Economics 416-3 Advanced Macroeconomics Matthias Doepke Spring 2014

#### **Syllabus**

### **Course Organization**

The class meets on Tuesdays and Thursdays from 9:30 a.m. to 11:00 a.m. in AAH 3204. The course grade will be based on problem sets, a referee report, and a research proposal to be presented in class.

### **Contact Information**

The easiest way to get in contact with me if you have any questions is via e-mail. My address is:

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doepke@northwestern.edu
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My office hours are by appointment or walk-in if my door is open. A web site for this course will be maintained on Blackboard.

### **Preliminary List of Course Topics**

#### 1 Basics of Family Decision Making

Becker, Gary S. 1993. "A Treatise on the Family," Harvard University Press.

Martin Browning, Pierre-André Chiappori, and Yoram Weiss. 2011. "Family Economics." Cambridge University Press, forthcoming.

Becker, Gary S. 1973. "A Theory of Marriage: Part I." Journal of Political Economy 81(4):813-846.

Becker, Gary S. 1974. "A Theory of Marriage: Part II." *Journal of Political Economy* 82(2):S11-S26.

Bergstrom, Theodore C., 1996. "Economics in a Family Way." *Journal of Economic Literature* 34(4):1903–1934.

Bergstrom, Theodore C. 1997. "A Survey of Theories of the Family," Handbook of Population and Family Economics.

Peter Rupert, ed. 2008. "Frontier of Family Economics," Emerald Press.

Chiappori, Pierre-André. 1988. "Rational Household Labor Supply." *Econometrica* 56(1):63–90.

Chiappori, Pierre-André. 1992. "Collective Labor Supply and Welfare." *Journal of Political Economy* 100(3):437–67.

### 2 Fertility

Becker, Gary S. and Robert J. Barro. 1988. "A Reformulation of the Economic Theory of Fertility." *Quarterly Journal of Economics* 103(1):1-25.

Becker, Gary S. and Robert J. Barro. 1989. "Fertility Choice in a Model of Economic Growth." *Econometrica* 57(2):481–501.

Becker, Gary S., Kevin M. Murphy, and Robert Tamura. 1990. Human Capital, Fertility, and Economic Growth. *Journal of Political Economy* 98:12–37.

Doepke, Matthias. 2004. "Accounting for Fertility Decline During the Transition to Growth." *Journal of Economic Growth* 9(3):347–83.

Jones, Larry and Michele Tertilt. 2008. "An Economic History of Fertility in the U.S.: 1826-1960," in *Frontiers of Family Economics*, Emerald Press. Also available as NBER Working Paper 12796.

Galor, Oded and David N. Weil. 1996. The Gender Gap, Fertility, and Growth. *American Economic Review* 86(3):374–387.

Galor, Oded and David N. Weil. 2000. "Population, Technology, and Growth: From Malthusian Stagnation to the Demographic Transition and Beyond." *American Economic Review* 90(4), 806–28.

Jones, Larry, Schoonbroodt, Alice and Michele Tertilt. 2008. "Fertility Theories: Can They Explain the Negative Fertility-Income Relationship?" NBER Working Paper 14266.

Jones, Larry and Alice Schoonbroodt. 2010. "Complements versus Substitutes and Trends in Fertility Choice in Dynastic Models." *International Economic Review*, 51(3), 671–99.

Alvarez, Fernando. 1999. "Social Mobility: The Barro-Becker Children Meet the Laitner-Loury Dynasties." *Review of Economic Dynamics* 2(1), 65–103.

Jeremy Greenwood, Ananth Seshadri and Guillaume Vandenbroucke. 2005. "The Baby Boom and Baby Bust." American Economic Review.

Matthias Doepke, Moshe Hazan, and Yishay Maoz. 2012. "The Baby Boom and World War II: A Macroeconomic Analysis," Northwestern University, unpublished manuscript.

Stefania Albanesi and Claudia Olivetti. 2012. "Maternal Health and the Baby Boom." Unpublished working paper, Columbia University.

