

## **Class is in Sever 202**

**Enrollment in Economics 1490 is limited and preference is given to senior economics concentrators. To enroll in Economics 1490, fill in this form ([1490.course.application.2016.doc](#)) and submit the application, your resume and transcript to Trina Ott ([ott@fas.harvard.edu](mailto:ott@fas.harvard.edu)).**

**For details on the course format and writing component, please see the Course Description ([1490.course.description.pdf](#)).**

**Reading List and Lecture Schedule ([1490.readinglist.pdf](#))**

### **A. Comparing Economies across the World and over Time.**

1. **Course Outline.**
2. **The World Economy since 1990: Historical Background.**

Angus Maddison (2006), "Introduction and Summary," in *The World Economy*, Paris, OECD, pp. 19-28.

Carmen M Reinhart and Kenneth S. Rogoff (2009), "What Have We Learned?" Part VI in *This Time Is Different: Eight Centuries of Financial Folly*, Princeton, Princeton University Press, pp. 275-292.

3. **Comparing Economies: Production versus Welfare.**

Charles I. Jones and Peter J. Klenow (2016), "Beyond GDP: Welfare across Countries and Time," *American Economic Review*, Vol. 106, No. 9, September, pp. 2439-56. [http://klenow.com/Jones\\_Klenow.pdf](http://klenow.com/Jones_Klenow.pdf)

World Bank (2014), "Analysis of ICP 2011 Summary Results," *Purchasing Power Parities and Real Expenditures of World Economies: Summary of Results and Findings of the 2011 International Comparison Program*, Washington, DC, The World Bank, pp. 79-89. <http://siteresources.worldbank.org/ICPINT/Resources/270056-1183395201801/Summary-of-Results-and-Findings-of-the-2011-International-Comparison-Program.pdf>

4. **Sources of Growth: Asia, Europe, and the United States.**

Dale W. Jorgenson and Khuong Minh Vu (2016), "The Outlook for Emerging Economies," *Journal of Policy Modeling*, in press.

Dale W. Jorgenson and Marcel P. Timmer (2011), "Structural Change in Advanced Nations: A New Set of Stylized Facts," *Scandinavian Journal of Economics*, Vol. 113, Issue 1, March 2011, pp. 1-29. <http://scholar.harvard.edu/jorgenson/publications/structural-change-advanced-nations>

5. **Globalization and Competitiveness.**

Marcel P. Timmer, Abdul Azeez Erumban, Bart Los, Robert Stehrer, and Gaaitzen J. de Vries (2014), "Slicing Up Global Value Chains," *Journal of Economic Perspectives*, Vol. 28, No. 2, Spring, pp. 99-118. <http://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.28.2.99>

Marcel P. Timmer, Bart Los and Gaaitzen J. de Vries (2016), "The Rise of Global Manufacturing Value Chains: A New Perspective Based on the World Input-Output Database," Chapter 15 of Dale W. Jorgenson, Kyoji Fukao, and Marcel P. Timmer, eds., *The World Economy: Growth or Stagnation?* Cambridge, UK, Cambridge University Press, forthcoming.

### **B. The Great Debate over the Financial and Economic Crisis.**

6. **The U.S. Financial Crisis.**

Atif Mian and Amir Sufi (2014), "Busted," *House of Debt*, Chicago, University of Chicago Press, pp. 17-74.

Peter J. Wallison (2015), "Introduction," *Hidden in Plain Sight*, New York, Encounter Books, pp. 3-16.

7. **Monetary Policy.**

John B. Taylor (2013), "Causes of the Financial Crisis and Slow Recovery," Brookings-Hoover Financial Crisis Conference, October 1. <http://www.johnbtaylor.com/>

Ben S. Bernanke (2014), "The Federal Reserve: Looking Back, Looking Forward," Annual Meeting of the American Economic Association, Philadelphia, PA, January 3. <http://www.federalreserve.gov/newsevents/speech/bernanke20140103a.htm>

8. **Financial Regulation: Micro-Prudential and Macro-Prudential.**

International Monetary Fund (2012), "The Reform Agenda: An Interim Report on Progress Toward a Safer Financial System," Ch. 3 in *Global Financial Stability Report*, Washington, DC, International Monetary Fund, October, pp. 75-92. <http://www.imf.org/External/Pubs/FT/GFSR/2012/02/pdf/c3.pdf>.

