American Economic Review 101 (August): 1964-2002.

Timmer, Marcel P., and Gaaitzen J. de Vries, “Structural Change and Growth Accelerations in Asia and Latin America: A New Sectoral Data Set,” Cliometrica, 3 (2009), 165–190. Available at www.ggdc.net.

Gollin, D. and Rogerson, R. 2009, “The greatest of all improvements: roads, agriculture, and economic development in Africa” mimeo.

Daron Acemoglu, D and Guerrieri, V. (2006) “Capital Deepening and Non-Balanced Economic Growth”

Buera, F. and J. Kaboski(2008) “The Rise of the Service Economy”, Northwestern University.

Ngai, R. and Christopher Pissarides “Structural Change in a Multi-Sector Model of Growth” forthcoming in the American Economic Review.

Douglas Gollin and Remi Jedwab and Dietrich Vollrath, 2014, Urbanization with and without Industrialization.

6) The Delay in Latin America

Ferreira, P. C., Pessôa, S. A. e F. Velloso (2013) "The Evolution of TFP in Latin America," Economic Inquiry.

Restuccia, Diego, "The Latin American Development Problem , Manuscript, University of Toronto.

Calderón, C. e L. Servén (2003) "The Output Cost of Latin America's Infrastructure Gap," W. Easterly L. Servén (eds.) The Limits of Stabilization: Infrastructure, Public Deficits, and Growth in Latin America, Stanford University Press e World Bank.

Kehoe, T. e K. Ruhl (2010) "Why have Economic Reforms in Mexico not Generated Growth?", FED Minneapolis, Staff Report #453.

Manuelli, R and A. Seshadri "East Asia vs Latin America: TFP and Human Capital Policies".

Bergoeing, R., Kehoe, P., Kehoe, T. and R. Soto, 2001. "A Decade Lost and Found: Mexico and Chile in the 1980s," Review of Economic Dynamics 5, 166-205.

Hopenhayn, H. A. and P.A. Neumeyer, 2004. "Latin America in the XXth Century: Stagnation, then Collapse." Working Paper.

Cole, H. L., L. E. Ohanian, A. Riascos and J. A. Schmitz Jr., 2005. "Latin America in the Rearview Mirror". Journal of Monetary Economics, 52: 69-107.

Loayza, N., Fajnzylber, P and C. Calderon (2005) "Economic Growth in Latin America and the Caribbean", Cap 1, World Bank Press.

7) Trade Barriers and Growth in Open Economies

Estevadeordal, Antoni, Alan M. Taylor 2013. "Is the Washington Concesus dead? Growth, Opness, and the Great Liberatization: 1970s-2000s," Review of Economics and Statistics.

Ferreira, P.C e J.L. Rossi, (2003) "New Evidence from Brazil on Trade Liberalization and Productivity Growth," International Economic Review, vol. 44, nº 4.

*Alcalá F., and A. Ciccone, "Trade and Productivity", Quarterly Journal of Economics 119 (2004), 613-646.

Ferreira, P.C. and A. Trejos "On the Output Efects of Barriers to Trade.", International Economic Review, 2006.

Wacziarg, K Welch (2008) "Trade Liberalization and Economic Growth: New Evidence", World Bank Economic Review 22 (2), 187-231, 2008.

Ellen R. McGrattan & Edward C. Prescott, 2007. "Openness, technology capital, and development," Working Papers 651, Federal Reserve Bank of Minneapolis.

Dollar, D. and A. Kraay (2003) "Institutions, Trade and Growth," Journal of Monetary Economics, V 50.1, pp.3-39.

Frankel, D., and D. Romer (1996) "Does Trade Cause Growth?," American Economic Review.

8) Per capita income differences: transition and "modern growth"

*Hansen, G. and E.C. Prescott, "From Malthus to Solow." American Economic Review. (2002).

*Ngai, R. "Barriers and the Transition to Modern Growth." Journal of Monetary Economics, Volume 51, Issue 7, October 2004, Pages 1353-1383.

*Kevin O’rourke & Jeffrey Williamson, 2005. "From Malthus to Ohlin: Trade, Industrialisation and Distribution Since 1500," Journal of Economic Growth, Springer, vol. 10(1), pages 5-34, 01.

Ferreira, P. Pessôa, S. e M. Santos (2015) "Globalization and the Industrial Revolution", forthcoming, Macroeconomic Dynamics.

Klaus Desmet & Stephen Parente, 2012. "The evolution of markets and the revolution of industry: a unified theory of growth," Journal of Economic Growth.

Herrendorf, B., Schimitz, J. and A. Teixeira (2007) "Exploring the Implications of Large Decrease in Transportation Costs"

Acemoglu, D., S. Johnson and J. Robinson, The Rise of Europe: Atlantic Trade, Institutional Change, and Economic Growth, (AER, 2005).

Galor, O. and D. Weil. (2000) "Population, Technology and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond. American Economic Review 90: 806-828.

9) Education, Retirement and Lifecycle (if there is time...)

Rocha, R., Ferraz, C e R. Soares (2015), "Human Capital Persistence and Development", Mimeo, EESPFGV.

Ferreira, P.C. & Pessôa, S. (2007) "The Effects of Longevity and Distortions on Education and Retirement", Review of Economic Dynamics

Restuccia, D. and Vandenbrouke, G. (2013) "The Evolution of Education: a Macroeconomic Analysis", International Economic Review

Soares, R., 2005. "Mortality Reductions, Educational Attainment, and Fertility Choice", American Economic Review, 95(3): pages 580-601

Doepke, M. (2004). Accounting for fertility decline during the transition to growth. Journal of Economic Growth, 9(3):347.383.

Pereira, L., Ferreira, P..C e Monge-Naranjo (2014) "Structural Transformation, Education and Fertility".

Ferreira, P.C & M. Santos (2013) "The The Effect of Social Security, Demography and Technology on

Retirement Behavior”, RED.

Hanushek, E. e D. D. Kimko (2000) “Schooling, Labor-Force Quality, and the Growth of Nations,” American Economic Review, 90, 5, pp.1184-1208.

Lucas, R., (1988), "On the Mechanics of Economic Development," Journal of Monetary Economics, 22, pp.3-42.

Bills, M. e P. Klenow.(2000) “Does Schooling Causes Growth?,” American Economic Review, 90, 5, pp.1160-1183.

Cagetti, Marco & De Nardi, Mariacristina, 2008. "Wealth Inequality: Data And Models," Macroeconomic Dynamics.

10) Innovation and Barriers to Technology Adoption (if there is time...)

Comim e Hobijn, 2010 An Exploration of Technology Diffusion.” American Economic Review 100:203–59.

Comim e Hobijn 2011. “Technology Diffusion and Postwar Growth, NBER, Annual Cambridge, MA.

Holmes, T., e J. Schmitz Jr.(1995) “Resistentece to New Technology and Trade Between Areas,” FRB of Minneapolis Quarterly Review, winter, pp. 2-18.

Coe, D.T., E. Helpman, A.Hoffmaister(1997) “North-South R&D Spillovers,” Economic Journal.

Parente, S. e E.C. Prescott(1994), “Barriers to Technology Adoption and Development,” Journal of Political Economy, v.102(2), 298-321.

Berthold Herrendorf & Arilton Teixeira (2004) “Monopoly rights and Cross-country TFP” <http://ideas.repec.org/p/red/sed004/17.html>