David de la Croix and Matthias Doepke. 2003. "Inequality and Growth: Why Differential Fertility Matters," American Economic Review, 93(4), 1091-1113.

Elizabeth Caucutt, Nezih Guner, and John Knowles. 2002. "Why do Women Wait? Matching, Wage Inequality and Incentives for Fertility Delay." Review of Economic Dynamics, 5(4), 815-55.

Doepke, Matthias. 2005. "Child Mortality and Fertility Decline: Can the Barro-Becker Model Match the Facts?" *Journal of Population Economics* 18(2), 337–366.

# 3 Female Labor Supply

McGrattan, Ellen R. and Rogerson, Richard. 1998. "Changes in Hours Worked Since 1950," Federal Reserve Bank of Minneapolis Quarterly Review 22 (1), 2-19.

Greenwood, Jeremy, and Seshadri, Ananth, and Yorukoglu, Mehmet. 2005. "Engines of Liberation," Review of Economic Studies, 72(1), 109–33.

Jones, Larry E., Rodolfo E. Manuelli and Ellen R. McGrattan. 2003. "Why are Married Women Working so Much?" Unpublished Manuscript, University of Minnesota.

Fernandez, Raquel, Fogli, Alessandra and Claudia Olivetti, 2004. "Mothers and Sons: Preference Formation and Female Labor Force Dynamics," Quarterly Journal of Economics, 119(4), 1249-1299.

Fernandez, Raquel, "Culture as Learning: The Evolution of Female Labor Force Participation over a Century," American Economic Review, forthcoming.

Fogli, Alessandra and Laura Veldkamp. 2011. "Nature or Nurture? Learning and the Geography of Female Labor Force Participation," Econometrica, Vol 97(4), 1103-1138.

Albanesi, Stefania and Claudia Olivetti. 2010. "Home Production, Market Production and the Gender Wage Gap: Incentives and Expectations," Review of Economic Dynamics, 13(4), 742-58.

Albanesi, Stefania and Claudia Olivetti. 2009. "Gender Roles and Medical Progress," NBER Working Paper 14873.

John Knowles. 2013. "Why are Married Men Working So Much?" Review of Economic Studies, 131.

Raquel Fernandez and Joyce C. Wong. 2013. "Divorce Risk, Wages, and Working Wives: A Quantitative Life-Cycle Analysis of Female Labor Force Participation." Unpublished Manuscript, NYU.

Jeremy Greenwood, Ananth Seshadri and Mehmet Yorukoglu. 2005. "Engines of Liberation," Review of Economic Studies, 72(1): 109-133.

Sebastian Dyrda, Greg Kaplan, and José-Victor Rios-Rull. 2012. "Business Cycles and Household Formation: The Micro vs the Macro Labor Elasticity." Unpublished Manuscript, University of Minnesota.

### 4 Marriage and Divorce

Yoran Weiss. 1997. "The Formation and Dissolution of Families: Why Marry, Who Marries Whom, and What Happens Upon Marriage and Divorce?" in Handbook of Population and Family Economics.

Eric Gould, Omer Moav and Avi Simhon. 2008. "The Mystery of Monogamy," American Economic Review 98, 333-357.

Tertilt, Michele. 2005. "Polygyny, Fertility, and Savings," Journal of Political Economy.

Anderson, Siwan. 2003. "Why Dowry Payments Declined with Modernisation in Europe but are Rising in India," Journal of Political Economy, 111 (2).

Anderson, Siwan. 2007. "The Economics of Dowry and Brideprice," Journal of Economic Perspectives, 21(4), 151-174.

Ambrus, Attila, Field, Erica and Maximo Torero. 2010. "Muslim Family Law, Prenuptial Agreements and the Emergence of Dowry in Bangladesh," Quarterly Journal of Economics, 125(3): 1349-97.

Bottichini, Maristella and Aloysius Siow. 2003. "Why Dowries?" American Economic Review, 93 (4), 1385-1398.

