

ECON 7660: Advanced Macroeconomic Theory 2

Syllabus - Winter Term 2020

Revised: January 2, 2020

Lectures: W 11:30am-2:15pm at HUMAN ECOLOGY 304

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Office: Fletcher Argue 641

Office Hours: W 2:30-5:30pm

Course website: <https://universityofmanitoba.desire2learn.com/d2l/home/351096>

Welcome

Feel free to address me as Guillermo (he/him). I will use the course website to post materials and make announcements so make sure you are registered. If you are unsure about due dates or anything else, please ask your classmates first before emailing me.

Overview

This is a course on economic growth and inequality. The emphasis of the course will be on constructing models and contrasting them with evidence. This course builds on the concepts and analytical techniques taught in advanced macroeconomics classes. We will also use the statistical software package R.

Textbooks

- Our main textbook is “Introduction to Economic Growth” (third edition), by Charles Jones and Dietrich Vollrath. This textbook is available in the bookstore and used versions are available online as well.
- We will also discuss and replicate one academic paper per class (listed below), available online and/or through the library.
- We might use parts of “Introduction to modern economic growth” by Daron Acemoglu. No need to purchase this book, which is available at the library.
- For the inequality part, we will use the online textbook on inequality by Maximilian Kasy, available for free at <http://inequalityresearch.net/>

R Software

R is required for this course. R is a free programming language and environment for statistical computing and graphics. RStudio is a free integrated development environment (IDE) for R, which means it is a program that provides a more user-friendly interface for R.

- Download R at <https://cran.r-project.org/>
- Download RStudio at <https://www.rstudio.com/products/rstudio/download/>

- YouTube installation video: <https://goo.gl/PG2cK5>

We will also use Microsoft Excel.

Assignments and Grading

- The weights (and dates) to determine your course grade will be:

	Weight	Date
Midterm Exam	30%	Feb 12
Final Exam	30%	TBA
Problem Sets	20%	Five throughout the Term
Paper Discussion	10%	Every Class
Final Project	10%	April 1

- Exams: We will have two exams. They will not be cumulative.
- Problem Sets: There will be five problem sets. There is no making up for missed problem sets but I will drop the lowest score.
- Paper discussion: the guidelines will be distributed separately.
- Final Project: the guidelines will be distributed separately.
- The Voluntary Withdrawal deadline is March 18, 2020.
- Grading: TBA.

Timetable

Week #	Days	Topic	Textbook Reference	Paper Discussion
1	Jan 8	The Facts of Economic Growth	Ch. 1 & Ap. A	North and Thomas (1977)
2	Jan 15	Exogenous Growth Model	Ch. 2, 3	Ashraf and Galor (2013)
3	Jan 22	Economic of Ideas	Ch. 4	Mankiw et al. (1992)
4	Jan 29	The Engine of Growth	Ch. 5	Karabarbounis and Neiman (2019)
5	Feb 5	Development	Ch. 6	Alvaredo et al. (2018)
6	Feb 12	MIDTERM EXAM		
7		WINTER TERM BREAK		
8	Feb 26	Population	Ch. 7, 8	Hsieh and Klenow (2009)
9	Mar 4	Endogenous Growth Model	Ch. 9	Boppart (2014)
10	Mar 11	Natural Resources	Ch. 10	Jones (2011)
11	Mar 18	Institutions	Ch. 11	Glaeser et al. (2004)
12	Mar 25	Inequality	Online textbook	Hsieh et al. (2019)
13	Apr 1	PROJECT PRESENTATION		
14	TBD	FINAL EXAM		

Exam Policy

- All books, papers, notebooks, etc., must be placed inside your backpack or other type of bag, which must be securely and fully closed. If you do not have a bag, you must place all your material out of your reach.
- You are allowed to have a calculator. Sharing of calculators is not permitted.

- No other electronic devices can be accessible during the exam. You are not allowed to use a cellular phone during an exam.
- You are not allowed to leave the room during the exam. This includes restroom use; be sure to use the restroom before the beginning of the exam.
- If you arrive late to an exam, you cannot expect to get extra time after the official end of the exam to make up for the missing time at the beginning.

Academic Honesty

Students should acquaint themselves with the University's policy on plagiarism, cheating, exam impersonation, ("Impersonation at Examinations" (Section 5.2.9) and "Plagiarism and Cheating" (Section 8.1)) and duplicate submission by reading documentation provided at the Arts Student Resources web site at <http://www.umanitoba.ca/faculties/arts/student/index.html>. Ignorance of the regulations and policies regarding academic integrity is not a valid excuse for violating them

Student Accessibility Services

If you are a student with a disability, please contact SAS for academic accommodation supports and services such as note-taking, interpreting, assistive technology and exam accommodations. Students who have, or think they may have, a disability (e.g. mental illness, learning, medical, hearing, injury-related, visual) are invited to contact SAS to arrange a confidential consultation.

