

ECONOMICS 202A READING LIST

Professors Maurice Obstfeld and David Romer

Fall Semester 2011

Main Textbook: David Romer, *Advanced Macroeconomics*, Fourth Edition (New York: McGraw-Hill, 2012).

Part I: August 25 - October 25 (Mid-Term Examination)

GSI and Instructor Office Hours: Slavik Sheremirov office hours M 10:30-11:30 A.M. and Th 8:30-9:30 A.M., location TBA. Obstfeld office hours W 1 – 2 P.M., 699 Evans.

I. Long-Run Growth: The Solow Model and Growth Accounting

*David Romer, *Advanced Macroeconomics*, Chapter 1.

*Robert M. Solow, "A Contribution to the Theory of Economic Growth," *Quarterly Journal of Economics*, February 1956, pp. 65-94.

*Edmund S. Phelps, "The Golden Rule of Accumulation: A Fable for Growthmen," *American Economic Review*, September 1961, pp. 638-643.

*Robert E. Hall and Charles I. Jones, "Why Do Some Countries Produce So Much More Output per Worker than Others?" *Quarterly Journal of Economics*, February 1999, pp. 83-116.

Peter J. Klenow and Andres Rodríguez-Clare, "The Neoclassical Revival in Growth Economics: Has It Gone Too Far?" *NBER Macroeconomics Annual*, 1997, pp. 73-103.

Robert E. Lucas, Jr., "Why Doesn't Capital Flow from Rich to Poor Countries?" *American Economic Review*, May 1990, pp. 92-96.

William A. Brock and M. Scott Taylor, "The Green Solow Model," *Journal of Economic Growth*, June 2010, pp. 125-153.

II. Long-Run Growth: The Ramsey-Cass-Koopmans Model

*David Romer, *Advanced Macroeconomics*, Chapter 2, Part A.

Robert J. Barro and Xavier Sala-i-Martin, *Economic Growth*, Second Edition (Cambridge: MIT Press, 2004), Chapter 2 and Appendix A.3 (at end of book).

Robert J. Barro. "Laibson Meets Ramsey in the Neoclassical Growth Model." *Quarterly Journal of Economics*, November 1999, pp. 1125–1152.

*Olivier J. Blanchard and Charles M. Kahn, "The Solution of Linear Difference Models under Rational Expectations," *Econometrica*, September 1980, pp. 1305-1311.

*Maurice Obstfeld, "Dynamic Optimization in Continuous-Time Models (A Guide for the Perplexed)," manuscript, UC Berkeley, April 1992. Available at: <http://www.econ.berkeley.edu/~obstfeld/ftp/perplexed/cts4a.pdf>

Martin Weitzman, *Income, Wealth, and the Maximum Principle* (Cambridge, MA: Harvard University Press, 2003).

III. Overlapping Generations: Growth, Dynamic Efficiency, and Public Debt

*David Romer, *Advanced Macroeconomics*, Chapter 2, Part B.

Andrew B. Abel, N. Gregory Mankiw, Lawrence H. Summers, and Richard J. Zeckhauser, "Assessing Dynamic Efficiency: Theory and Evidence," *Review of Economic Studies*, January 1989, pp. 1-19.

*Robert J. Barro, "Are Government Bonds Net Wealth?" *Journal of Political Economy*, November/December 1974, pp. 1095-1117.

Olivier J. Blanchard, "Debts, Deficits, and Finite Horizons," *Journal of Political Economy*, April 1985, pp. 223-247.

*Peter A. Diamond, "National Debt in a Neoclassical Growth Model," *American Economic Review*, December 1965, pp. 1126-1150.

Alberto Martin and Jaume Ventura, "Economic Growth with Bubbles," Working Paper 15870, National Bureau of Economic Research, April 2010.

Maurice Obstfeld and Kenneth Rogoff, *Foundations of International Macroeconomics* (Cambridge: MIT Press, 1996), pp. 445-448.

Paul A. Samuelson, "An Exact Consumption Loan Model of Interest with or without the Social Contrivance of Money," *Journal of Political Economy*, December 1958, pp. 467-482.

*Jean Tirole, "Asset Bubbles and Overlapping Generations," *Econometrica*, November 1985, pp. 1499-1528.

IV. Long-Run Growth: Endogenous Growth Theory

*David Romer, *Advanced Macroeconomics*, Chapter 3.

Charles I. Jones, "Growth and Ideas," in Philippe Aghion and Steven Durlauf, eds., *Handbook of Economic Growth*, Volume 1B (Amsterdam: Elsevier, 2005), pp. 1063-1111.

*Michael Kremer, "Population Growth and Technical Change: One Million B.C. to 1990," *Quarterly Journal of Economics*, August 1993, pp. 681-716.

Robert E. Lucas, Jr., "On the Mechanics of Economic Development," *Journal of Monetary Economics*, July 1988, pp. 3-42.

*Maurice Obstfeld and Kenneth Rogoff, *Foundations of International Macroeconomics* (Cambridge: MIT Press, 1996), pp. 473-496.

Paul M. Romer, "Endogenous Technical Change," *Journal of Political Economy*, October 1990 (Part 2), pp. S71-S102.

V. International Economics

*Ben Bernanke, "Remarks by Governor Ben S. Bernanke: The Global Saving Glut and the U.S. Current Account Deficit," March 10, 2005. Available at:
<http://www.federalreserve.gov/boarddocs/speeches/2005/20050414/default.htm>

Richard Dobbs et al., *Farewell to Cheap Capital? The Implications of Long-Term Shifts in Global Investment and Saving* (McKinsey Global Institute, 2010).

Rudiger Dornbusch, "Expectations and Exchange Rate Dynamics," *Journal of Political Economy*, December, 1976, pp. 1161-1176.

Francesco Giavazzi and Luigi Spaventa, "Why the Current Account Matters in a Monetary Union: Lessons from the Financial Crisis in the Euro Area," Discussion Paper 8008, Centre for Economic Policy Research (London), September 2010.

Paul Krugman, "Has the Adjustment Process Worked?" in *International Adjustment and Financing: The Lessons of 1985-1991*, edited by C. Fred Bergsten (Washington, DC: Institute for International Economics, 1991), pp. 277-322.

*Maurice Obstfeld and Kenneth Rogoff, "Global Imbalances and the Financial Crisis: Products of Common Causes," in Reuven Glick and Mark M. Spiegel, eds., *Asia and the Global Financial Crisis* (San Francisco: Federal Reserve Bank of San Francisco, 2010).