Development Economics III

Macro Development

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Course Coordinator: Tessa Bold (IIES)

Course Objectives: The objective of the course is to introduce you to the tools and literature of macro development. The course is inspired by the STEG (Structural Transformation and Economic Growth) "Key concepts in macro development" course. It will consist of ten 3-hour lectures. Below you can find the topics with some example readings.

Topics

1. Development accounting

Caselli, F. (2005). "Accounting for Cross-Country Income Differences." In Aghion, P. and Durlauf, S., editors, Handbook of Economic Growth, volume 1 of Handbook of Economic Growth, chapter 9, pages 679--741. Elsevier.

2. Structural transformation

Herrendorf, Rogerson and Valentiniyi (2014), "Growth and Structural Transformation", in Handbook of Economic Growth, Volume 2B

3. Agriculture

Gollin, Douglas, Stephen L Parente, and Richard Rogerson, "The food problem and the evolution of international lincome levels," Journal of Monetary Economics, 2007, 54 (4), 1230–1255.
Adamopoulos, Tasso and Diego Restuccia (2014) "The Size Distribution of Farms and International Productivity Differences," American Economic Review
Gollin, Douglas, Casper Worm Hansen, and Asger Wingender, "Two blades of grass: The impact of the green revolution,"129(8), Journal of Political Economy, 2021.

4. Credit

Breza, Emily, and Cynthia Kinnan. "Measuring the Equilibrium Impacts of Credit: Evidence from the Indian Microfinance Crisis." The Quarterly Journal of Economics 136, no. 3 (2021): 1447–1497.
Buera, Francisco J., Jorge P. Kaboski, and Yongseok Shin. "Finance and Development: A Tale of Two Sectors." American Economic Review 101, no. 5 (2011): 1964–2002.
Moll, Benjamin. "Productivity Losses from Financial Frictions: Can Self-Financing Undo Capital Misallocation?" American Economic Review 104, no. 10 (2014): 3186–3221.
Rajan, Raghuram G., and Luigi Zingales. "Financial Dependence and Growth." American Economic Review 88, no. 3 (1998): 559–586.

5. Trade I

Eaton, Jonathan and Kortum, Samuel (2002). “Technology, Geography, and Trade.” Econometrica, 70(5), 1741-1779

6. Trade II

Melitz, M. J. (2003), “The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity”, Econometrica, 71, 1695–1725.

7. Spatial Misallocation

Bryan, Gharad, Shyamal Chowdhury, and A. Mushfiq Mobarak. "Underinvestment in a Profitable Technology: The Case of Seasonal Migration in Bangladesh." Econometrica 82:5 (2014): 1671 - 1748.
Henderson, J. Vernon, Tim Squires, Adam Storeygard, and David Weil. "The Global Distribution of Economic Activity: Nature, History, and the Role of Trade." The Quarterly Journal of Economics 133:1 (2018): 357–406.
Hamory, Joan, Marieke Kleemans, Nicholas Y Li, and Edward Miguel. "Reevaluating Agricultural Productivity Gaps with Longitudinal Microdata." Journal of the European Economic Association 19:3 (202): 1522–1555.

8. Human Capital

Jones, B. F. (2014). “The human capital stock: A generalized approach”. American Economic Review, 104(11):3752--77.

9. Big Push

Murphy, Kevin M, Andrei Shleifer, and Robert W Vishny. 1989. “Industrialization and the Big Push.” Journal of Political Economy 97 (5): 1003-1026.
Matti Mitrunen, 2024, War Reparations, Structural Change, and Intergenerational Mobility, NBER Working Paper

10. Climate

Nath (2021), “Climate Change, The Food Problem, and the Challenge of Adaptation through Sectoral Reallocation”, forthcoming Journal of Political Economy
Costinot, Donaldson, Smith (2016), “Evolving Comparative Advantage and the Impact of Climate Change in Agricultural Markets: Evidence from 1. Million Fields around the World”, Journal of Political Economy