

Professor Jon Vislie

August 2011

(Consultation hour: Wednesday 10 – 11; room 1214)

Lecture Plan for ECON 4350 "Growth and Investment" – fall 2011, with specified literature related to each theme/lecture:

Theme 1: The relationship between various models of economic growth – week 34

Theme 2: A survey of various models explaining economic growth:

- The classical approach (week 34, 35):
L.Johansen, 1967, "A classical model of economic growth".
- Keynesian-inspired growth models (week 36):
*E.Domar, 1946, Capital expansion, rate of growth and employment, Econometrica, Vol. 14 (2), April, 137 – 147.** (The (*) indicates that this article is available from JSTOR.)
- The neoclassical approach (week 36, 37):
D.Romer, Advanced Macroeconomics, chapt. 1; both third and fourth edition.
D.Acemoglu, Modern Economic Growth, 2009, chapt. 4.
- Putty-clay models (week 38, 39):
*L.Johansen, 1959, Substitution versus fixed coefficients in the theory of economic growth: A synthesis, Econometrica, Vol. 27 (2), April, pp. 157 – 176.**
F.R.Førsund and J.Vislie, 2011, From macro growth to disaggregated production studies, memorandum from Departemnt of Economics.
- Endogenous growth models (week 41, 42):
D.Romer, chapter 3
*N.G.Mankiw, 1995, The Growth of Nations, Brookings Papers on Economic Activity, 1995 (1), pp. 275 – 326.**
*R.E.Lucas, 1988, On the Mechanics of Economic Development, Journal of Monetary Economics, Vol. 22 (1), pp. 3-42.**
*P.Aghion and P.Howitt, 1996, Research and Development in the Growth Process, Journal of Economic Growth, Vol. 1 (1), pp. 49-73.**
*N.Stern, 1991, The Determinants of Growth, Economic Journal, Vol 101 January, 122-133.**

Theme 3: Structural changes during growth (week 43, 44)

L.Johansen: A Multi-Sectoral Study of Economic Growth, second enlarged edition, North-Holland 1974, chapt. 1 & 10.
W.Baumol, 1967, Macroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis, American Economic Review, Vol. 57 (3), pp. 415 – 426.
*O.Bjerkholt, 2009, The Making of The Leif Johansen Multi-Sectoral Model, History of Economic Ideas, Vol. 17 (3), pp. 103 – 126.**
*J.Vislie, 1979, Division of Labour – Simon Revisited, Regional Science and Urban Economics, Vol. 9 (1), February, pp. 61 – 70.**

Theme 4: Explaining investment (week 45)

D.Romer; chapt. 8 (third edition) or chapt. 9 (fourth edition).

Theme 5: Normative issues – optimal economic growth (week 46, 47)

D.Romer; chapt 2

Seminars: Weeks: 38, 39, 41, 43, 44, 46 – Monday 1615-1800

Exam: December 1.