



## Economic Growth – Theory and Evidence

(Summer Semester 2010)

### Course information

#### Course description and objectives

The aim of this course is to familiarize students with various approaches to explain cross-country differences in income levels and growth rates. While a considerable share of the course is devoted to the presentation of canonical growth models – with a particular focus on the causes and consequences of technological progress – we also discuss the effect of the socio-political environment and of international capital flows on countries' growth performance. In addition to a thorough understanding of competing theories, students should develop a sense for real-world magnitudes as well as some knowledge of the empirical methods used to test these theories.

Having completed this course, students

- will have understood the role of capital accumulation, technological progress, international trade, and government policy for economic growth and development;
- will be able to interpret the historical growth performance and to assess the future growth prospects of individual countries;
- will be familiar with the sources of data used for cross-country comparisons of income levels and growth rates;
- will know the theoretical concepts and empirical methods used in modern growth research.

#### Times and places:

Wednesday, 8.30 a.m. – 10.00 a.m., Room HS 16

Wednesday, 12.30 p.m.– 2.00 p.m., Room HS 16 (fortnightly, starting on April 21\*)

**Start of course: April 14, 2010.**

#### **Note:**

- There will be a concentration of lectures in the first part of the semester and a concentration of tutorials in the second part.
- \*The lecture and tutorial of **April 21** are shifted to Friday, **April 23**, 10.15 - 11.45 a.m. and 12.30 - 2.00 p.m., Room Audimax.

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**Audience:**

- Wirtschaftswissenschaften Bachelor/Beifach:  
Spezialisierungsstudium, Schwerpunkt „International Economics“
- Wirtschaftswissenschaften Diplom- und Magister:  
Kernfach VWL-Theorie, VWL-Politik, Wahlfach Internationale Wirtschaftsbeziehungen

**Prerequisites:**

Students should have attended classes in intermediate micro- and macroeconomics. Moreover, a fair command of the English language is required for attending this course.

**Literature (preliminary):**

- Agenor, P.-R. (2004): *The Economics of Adjustment and Growth*, 2<sup>nd</sup> edition, Harvard University Press.
- Aghion, P. and P. Howitt (2005): “Growth with Quality-Improving Innovations - An Integrated Framework”, in P. Aghion and S. Durlauf (eds.) *Handbook of Economic Growth, Volume 1A*, 67-110.
- Aghion, P. and P. Howitt (2006): “Appropriate Growth Policy: A Unifying Framework”, *Journal of the European Economic Association* 4, 269-314.
- Burda, M. und C. Wyplosz (2005): *Macroeconomics – a European Text*, 4<sup>th</sup> edition, Oxford (OUP).
- Drazen, A. (2000): *Political Economy in Macroeconomics*, Princeton University Press.
- Harms, P. (2008): *Internationale Makroökonomik*, Tübingen, Mohr Siebeck
- Jones, C. (2001): *Introduction to Economic Growth*, 2<sup>nd</sup> edition, Norton
- Romer, D. (1996, 2001, 2005): *Advanced Macroeconomics*, 1<sup>st</sup>, 2<sup>nd</sup> or 3<sup>rd</sup> edition, McGraw Hill.
- Stock, J. and M. Watson (2007): *Introduction to Econometrics*, 2<sup>nd</sup> edition, Pearson Education.

**Reading List and Teaching Materials**

... will be available through **reader plus** (<https://www.zdv.uni-mainz.de/readerplus/>). The password will be announced in the first lectures.