STEG Virtual Course on ‘Key Concepts in Macro Development’

The STEG research programme is offering a virtual course entitled “Key Concepts in Macro Development” for the spring of 2021, which will be taught by a series of lecturers.

What? The course is designed around a series of modules of two 90-minute lectures. These modules introduce workhorse models, methods, and ideas in an organized fashion, as well as going over some empirics and recent contributions. The 6 modules constitute 12 lectures. In addition, we have supplemental lectures that are more stand alone and focus on other important topics in macroeconomic development. Together the modules and supplemental lectures constitute 20 lectures, a full quarter course.

Why? Macro development is a small field. Textbooks are unavailable, and while many graduate programs teach some of these concepts in their courses, very few have a specific course organized around and dedicated to macro development. This virtual course will fill the gap for Ph.D. students or even junior faculty throughout the profession who are interested in these topics but do not have access otherwise. The virtual classes will be interactive, just as virtual graduate lectures in most departments are now.

For whom? The course is open free-of-charge to all interested Ph.D. students and economics faculty. Course materials (syllabus, lecture presentations, and recorded lectures) will be available after the fact on the STEG website.

How to attend? Those who apply and register for the course by January 31 are expected to attend regularly and can actively participate in the Zoom class. Registered graduate students should have a faculty sponsor them.

When? February 5-May 7, either one (Friday) or two (Thursday and Friday) lectures a week, 4 pm London time (GMT through March dates, and then GMT+1 for April and May dates)

Register for the course here
Module 1: Introduction

- **Friday, February 5**, Lecture 1: Empirical overview of macro development – Richard Rogerson (Princeton)
- **Friday, February 12**, Lecture 2: Development accounting: methods and findings – Julieta Caunedo (Cornell)
- **Thursday, February 18**, Supplemental Lecture: Human capital in developing countries – Todd Schoellman (Minneapolis Fed)

Module 2: Structural transformation

- **Friday, February 19**, Lecture 3: Key theories - Berthold Herrendorf (Arizona State)
- **Friday, February 26**, Lecture 4: Structural transformation, home production, and labour markets – L. Rachel Ngai (LSE)
- **Thursday, March 11**, Supplemental lecture: Labour market frictions and development – Mark Rosenzweig (Yale)

Module 3: Misallocation

- **Thursday, March 18**, Supplemental lecture: Political Institutions and development – Leonard Wantchekon (Princeton)
- **Friday, March 19**, Lecture 6: Recent applications and advance – Pete Klenow (Stanford)

Module 4: Agricultural productivity

- **Thursday, March 25**, Lecture 7: Agricultural productivity gap: measurement and explanations – David Lagakos (Boston U)
- **Thursday, April 1**, Lecture 8: Barriers to technology adoption: what we know from micro empirics – Lauren Falcao Bergquist (Michigan)
- **Friday, April 2**, Supplemental lecture: Technology diffusion and adoption – Chris Tonetti (Stanford)

Module 5: Risk and heterogeneous agents

- **Thursday, April 8**, Supplemental lecture: Migration and risk – Mushfiq Mobarak (Yale)
- **Friday, April 9**, Lecture 9: Heterogeneous agents models and methods – Ben Moll (LSE)
- **Friday, April 16**, Lecture 10: Applications to development – Yongseok Shin (Washington U. in St. Louis)
- **Thursday, April 22**, Supplemental lecture: Demographic transition and development – Michèle Tertilt (Mannheim)

Module 6: Spatial frictions

- **Friday, April 23**, Lecture 11: Basic trade/spatial model – Melanie Morten (Stanford)
- **Friday, April 30**, Lecture 12: Applications to development – David Atkin (MIT)
- **Thursday, May 6**, Supplemental lecture: Trade, FDI, and development – Natalia Ramondo (Boston U.)
- **Friday, May 7**, Supplemental lecture: Urbanization and development – Klaus Desmet (Southern Methodist)
Reading List

I. Rogerson

Required reading:


II. Caunedo

Required reading:


Additional readings:

1. Efficiency units when measuring inputs
   a. Human capital:


   b. Physical capital:


2. Factor biased technology


3. Channels:
   a. Human capital:

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b. Relative prices:


c. Sectoral disparities:


III. Schoellman

Required Reading:


Additional Readings:

a. Measurement:


David Lagakos, Benjamin Moll, Tommaso Porzio, Nancy Qian, and Todd Schoellman. Life-cycle wage growth across countries. Journal of Political Economy, 126(2):797--849, 2018


b. Models of Human Capital Differences:


IV. Herrendorf

Required Reading:


Additional Readings:


V. Ngai

Required Reading:


Additional Readings:


Structural Transformation and Economic Growth


Reid, Margaret G. 1934. Economics of Household Production. New York: John Wiley and Sons

VI. Rosennzweig

Required Reading:

Structural Transformation and Economic Growth


Additional Readings:

a. Labour Markets, Productivity and Farm Scale:


b. Surplus labour and development


Additional readings:


Structural Transformation and Economic Growth


Huneeus, Federico, and In Song Kim. “The Effects of Firms’ Lobbying on Resource Misallocation.” (2020), Yale University, mimeo


VII. Rogerson

Required reading:


Additional readings:


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VIII. Wantchekon

Required Reading:


Additional Readings:


IX. Klenow

Required Reading:


Additional Readings:


Edmond, Chris, Virgiliu Midrigan, and Daniel Yi Xu. How costly are markups? 2019 working paper


Structural Transformation and Economic Growth


X. Lagakos

Required reading:


Additional readings:


Young, Alwyn (2014) “Inequality, the Urban-Rural Gap and Migration”, Quarterly Journal of Economics, 128, 1727-1785


XI. Bergquist

Required Reading:


**Additional Readings:**


**XII. Tonetti**

**Required Reading:**


**Additional Readings:**


Modern Idea Diffusion Models


Classic Nelson-Phelps Diffusion Models


Modern Creative Destruction Models


Network Models

XIII. Mobarak

Required Reading:


Additional Readings

Technological innovations, downside risk, and the modernization of agriculture (Manzoor H. Dar, Kyle Emerick, Alain de Janvry, and Elisabeth Sadoulet) American Economic Review, 2016


XIV. Moll

Required Reading:


Additional Readings


Cherrier (2018), “Heterogeneous agents macroeconomics has a long history, and it raises many questions"
Structural Transformation and Economic Growth


Nakamura and Steinsson (2018), “Identification in Macroeconomics” (particularly Section 3 on “Aggregate Versus Cross-Sectional Identification”)


XV. Shin

Required reading:


Additional reading:


XVI. Tertilt

Required Reading:


Additional Readings:


XVII. Morten

Required Reading:


Additional Readings:


Morten and Oliveira (2018), "The effects of roads on trade and migration", Working paper

XVIII. Atkin

Required Reading:

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**Additional Readings:**


**XIX. Ramondo**

**Required Reading:**


**Additional Readings:**


**XX. Desmet**

**Required Reading:**


**Additional Readings:**