Greenwood, Jeremy and Nezih Guner. 2009. "Marriage and Divorce since World War II: Analyzing the Role of Technological Progress on the Formation of Households," NBER Macroeconomics Annual.

Voena, Alessandra. 2012. "Yours, Mine and Ours: Do Divorce Laws Affect the Intertemporal Behavior of Married Couples?" Unpublished manuscript, University of Chicago.

Jeremy Greenwood, Nezih Guner, Georgi Kocharkov and Cezar Santos. 2012. "Technology and the Changing Family: A Unified Model of Marriage, Divorce, Educational Attainment and Married Female Labor-Force Participation," University of Pennsylvania.

Jeremy Greenwood, Nezih Guner and John Knowles. 2003. "More on Marriage, Fertility, and the Distribution of Income," International Economic Review, 44(3): 827-862.

S. Rao Aiyagari, Jeremy Greenwood and Nezih Guner. 2000. "On the State of the Union," Journal of Political Economy, 108(2): 213-244.

Siow, Aloysius. 1998. "Differential Fecundity, Markets, and Gender Roles," Journal of Political Economy, 106 (2), 334-354.

# 5 Household Bargaining

Echevarria, Christina and Merlo, Antonio. 1999. "Gender Differences in Education in a Dynamic Household Bargaining Model," *International Economic Review* 40 (2), 265–86. Imran Rasul. 2008. "Household Bargaining Over Fertility: Theory and Evidence from Malaysia." Journal of Development Economics, 86: 215-41.

Kaushik Basu. 2006. "Gender and Say: a Model of Household Behaviour with Endogenously Determined Balance of Power." *Economic Journal* 116(511), 558-80.

Matthias Doepke and Michèle Tertilt. 2013. "Does Female Empowerment Promote Economic Development?"

Konrad, Kai A., and Kjell Erik Lommerud. 1995. "Family Policy with Noncooperative Families." Scandinavian Journal of Economics 97 (4): 581601.

Lundberg, Shelly, and Robert A. Pollak. 1993. "Separate Spheres Bargaining and the Marriage Market." Journal of Political Economy 101 (6): 9881010.

## 6 Household Sorting and Inequality

Raquel Fernández, Nezih Guner and John Knowles. 2005. "Love and Money: A Theoretical and Empirical Analysis of Household Sorting and Inequality." Quarterly Journal of Economics 120(1), 273-344.

Raquel Fernandez. 2003. Sorting, Education and Inequality Chapter in Advances in Economics and Econometrics, Dewatripont, Hansen, and Turnovsky (Eds.), Cambridge University Press.

Raquel Fernandez. 2002. "Education, Segregation, and Marital Sorting: Theory and Application to the UK." European Economic Review.

Raquel Fernandez and Richard Rogerson. 2001. "Sorting and Long-Run Inequality." Quarterly Journal of Economics.

## 7 **Preference Formation**

Bisin, Alberto, and Thierry Verdier. 2001. "The Economics of Cultural Transmission and the Dynamics of Preferences." Journal of Economic Theory 97 (2): 298319.

Fernandez-Villaverde, Jesus, Jeremy Greenwood, and and Nezih Guner. 2013. "From Shame to Game in One Hundred Years: An Economic Model of the Rise in Premarital Sex and its De-Stigmatization." Journal of the European Economic Association, forthcoming.

Raquel Fernandez and Alessandra Fogli. 2009. "Culture: An Empirical Investigation of Beliefs, Work, and Fertility." American Economic Journal: Macroeconomics.

Raquel Fernandez, Alessandra Fogli and Claudia Olivetti. 2004. "Mothers and Sons: Preference Formation and Female Labor Force Dynamics." Quarterly Journal of Economics.

Jeremy Greenwood and Nezih Guner. 2010. "Social Change: The Sexual Revolution," International Economic Review, 51(4): 893-923. Bisin, Alberto, and Thierry Verdier. 2004. "Work Ethic and Redistribution: A Cultural Transmission Model of the Welfare State." Unpublished Manuscript, NYU.