Janet L. Yellen (2013), "Interconnectedness and Systemic Risk," American Economic Association/American Finance Association Joint Luncheon, San Diego, California, January 4. <http://www.federalreserve.gov/newsevents/speech/yellen20130104a.htm>.

9. **Fiscal Policy.**

Lawrence Christiano, Martin Eichenbaum, and Sergio Rebelo (2011), "When Is the Government Spending Multiplier Large?" *Journal of Political Economy*, 119(1), February, pp. 78-83, 109-121. <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwiTmuy2zNzOAhUO9mMKHQkODgEQFggeMAA&url=http%3A%2F%2Fwww.kellogg.northwestern.edu%2Ffac>

John F. Cogan and John B. Taylor (2012), "What the Government Purchases Actually Multiplied in the 2009 Stimulus Package," Ch. 5 in Lee E. Ohanian, John B. Taylor, and Ian J. Wright, eds., *Government Policies and the Delayed Economic Recovery*, Stanford, CA, Hoover Institution Press, pp. 85-109. [http://media.hoover.org/sites/default/files/documents/Hoover\\_Ohanian\\_GovtPolicies-final.pdf](http://media.hoover.org/sites/default/files/documents/Hoover_Ohanian_GovtPolicies-final.pdf).

10. **Secular Stagnation.**

Stephanie Lo and Kenneth Rogoff (2015), "Secular Stagnation, Debt Overhang and Other Rationales for Sluggish Growth: Six Years On," BIS Working Paper No. 482, January. <http://www.bis.org/publ/work482.pdf>

Lawrence H. Summers (2016), "Rethinking Secular Stagnation after Seventeen Months," Ch. 3 in Olivier Blanchard, Raghuram Rajan, Kenneth Rogoff, and Lawrence H. Summers, eds., *Progress and Confusion: The State of Macroeconomic Policy*, Cambridge, The MIT Press, pp. 29-40. [http://larrysummers.com/wp-content/uploads/2015/07/IMF\\_Rethinking-Macro\\_Down-in-the-Trenches-April-20151.pdf](http://larrysummers.com/wp-content/uploads/2015/07/IMF_Rethinking-Macro_Down-in-the-Trenches-April-20151.pdf)

### **C. The European Slowdown and Crisis in Europe.**

11. **U.S. Growth Resurgence and European Slowdown**

Marcel P. Timmer, Robert Inklaar, Mary Oâ€™Mahony, and Bart van Ark (2010), "Economic Growth in Europe," Ch. 2 in *Economic Growth in Europe*, Cambridge, UK, Cambridge University Press, pp. 18-45.

Bart van Ark and Mary Oâ€™Mahony (2016), "Productivity Growth in Europe Before and Since the 2008/09 Economic and Financial Crisis," Ch. 4 of Dale W. Jorgenson, Kyoji Fukao, and Marcel P. Timmer, eds., *The World Economy: Growth or Stagnation?* Cambridge, UK, Cambridge University Press, forthcoming.

12. **European Competitiveness.**

Marcel P. Timmer, Bart Los, Robert Stehrer, and Gaaitzen J. de Vries (2013), "Fragmentation, Incomes and Jobs: An Analysis of European Competitiveness," *Economic Policy*, Vol. 28, Issue 76, October, pp. 613-661. <http://www.wiod.org/publications/papers/wiod9.pdf>

World Trade Organization (2013), "Transformational Factors Shaping International Trade," Ch. 2 in World Trade Organization, *The Future of Trade: The Challenges of Convergence*, Geneva, World Trade Organization, April 24, pp. 19-26. [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0ahUKEwiC0ryvzdZOAHL2GMKHSvODkYQFgguMAE&url=https%3A%2F%2Fwww.wto.org%2Fenglish%2Fthewto\\_e%2F](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&ved=0ahUKEwiC0ryvzdZOAHL2GMKHSvODkYQFgguMAE&url=https%3A%2F%2Fwww.wto.org%2Fenglish%2Fthewto_e%2F)

13. **Europe 2020 and the Single Market.**

European Commission (2010), *Europe 2020: A European Strategy for Smart, Sustainable and Inclusive Growth*, Brussels, European Commission, March.

<http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%202007%20-%20Europe%202020%20-%20EN%20version.pdf>.

