Economics 208: Macroeconomics II

Professor Peter Howitt
Office: Robinson 102B
Phone: 863-2145
email: Peter_Howitt@brown.edu
Office hrs: Wed 2-4 pm

TA: Joshua Wilde

Grades:
There are two exams, the first one on March 13, the second on May 3. Each exam counts for 45 percent of the final grade. The other 10 percent of will be based on your score in homework assignments.

Reading Materials:
The readings for the course come partly from journal articles accessible online through the Library or Jstor, partly from articles on my website http://www.brown.edu/fac/Peter_Howitt, and partly from the following books:


There is much more on this reading list than you will be able to go through this semester. I made the list this way to give you multiple windows into the same material. I will try to indicate as we go through which references are most relevant for which lectures. My website has information about the course, including notes and problem sets.

1. Innovation-based Models of Growth
Romer, ch. 3, part A
Aghion, Philippe, and Peter Howitt, New Growth Economics: Theory, Evidence and Policy, drafts
of chapters 4 ~ 9.
Howitt, Peter, “Endogenous Growth and Cross-Country Income Differences,” American
Economic Review 90 (September 2000).
Jones, Charles I., “R&D-Based Models of Economic Growth,” Journal of Political Economy

2. Money and Prices
Romer, ch. 10, sections 1, 2, 8 and 9
Blanchard and Fischer, chs 4, 5.
Diamond, Peter A. "National Debt in a Neoclassical Growth Model." American Economic Review
Review 46(2) (May, 2005)
Kiyotaki, Nobuhiro, and Randall Wright, “A Search-Theoretic Approach to Monetary
Ljungqvist and Sargent, chs. 8, 9, 24 and 25.
Samuelson, Paul A., “An Exact Consumption-Loan Model of Interest With or Without the Social
Walsh, chs 2 ~ 4.
Woodford, ch 2.

3. Nominal Rigidities and Economic Fluctuations
Romer, chs 5, 6.
Blanchard and Fischer, chs 8, 10.4, 10.3
Ball, Laurence and David Romer. “Real Rigidities and the Non-Neutrality Of Money.” Review of
Economic Studies, 57(2), 1990. (Reprinted in Mankiw and Romer)
Estrella, Arturo and Jeffrey C. Fuhrer, “Dynamic Inconsistencies: Counterfactual Implications of
a Class of Rational-Expectations Models.” American Economic Review 92 (September
Richmond Economic Quarterly (Summer 2000).
Rotemberg, Julio and Michael Woodford, “An Optimization-Based Econometric Framework for
Walsh, chs. 5 ~ 7.
Woodford, ch 3.
4. Macroeconomic Policy
Romer, 10.3 ~ 10.7
Blanchard and Fischer, 11.2 ~ 11.4
Walsh, 8 ~ 11.

5. Expectations, Learning and Monetary Policy
Howitt, Peter, “Monetary Policy and the Limitations of Economic Knowledge,” unpublished
Woodford, ch 4.

6. Unemployment, Search and Coordination Failure
Romer, ch. 9.
Blanchard and Fischer, Section 9.5.
Ljunqvist and Sargent, chs. 6 and 26.