Doepke, Matthias and Fabrizio Zilibotti. 2009. "Occupational Choice and the Spirit of Capitalism." *Quarterly Journal of Economics*.

Galor, Oded and Omer Moav. 2002. "Natural Selection and the Origin of Economic Growth." *Quarterly Journal of Economics* 117(4):1133–91.

## 8 Basics of Political Economy

Torsten Persson and Guido Tabellini. 2000. "Political Economics." MIT Press.

Hassler, John, and Jose V. Rodriguez Mora, Kjetil Storesletten, and Fabrizio Zilibotti. 2005. "A Positive Theory of Geographic Mobility and Social Insurance." *International Economic Review* 46(1):263–303.

Hassler, John, and Jose V. Rodriguez Mora, Kjetil Storesletten, and Fabrizio Zilibotti. 2003. "The Survival of the Welfare State." *American Economic Review* 93(1):87–112.

### 9 Public Debt

Zheng Song, Kjetil Storesletten, and Fabrizio Zilibotti. 2012. "Rotten Parents and Disciplined Children: A Politico-Economic Theory of Public Expenditure and Debt." Econometrica 80(6):2785-803.

Stephen Coate and Marco Battaglini. 2008. "A Dynamic Theory of Public Spending, Taxation and Debt." American Economic Review 98(1): 201-36.

Levon Barseghyan and Marco Battaglini. 2008. "Growth and Fiscal Policy: a Positive Theory." Unpublished Manuscript, Princeton University.

Marina Azzimonti, Stephen Coate, and Marco Battaglini. "On the Case for a Balanced Budget Amendment to the U.S. Constitution," Unpublished Manuscript, Princeton University.

## **10** Institutions and Growth

Acemoglu, Daron, Simon Johnson, and James Robinson. 2001. "The Colonial Origins of Comparative Development: An Empirical Investigation" *American Economic Review* 91:1369–401.

Acemoglu, Daron, Simon Johnson, and James Robinson. 2002. "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution." *Quarterly Journal of Economics*, 117:1231–94.

Engerman, Stanley L. and Kenneth L. Sokoloff. 2000. "Institutions, Factor Endowments, and the Paths of Development in the New World." *Journal of Economic Perspectives* 14(3):217–32.

Engerman, Stanley L. and Kenneth L. Sokoloff. 2002. "Factor Endowments, Inequality, and Paths of Development among New World Economies." *Economia* 41–109.

Acemoglu, Daron and James A. Robinson. 2000. "Why Did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective." *Quarterly Journal of Economics* 115(4):1167–99.

Acemoglu, Daron and James A. Robinson. 2000. "A Theory of Political Transitions." *American Economic Review* 91(4):938–63.

Galor, Oded and Omer Moav. 2006. "Das Human-Kapital: A Theory of the Demise of the Class Structure." *Review of Economic Studies* 73, 85–117.

Lizzeri, Alessandro and Nicola Persico. 2004. "Why Did the Elites Extend the Suffrage? Democracy and the Scope of Government, with an Application to Britain's Age of Reform." *Quarterly Journal of Economics* 119(2):707–65.

### 11 Policy Reforms and Development

Doepke, Matthias and Fabrizio Zilibotti. 2005. "The Macroeconomics of Child Labor Regulation," American Economic Review.

Raquel Fernandez. "Women's Rights and Development." Unpublished Manuscript, NYU.

Doepke, Matthias and Fabrizio Zilibotti. 2010. "Do International Labor Standards Contribute to the Persistence of the Child-Labor Problem?" Journal of Economic Growth, 15(1), 1-31.

Doepke, Matthias and Michele Tertilt. 2009. "Womens Liberation: Whats in it for Men?" Quarterly Journal of Economics, 124(4), 1541–91.

Doepke, Matthias, Tertilt, Michele, and Voena, Alessandra. 2012. "The Economics and Politics of Womens Rights." Annual Review of Economics, Vol. 4.