**ECON 602: Macroeconomic Theory and Policy (Fall 2022)**

**Group Assignment 2 (50 points)**

**Due by email to** [**ploungani@imf.org**](mailto:ploungani@imf.org) **by 5 pm on Monday, November 28.**

Note: If you refer to other sources, please provide a list of references (which do not count toward the word limit). Please keep tables and figures to a reasonable number, say between 2 and 5.

1. **(10 points; 300 words maximum; tables and figures permitted)**

Read the following blog post: <https://growthecon.com/feed/2018/11/02/Convergence.html>

1. (5 points; 150 words) Discuss whether this article accurately reflects the findings of the literature on economic convergence that we discussed in class.
2. (5 points; 150 words) Do you agree with the views expressed in this blog? Are there views with which you disagree?

(Bonus question: can you find a big typo in the blog?)

1. **(15 points; 450 words maximum; tables and figures permitted)**

The paper by Robert Barro on convergence posted on Canvas (“ECONOMIC GROWTH AND CONVERGENCE, APPLIED ESPECIALLY TO CHINA”) claims that “China’s per capita growth rate is likely to decline soon from around 8% per year to a range of 3-4%.”

1. (5 points; 150 words) On what basis does Barro make this claim?
2. (10 points; 300 words) Do you agree with his claim? Why or why not?
3. **(10 points; 200 words maximum; tables and figures permitted)**

Read the following article:

<https://www.wionews.com/south-asia/bangladesh-outpaced-india-on-per-capita-income-386455>

Your boss wants to understand whether: (a) this article gets the facts right and (b) if so, how it is that a once-poor country like Bangladesh has managed to outstrip India. How would you answer her questions.

1. **(15 points)**

Estimate Okun’s Law and Phillips Curve for China. Attach an EXCEL file with your data, charts and regressions).