This reading list is divided into two parts. The first one covers older material and gives you an overview of the state of the art from the viewpoint of Barro and Sala-i-Martin (2004, MIT Press), *Economic Growth*. As you probably know, their perspective strongly favors the neoclassical growth model and they represent very well the large group of economists who approach the study of economic growth in terms of conditional convergence regressions. On the other side, we find more theory-oriented researchers who believe that the neoclassical model fails in countless dimensions and subscribe to a Schumpeterian view of economic growth. A very good textbook that covers a lot of recent results is Aghion and Howitt (1998, MIT Press), *Endogenous Growth Theory*. These two books are a must have for any serious student of growth. Another excellent book is Grossman and Helpman (1991, MIT Press), *Innovation and Growth in the Global Economy* – although much older, this book is a must read for those interested in the implications of modern growth theory for international economics.

As you undoubtedly already know, I am a Schumpeterian – but of a different breed. I depart from the “creative destruction” approach of Aghion and Howitt and propose a “creative accumulation” one, which is more in line with theory and evidence from IO. The course will be heavily biased toward my own views. This is not bad because this is not a “survey” course whereby I teach you the state of the art – in a possibly unbiased and thorough way. This is a research course whereby I teach you how to do research. So, we are interested in discussing questions – to which nobody knows the answer – and possible approaches to finding good answers. There is a term paper. This is a research paper – ideally something that is fit to be submitted to a journal after a lot of editorial work to polish the presentation. Short of this ideal, the paper should be something that with the proper work and dedication can turn into a dissertation. Anything less than this is not good and the grade will reflect it.

Some fantastic new resources recently became available: (1) *Handbook of Economic Growth* (2005, North Holland) edited by P. Aghion and S. Durlauf; (2) *The Economics of Growth* (2009, MIT University Press) by P. Aghion and P. Howitt; (3) *Introduction to Modern Economic Growth* (2009, Princeton University Press) by D. Acemoglu. This is a field that moves very fast and covers a lot of different topics. It would take several pages to list all the references that potentially will come up in our discussions. These three books provide good entry points to a variety of issues, many of which the course does not cover in detail due to time constraints, that you might choose as the focus of your paper.

**Part I: Things seen from the neoclassical perspective**
1. Introduction to Long-Run Growth

- Grossman G. M. and Helpman E., Chapter 1.
- Barro R. J. and X. Sala-i-Martin, Introduction.

2. Neoclassical Growth: Exogenous Saving

- Barro R. J. and X. Sala-i-Martin, Chapter 1.

3. Neoclassical Growth: Endogenous Saving

- Barro R. J. and X. Sala-i-Martin, Chapter 2.


- Barro R. J. and X. Sala-i-Martin, Chapter 3

2
5. Endogenous Growth: One-Sector Models

- Barro R. J. and X. Sala-i-Martin, Chapter 4.


- Barro R. J. and X. Sala-i-Martin, Chapter 5.

7. Endogenous Growth: Technological Progress
Part II: Things from the Schumpeterian perspective

1. Some interesting evidence and other issues

- Ha and Howitt, 2006, A Schumpeterian Critique of Semi-Endogenous Growth Theory, Journal of Money, credit and Banking, forthcoming
2. Market structure and growth


3. Trade and growth


• Wacziarg R., 1997, Trade, Competition and Market Size, manuscript, Stanford University.

4. Unemployment and growth


5. Population and growth


• Hansen G. and Prescott E., 1999, Malthus to Solow, Federal Reserve Bank of Minneapolis Research Department Staff Report 257.


• Jones C., 1999, Was an Industrial Revolution Inevitable? Economic Growth Over the Very Long Run, manuscript, Stanford University.


6. Fiscal policy and growth