European Commission (2015), "Strengthening the Recovery and Fostering Convergence," *Annual Growth Survey 2016*, Brussels, European Commission, November 26. [http://ec.europa.eu/europe2020/pdf/2016/ags2016\\_annual\\_growth\\_survey.pdf](http://ec.europa.eu/europe2020/pdf/2016/ags2016_annual_growth_survey.pdf)

#### 14. European Policy Response: The Euro.

Bertola, Giuseppe, John Driffill, Harold James, Hans-Werner Sinn, Jan-Egbert Sturm and Ákos Valentinyi (2014), "Ch. 4: Banking Union: Who Should Take Charge?", *EEAG Report on the European Economy 2014*, 2014, 91-108 | [Details](#) | [PDF Download](#)

International Monetary Fund (2016), *Euro Area Policies, 2016 Article IV Consultation: Staff Report*, Washington, DC, International Monetary Fund, July, pp. 1-34. <http://www.imf.org/external/pubs/ft/scr/2016/cr16219.pdf>

#### 15. European Policy Response: Brexit.

Swati Dhingra and Thomas Sampson (2016), "Life after Brexit: What are the UK's Options Outside the European Union?" In Centre for Economic Performance, *Brexit 2016*, London, London School of Economics, pp. 1-11. [http://cep.lse.ac.uk/pubs/download/brexit08\\_book.pdf](http://cep.lse.ac.uk/pubs/download/brexit08_book.pdf)

Swati Dhingra, Hanwei Huang, Gianmarco Ottaviano, Joao Paulo Pessoa, Thomas Sampson, and John Van Reenan (2016), "The Costs and Benefits of Leaving the EU: Trade Effects," In Centre for Economic Performance, *Brexit 2016*, London, London School of Economics, pp. 96-132. [http://cep.lse.ac.uk/pubs/download/brexit08\\_book.pdf](http://cep.lse.ac.uk/pubs/download/brexit08_book.pdf)

### D. Asian Economic Miracles: Will They Continue?

#### 16. Is Asia's Miracle a Myth?

Paul Krugman (1994), "The Myth of Asia's Miracle," *Foreign Affairs*, Vol. 73, No. 6, November/December, pp. 62-78.

Alwyn Young (1995), "The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience," *Quarterly Journal of Economics*, Vol. 110, No. 3, August, pp. 641-680.

#### 17. Japan: Growth and Crisis.

Dale W. Jorgenson, Koji Nomura, and Jon D. Samuels (2016), "A Half Century of Trans-Pacific Competition: Price Level Indices and Productivity Gaps for Japanese and U.S. Industries, 1955-2012," Ch. 13 in Dale W. Jorgenson, Kyoji Fukao, and Marcel P. Timmer, eds., *The World Economy: Growth or Stagnation?*, Cambridge, UK, Cambridge University Press, forthcoming.

Government of Japan (2016), "Abenomics Is Progressing!" Tokyo, Cabinet Office, July, pp. 1-15. <http://www.japan.go.jp/abenomics/html/>

#### 18. The Rise of Developing Asia.

Khuong Minh Vu (2013), "The Rise of Asia," Chapter 3 in Khuong Minh Vu, *The Dynamics of Economic Growth: Policy Insights from Comparative Analyses in Asia*, Northampton, MA, Edward Elgar, pp. 65-143.

Khuong Minh Vu (2013), "Sources of Developing Asia's Economic Growth: Insights from the Standard Growth Accounting Approach," Ch. 4 in Khuong Minh Vu, *The Dynamics of Economic Growth: Policy Insights from Comparative Analyses in Asia*, Northampton, MA, Edward Elgar, pp. 144-193.

#### 19. China: Before and After the Crisis.

World Bank and Development Research Center for the State Council, the People's Republic of China (2013), "Overview," Part I of *China 2030: Building a Modern, Harmonious, and Creative Society*, Washington, DC, The World Bank, pp. 3-76. <http://www.worldbank.org/content/dam/Worldbank/document/China-2030-complete.pdf>

World Bank (2015), *China Economic Update*, Washington, DC, The World Bank, July 3. [http://www.worldbank.org/content/dam/Worldbank/document/EAP/China/ceu\\_06\\_15\\_en.pdf](http://www.worldbank.org/content/dam/Worldbank/document/EAP/China/ceu_06_15_en.pdf)

#### 20. India: Dancing with Giants.

Ministry of Finance (2016), *Economic Survey 2015/16*, Ch. 1, "Economic Outlook, Prospects, and Policy Changes," New Delhi, Government of India, pp. 1-36. <http://indiabudget.nic.in/es2015-16/echapvol1-01.pdf>

Finance Commission (2015), *Report of the 14<sup>th</sup> Finance Commission*, "Chapter 18. Summary of Recommendations," New Delhi, Government of India, pp. 243-261. <http://finmin.nic.in/14fincomm/14fceng.pdf>

### E. Sustainability of Economic Growth.

#### 21. Comparing Populations: Demographic Projections.

Ronald D. Lee (2011), "The Outlook for Population Growth," *Science*, 333(6042), July, 569-573. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3155613/>.