Student Accessibility Services: <http://umanitoba.ca/student/saa/accessibility/>

520 University Centre 204 474 7423

Email: student_accessibility@umanitoba.ca

Use of Technology

Ideally you should be mindfully taking notes with pencil and paper. However, you should bring your computer since we will have lab sessions in R in almost every class. I recommend that you do not use your cell phone during class.

Extra

- See attached document

References

- Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman**, "The elephant curve of global inequality and growth," in "AEA Papers and Proceedings," Vol. 108 2018, pp. 103–08.
- Ashraf, Quamrul and Oded Galor**, "The 'Out of Africa' hypothesis, human genetic diversity, and comparative economic development," *American Economic Review*, 2013, 103 (1), 1–46.
- Baqae, David Rezza and Emmanuel Farhi**, "Productivity and Misallocation in General Equilibrium.," Technical Report, National Bureau of Economic Research 2017.
- Boppart, Timo**, "Structural change and the Kaldor facts in a growth model with relative price effects and non-Gorman preferences," *Econometrica*, 2014, 82 (6), 2167–2196.
- Glaeser, Edward L, Rafael La Porta, Florencio Lopez de Silanes, and Andrei Shleifer**, "Do institutions cause growth?," *Journal of economic Growth*, 2004, 9 (3), 271–303.

- Hsieh, Chang-Tai and Peter J Klenow**, “Misallocation and manufacturing TFP in China and India,” *The Quarterly journal of economics*, 2009, *124* (4), 1403–1448.
- , **Erik Hurst, Charles I Jones, and Peter J Klenow**, “The allocation of talent and us economic growth,” *Econometrica*, 2019, *87* (5), 1439–1474.
- Jones, Charles I**, “Intermediate goods and weak links in the theory of economic development,” *American Economic Journal: Macroeconomics*, 2011, *3* (2), 1–28.
- Karabarbounis, Loukas and Brent Neiman**, “Accounting for factorless income,” *NBER Macroeconomics Annual*, 2019, *33* (1), 167–228.
- Mankiw, N Gregory, David Romer, and David N Weil**, “A contribution to the empirics of economic growth,” *The quarterly journal of economics*, 1992, *107* (2), 407–437.
- North, Douglass C and Robert Paul Thomas**, “The first economic revolution,” *The Economic History Review*, 1977, *30* (2), 229–241.

Schedule “A”

The following information may be used to fulfill the requirement of Schedule “A.” Such information is to be provided to students within the first week of classes, either through a paper copy and/or a University student information system (including Aurora or UM Learn).

Section (a) sample re: A list of academic supports available to Students, such as the Academic Learning Centre, Libraries, and other supports as may be appropriate:

Writing and Learning Support

The Academic Learning Centre (ALC) offers services that may be helpful to you throughout your academic program. Through the ALC, you can meet with a learning specialist to discuss concerns such as time management, learning strategies, and test-taking strategies. The ALC also offers peer supported study groups called Supplemental Instruction (SI) for certain courses that students have typically found difficult. In these study groups, students have opportunities to ask questions, compare notes, discuss content, solve practice problems, and develop new study strategies in a group-learning format.

You can also meet one-to-one with a writing tutor who can give you feedback at any stage of the writing process, whether you are just beginning to work on a written assignment or already have a draft. If you are interested in meeting with a writing tutor, reserve your appointment two to three days in advance of the time you would like to meet. Also, plan to meet with a writing tutor a few days before your paper is due so that you have time to work with the tutor’s feedback.

These Academic Learning Centre services are free for U of M students. For more information, please visit the Academic Learning Centre website at:
<http://umanitoba.ca/student/academiclearning/>

You can also contact the Academic Learning Centre by calling 204-480-1481 or by visiting 201 Tier Building.

University of Manitoba Libraries (UML)

As the primary contact for all research needs, your liaison librarian can play a vital role when completing academic papers and assignments. Liaisons can answer questions about managing citations, or locating appropriate resources, and will address any other concerns you may have, regarding the research process. Liaisons can be contacted by email or phone, and are also available to meet with you in-person. A complete list of liaison librarians can be found by subject: <http://bit.ly/WcEbA1> or name: <http://bit.ly/1tJ0bB4>. In addition, general library assistance is provided in person at 19 University Libraries, located on both

the Fort Garry and Bannatyne campuses, as well as in many Winnipeg hospitals. For a listing of all libraries, please consult the following: <http://bit.ly/1sXe6RA>. When working remotely, students can also receive help online, via the Ask-a-Librarian chat found on the Libraries' homepage: www.umanitoba.ca/libraries.

Section (b) sample: re: A statement regarding mental health that includes referral information:

For 24/7 mental health support, contact the Mobile Crisis Service at 204-940-1781.

