

## Introduction

These two reading lists cover most of the topics discussed in my lectures in Barcelona, for the XIth EEA Summer School on “The sources of European growth”. In the first reading list, I have concentrated on papers that are a good introduction to the issues, and not necessarily the most innovative or important for the development of a field. This partly explains the somewhat embarrassing number of times I cite my own work – one reason being that several of these papers do provide an overview of the issues, and may be particularly useful in providing further references.

Jonathan Temple, October 2000

## Common econometric problems in the empirical study of growth

*Interpretation of regressions (this is essential!)*

McCloskey, D. N. and Ziliak, S. T. (1996). The standard error of regressions. *Journal of Economic Literature*, 34, 97-114

*Overviews of growth regressions*

Durlauf, S. N. and Quah, D. T. (1999). The new empirics of economic growth. In John B. Taylor and Michael Woodford (eds.), *Handbook of Macroeconomics*, North-Holland Elsevier Science, 1999, Ch. 4, pp. 231-304.

Temple, J. R. W. (1999). The new growth evidence. *Journal of Economic Literature*, 37, 112-156.

*Measurement error*

Krueger, A. and Lindahl, M. (1999). Education and growth in Sweden and the world. *NBER working paper no. 7190*. There is a more technical version of this paper also available and it is well worth reading.

Temple, J. R. W. (1998). Robustness tests of the augmented Solow model. *Journal of Applied Econometrics*, 13, 361-375.

*Parameter heterogeneity*

Durlauf, S. and Johnson, P. A. (1995). Multiple regimes and cross-country growth behavior. *Journal of Applied Econometrics*, 10, 365-384.

Temple, J. R. W. (2000). Growth regressions and what the textbooks don't tell you. *Bulletin of Economic Research*, 52, 181-205.

For this year's EEA meeting in Bozen-Bolzano, Italy, Steven Durlauf arranged a session on heterogeneity and growth. The relevant papers are likely to appear in the papers and proceedings of the European Economic Review in 2001.

#### *Outliers and robust estimation*

Rousseeuw, P. J. and Leroy, A. M. (1987). *Robust regression and outlier detection*. John Wiley, New York.

Temple, J. R. W. (1998). Robustness tests of the augmented Solow model. *Journal of Applied Econometrics*, 13, 361-375.

Temple, J. R. W. (2000). Growth regressions and what the textbooks don't tell you. *Bulletin of Economic Research*, 52, 181-205.

Temple, J. R. W. (2000). Generalizations that aren't? Evidence on education and growth. Manuscript, University of Oxford. This paper will probably be made available on my website by January 2001 and aims to give a more coherent and rigorous view of the outlier problem (and possible solutions to it) than my earlier work.

#### *Model uncertainty*

Chatfield, C. (1995). Model uncertainty, data mining and statistical inference. *Journal of the Royal Statistical Society, Series A*, 158, 419-444.

Fernández, C., Ley, E. and Steel, M. F. J. (1999). Model uncertainty in cross-country growth regressions. *Edinburgh Economics Discussion Paper 99-08*, available at <http://www.ed.ac.uk/~msteel/>

Sala-i-Martin, Xavier, Doppelhofer, Gernot and Miller, Ronald (2000). Determinants of long-run growth: a Bayesian Averaging of Classical Estimates (BACE) approach. *NBER working paper no. 7750*, June.

Levine, R. and Renelt, D. (1992). A sensitivity analysis of cross-country growth regressions. *American Economic Review*, 82, 942-963.

Temple, J. R. W. (2000). Growth regressions and what the textbooks don't tell you. *Bulletin of Economic Research*, 52, 181-205.

#### *Other areas*

Some other useful references (for instance, on panel data methods) may be found at <http://www.nuff.ox.ac.uk/Economics/Growth/>

## Dualism, structural change and growth

Lecture, XIth EEA Summer School, Barcelona, September 2000

There are many papers on both dualism and structural change, but there has been relatively little recent work on this topic. A classic synthesis of the 1960s research, with the main focus on the implications of dualism for growth, is provided by:

Dixit, A. (1973). Growth in dual economies. In Mirrlees, J. A. and Stern, N. H. (eds.) *Models of economic growth*. Macmillan, London 1973.

In his paper Dixit discusses the classic contributions of Jorgenson, and Ranis and Fei. Some of the analytical results, together with those of Robertson (1999), formed the basis for the second half of the lecture.

The first half was based on my paper on labour reallocation and Europe's Golden Age, 1950-73; that paper is nearing completion and copies should be available on my website by the end of December 2000. It provides a different approach to the issues studied by Temin (1999).

I am also working on a number of other papers on dualism, structural change and growth, with a particular focus on dualism and structural change in developing countries. These papers build on earlier work by Dixit, Feder, Kuznets, Robinson, and Williamson, and I hope to make copies of three or four papers available by the middle of 2001 at the latest.

*Some classic references:*

Chenery, H. and Syrquin, M. (1975). *Patterns of development, 1950-1970*. Oxford University Press.

Mas-Colell, A. and Razin, A. (1973). A model of intersectoral migration and growth. *Oxford Economic Papers*, 25(1), 72-79.

Robinson, S. (1971). Sources of growth in less developed countries: a cross-section study. *Quarterly Journal of Economics*, 86, 391-408.

*Some recent work (not exhaustive):*

Bencivenga, V. R. and Smith, B. D. (1997). Unemployment, migration, and growth. *Journal of Political Economy*, 105(3), 582-608.

Caselli, F. and Coleman, W. J. (1999). How regions converge. *CEPR discussion paper no. 2191*.

Dowrick, S. and Gemmell, N. (1991). Industrialisation, catching-up and economic growth: a comparative study across the world's capitalist economies. *Economic Journal*, 101, 263-275.

Kongsamut, P. S., Rebelo, S. and Xie, D. (1997). Beyond balanced growth. *NBER working paper no. 6159*.

Robertson, P. E. (1999). Economic growth and the return to capital in developing countries. *Oxford Economic Papers*, 577-594.

*Structural change and growth in Europe*

Kindleberger, C. P. (1967). *Europe's postwar growth: the role of labor supply*. Harvard University Press, Cambridge, MA.

Paci, R. and Pigliaru, F. (1999). Is dualism still a source of convergence in Europe? *Applied Economics*, 31, 1423-1436.

Temin, P. (1999). The Golden Age of European growth reconsidered. Manuscript, MIT, April.