


5 crédits	30.0 h + 6.0 h	Q2
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Enseignants	Oikonomou Rigas ;
Langue d'enseignement	Anglais
Lieu du cours	Louvain-la-Neuve
Thèmes abordés	The following topics will be covered : Part I: The overlapping generations approach to capital accumulation Competitive equilibria & Optimality Policies: pensions, public debt, fiscal policy Education, altruism Part II: Infinite horizon models of economic growth Endogenous growth theory, an introduction Technological progress, the "embodiment controversy" and growth Schumpeterian models of economic growth and fluctuations
Acquis d'apprentissage	<p>1 The aim of this course is to teach to the students how and when to use the building blocks of modern growth theory. These are taken from two different approaches: the first one considers that agents have an infinite horizon. The second one analyzes the case of an economy in which agents have finite lives (overlapping generations models).</p> <p>-----</p> <p><i>La contribution de cette UE au développement et à la maîtrise des compétences et acquis du (des) programme(s) est accessible à la fin de cette fiche, dans la partie « Programmes/formations proposant cette unité d'enseignement (UE) ».</i></p>

Bibliographie	<ul style="list-style-type: none"> • Slides, Problem Sets, Computer Codes and Past exams are available on Moodle. • Main TextBook- Lars Ljungqvist and Thomas J. Sargent (2012) Recursive Macroeconomic Theory, MIT Press, 3rd Edition <p>Main TextBook- Lars Ljungqvist and Thomas J. Sargent (2012) Recursive Macroeconomic Theory, MIT Press, 3rd Edition</p> <p>1. Dynamic Programming: Solving the Stochastic growth model through value function Iteration. Slides and Lecture Notes and the Ljungqvist-Sargent book are the main sources of reading.</p> <p>1. Models of Heterogeneous agents without aggregate risk: Theory</p> <p>*Aiyagari, R. 'Uninsured Idiosyncratic Risk and Aggregate Saving' The Quarterly Journal of Economics, Vol. 109, No. 3. (Aug., 1994), pp. 659-684</p> <p>Huggett Mark (1993) 'The Risk-Free Rate in Heterogeneous-Agent Incomplete-Insurance Economies' Journal of Economic Dynamics and Control 17, 953- 969</p> <p>Lars Ljungqvist and Thomas J. Sargent (2012) Recursive Macroeconomic Theory, MIT Press, 3rd Edition</p> <p>1. Models of Heterogeneous Agents without Aggregate Risk: Applications</p> <p>1. Wealth Distribution:</p> <p>*Huggett Mark (1996) 'Wealth Distribution in Life-Cycle Economies', Journal of Monetary Economics 38, 469-94</p> <p>*De Nardi M-C. 'Wealth Inequality and Intergenerational Links' . Review of Economic Studies, July 2004, vol. 71, n. 3, pages 743-768</p> <p>*Castaneda, A. Diaz- Jimenez, J and Rios Rull,J (2003). 'Accounting for the US Earnings and Wealth Inequality' Journal of Political Economy, 4 818-857</p> <p>*Cagetti, M. de Nardi M-C. (2006) Entrepreneurship, Frictions, and Wealth Journal of Political Economy, October, vol. 114, n. 5, pages 835-870</p> <p>1. Income and Consumption Inequality.</p> <p>*Storesletten, Kjetil & Telmer, Christopher I. & Yaron, Amir, 2004. "Consumption and risk sharing over the life cycle," Journal of Monetary Economics, Elsevier, vol. 51(3), pages 609-633, April.</p> <p>Kaplan, G. and Violante, G. How Much Consumption Insurance Beyond Self-Insurance? American Economic Journal: Macroeconomics, Vol. 2(4), October 2010, 53-87</p> <p>*Heathcote, J. Storesletten and Violante, G. The Macroeconomic Implications of Rising Wage Inequality in the United States, Journal of Political Economy, University of Chicago Press, vol. 118(4), pages 681-722, 08.</p> <p>1. Fiscal Policies: Taxation of Heterogeneous Households.</p> <p>2. Capital and Labor Taxation.</p> <p>Juan Carlos Conesa and Dirk Krueger (2006). On the optimal progressivity of the income tax code. Journal of Monetary Economics, 53(7):1425-1450.</p> <p>*Juan Carlos Conesa, Sagiri Kitao, and Dirk Krueger. Taxing Capital? Not a Bad Idea after All! American Economic Review, 99(1):25-48, March 2009.</p> <p>*David Domeij and Jonathan Heathcote. On the Distributional Effects of Reducing Capital Taxes. International Economic Review, 45(2):523{554, 2004.</p> <p>Andres Erosa and Martin Gervais. Optimal Taxation in Life-Cycle Economies. Journal of Economic Theory, 105(2):338-369, 2002.</p> <p>Nezih Guner, Remzi Kaygusuz, and Gustavo Ventura (2012 a). Taxation and Household Labor Supply. Review of Economic Studies, 79(1):1-37, January</p> <p>Nezih Guner, Remzi Kaygusuz, and Gustavo Ventura (2012 b). Taxing women: A macroeconomic analysis. Journal of Monetary Economics, 59(1):111-128, January</p> <p>Davila, J., Jong J.H., Krusell, P. and Ríos Rull, J.V. Constrained Efficiency in the Neoclassical Growth Model with Uninsurable Idiosyncratic shocks Econometrica.</p> <p>5. Models of Heterogeneity with Aggregate Risk. Theory and Applications</p> <p>a) Theory</p> <p>Krusell, P., Smith Jr., A.A., 1998. Income and Wealth Heterogeneity in the Macroeconomy, Journal of Political Economy Vol. 106, No. 5 (October 1998), pp. 867-896</p> <p>b) Welfare Costs of Business Cycles.</p> <p>De Santis, M., 2007, Individual Consumption Risk and the Welfare Cost of Business Cycles, American Economic Review 97(4): 1488-1505.</p> <p>Krusell, P., Mukoyama T., Sahin, A., and Smith A. J (2009) 'Revisiting the welfare effects of eliminating business cycles' Review of Economic Dynamics 12 (2009) 393–404</p> <p>Krusell, P., Smith Jr., A.A., 1999. On the welfare effects of eliminating business cycles. Review of Economic Dynamics 2, 245–272.</p> <p>c) Hours and Labor Wedges.</p> <p>Chang Y and Kim S-B (2007). Heterogeneity and Aggregation: Implications for Labor-Market Fluctuations, American Economic Review, 97 (5), 1939-1956.</p>
Faculté ou entité en charge:	ECON

Programmes / formations proposant cette unité d'enseignement (UE)				
Intitulé du programme	Sigle	Crédits	Prérequis	Acquis d'apprentissage
Master [120] en sciences économiques, orientation économétrie	ETRI2M	5		
Master [120] en sciences économiques, orientation générale	ECON2M	5		