Student Counselling Centre

Contact SCC if you are concerned about any aspect of your mental health, including anxiety, stress, or depression, or for help with relationships or other life concerns. SCC offers crisis services as well as individual, couple, and group counselling. *Student Counselling Centre:*

<http://umanitoba.ca/student/counselling/index.html>

474 University Centre or S207 Medical Services
(204) 474-8592

Student Support Case Management

Contact the Student Support Case Management team if you are concerned about yourself or another student and don't know where to turn. SSCM helps connect students with on and off campus resources, provides safety planning, and offers other supports, including consultation, educational workshops, and referral to the STATIS threat assessment team.

Student Support Intake Assistant <http://umanitoba.ca/student/case-manager/index.html>

520 University Centre
(204) 474-7423

University Health Service

Contact UHS for any medical concerns, including mental health problems. UHS offers a full range of medical services to students, including psychiatric consultation.

University Health Service <http://umanitoba.ca/student/health/>

104 University Centre, Fort Garry Campus
(204) 474-8411 (Business hours or after hours/urgent calls)

Health and Wellness

Contact our Health and Wellness Educator if you are interested in information on a broad range of health topics, including physical and mental health concerns, alcohol and substance use harms, and sexual assault.

Health and Wellness Educator <http://umanitoba.ca/student/health-wellness/welcome.html>

Katie.Kutryk@umanitoba.ca

469 University Centre

(204) 295-9032

Live Well @ UofM

For comprehensive information about the full range of health and wellness resources available on campus, visit the Live Well @ UofM site:

<http://umanitoba.ca/student/livewell/index.html>

Section (c) sample: re: A notice with respect to copyright:

All students are required to respect copyright as per Canada's *Copyright Act*. Staff and students play a key role in the University's copyright compliance as we balance user rights for educational purposes with the rights of content creators from around the world. The Copyright Office provides copyright resources and support for all members of the University of Manitoba community.

Visit <http://umanitoba.ca/copyright> for more information.

Section (d) sample: re: A statement directing the student to University and Unit policies, procedures, and supplemental information available on-line:

Your rights and responsibilities

As a student of the University of Manitoba you have rights and responsibilities. It is important for you to know what you can expect from the University as a student and to understand what the University expects from you. Become familiar with the policies and procedures of the University and the regulations that are specific to your faculty, college or school.

The [Academic Calendar](http://umanitoba.ca/student/records/academiccalendar.html)

<http://umanitoba.ca/student/records/academiccalendar.html> is one important source of information. View the sections *University Policies and Procedures* and *General Academic Regulations*.

While all of the information contained in these two sections is important, the following information is highlighted.

- If you have questions about your grades, talk to your instructor. There is a process for term work and final **grade appeals**. Note that you have the right to access your final examination scripts. See the Registrar's Office website for more information including appeal deadline dates and the appeal form

<http://umanitoba.ca/registrar/>

- You are expected to view the General Academic Regulation section within the Academic Calendar and specifically read the **Academic Integrity** regulation. Consult the course syllabus or ask your instructor for additional information about demonstrating academic integrity in your academic work. Visit the Academic Integrity Site for tools and support <http://umanitoba.ca/academicintegrity/> View the **Student Academic Misconduct** procedure for more information.
- The University is committed to a respectful work and learning environment. You have the right to be treated with respect and you are expected conduct yourself in an appropriate respectful manner. Policies governing behavior include the:

Respectful Work and Learning Environment

http://umanitoba.ca/admin/governance/governing_documents/community/230.html

Student Discipline

http://umanitoba.ca/admin/governance/governing_documents/students/student_discipline.html and,

Violent or Threatening Behaviour

http://umanitoba.ca/admin/governance/governing_documents/community/669.html

- If you experience **Sexual Assault** or know a member of the University community who has, it is important to know there is a policy that provides information about the supports available to those who disclose and outlines a process for reporting. The **Sexual Assault** policy may be found at: http://umanitoba.ca/admin/governance/governing_documents/community/230.html More information and resources can be found by reviewing the Sexual Assault site <http://umanitoba.ca/student/sexual-assault/>
- For information about rights and responsibilities regarding **Intellectual Property** view the policy http://umanitoba.ca/admin/governance/media/Intellectual_Property_Policy_-_2013_10_01.pdf

For information on regulations that are specific to your academic program, read the section in the Academic Calendar and on the respective faculty/college/school web site <http://umanitoba.ca/faculties/>

Contact an **Academic Advisor** within our faculty/college or school for questions about your academic program and regulations <http://umanitoba.ca/academic-advisors/>

Student Advocacy

Contact Student Advocacy if you want to know more about your rights and responsibilities as a student, have questions about policies and procedures, and/or want support in dealing with academic or discipline concerns.

<http://umanitoba.ca/student/advocacy/>

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204 474 7423

student_advocacy@umanitoba.ca