This class provides a broad perspective on the state of macroeconomics and builds the tools for students to undertake their own research. My part of the course focuses on economic growth. It provides an overview of the state of the art from the viewpoint of Barro and Sala-i-Martin (2004, MIT University Press), *Economic Growth*. As you probably know, their perspective is strongly biased in favor of 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 researchers who believe that the neoclassical model fails in countless dimensions and subscribe to a Schumpeterian view of economic growth. (I belong to this group, as you surely already know.) A very good textbook that covers a lot of ground is Aghion and Howitt (1998, MIT University Press), *Endogenous Growth Theory*. Another excellent book is Grossman and Helpman (1991, MIT University 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. For those of you who already own it, the first three chapters of D. Romer (1996, McGraw Hill), *Advanced Macroeconomics*, are useful reading for this course since they blend nicely into the neoclassical capital accumulation approach the modern emphasis on knowledge creation as the engine of growth.

The fact that this is a first-year, first-semester course imposes constraints on our ambitions. We need to focus on basics and tools — and we need to keep in mind that not all of you will stay with the field. This is why this reading list focuses on classics and papers that, although not classics, form the core of what one should know. Nevertheless, in several areas we will get quite close to the research frontier. When this happens, I will be happy to provide those of you who are interested with additional, up-to-date references. A fantastic new resource that just became available is the *Handbook of Economic Growth* (2005, North Holland) edited by P. Aghion and S. Durlauf. Anyone interested in pursuing this field should take a close look at it.

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

5. Endogenous Growth: One-Sector Models

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

6. Endogenous Growth: Two-Sector Models

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

7. Endogenous Growth: Technological Progress


• Barro R. J. and X. Sala-i-Martin, Chapters 6 and 7.

• Grossman G. M. and Helpman E., Chapters 3 and 4.