World Bank (2016), "Demographic Change: Disparities, Divergences, and Drivers," Ch. 4 in *Development Goals in an Era of Demographic Change, Global Monitoring Report 2015/2016*, Washington, DC, The World Bank, pp. 137-164. <http://pubdocs.worldbank.org/en/503001444058224597/Global-Monitoring-Report-2015.pdf>

#### 22. Human Capital: Education and Experience.

Michael S. Christian (2014), "Human Capital Accounting in the United States: Context, Measurement, and Applications," Ch. 14 in Dale W. Jorgenson, J. Steven Landefeld, and Paul Schreyer, eds., *Measuring Economic Stability and Progress*, Chicago, University of Chicago Press, pp. 461-492. <http://www.nber.org/chapters/c12840.pdf>

Gang Liu (2014), "Measuring the Stock of Human Capital for International and Intertemporal Comparisons," Ch. 15 in Dale W. Jorgenson, J. Steven Landefeld, and Paul Schreyer, eds., *Measuring Economic Stability and Progress*, Chicago, University of Chicago Press, pp. 493-544. <http://www.nber.org/chapters/c12832.pdf>

#### 23. Fiscal Sustainability.

International Monetary Fund (2016), "Navigating a Risky World," Ch. 1 in *Fiscal Monitor*, Washington, DC, International Monetary Fund, April 2016, pp. 1-27. <http://www.imf.org/external/pubs/ft/fm/2016/01/pdf/fmc1.pdf>

Congressional Budget Office (2016), "Summary" and "The Long-Term Fiscal Imbalance," *The 2016 Long Term Budget Outlook*, Washington, DC, Congressional Budget Office, June, pp. 1-21. <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51580-LTBO-One-Col-2.pdf>

#### 24. Environmental Sustainability.

Chris P. Nielsen, Mun S. Ho, Jing Cao, Yu Lei, Yuxuan Wang, and Yu Zhao, "Summary: Carbon Taxes for 2013-2020," Ch. 3 in Chris P. Nielsen and Mun S. Ho, eds., *Clearer Skies over China*, Cambridge, The MIT Press, pp. 103-143.

William D. Nordhaus (2013), "The Central Role of Carbon Prices," Ch. 19, *Climate Casino*, New Haven, Yale University Press, pp. 220-232.

#### 25. Poverty and Development.

World Bank (2013), "Ending Extreme Poverty and Promoting Shared Prosperity," in World Bank, *End Extreme Poverty and Promote Shared Prosperity*, Washington, DC, World Bank, pp. 10-28. <http://www.worldbank.org/content/dam/Worldbank/document/WB-goals2013.pdf>

Shaohua Chen and Martin Ravallion (2013), "Poverty Measures for the Developing World, 1981-2008," Ch 20 in World Bank, *Measuring the Real Size of the World Economy: The Framework, Methodology, and Results of the International Comparison Program* "ICP," Washington, DC, World Bank, pp. 531-552. See: <https://openknowledge.worldbank.org/bitstream/handle/10986/13329/9780821397282.pdf?sequence=1>.

### F. World Economic Outlook.

#### 26. Potential and Actual Growth.

International Monetary Fund (2016), "Recent Developments and Prospects," Ch. 1 in *World Economic Outlook*, Washington, DC, International Monetary Fund, April, pp. 1-35. <http://www.imf.org/external/pubs/ft/weo/2016/01/pdf/c1.pdf>

World Bank (2016), "Global Macroeconomic Performance and Outlook: Prospects for Growth," Ch. 3 in *Development Goals in an Era of Demographic Change, Global Monitoring Report 2015/2016*, Washington, DC, The World Bank, pp. 117-133. <http://pubdocs.worldbank.org/en/503001444058224597/Global-Monitoring-Report-2015.pdf>