Topics in Macroeconomics: Firms and Organizations in the Aggregate Economy

Esteban Rossi-Hansberg

Princeton University

Economics 522, Spring 2016 (1st Half)

Syllabus

Overview: This is a graduate course in the second year macroeconomics field. We will be concerned with aggregate implications of intermediate organization of economic activity. In particular, the implications of theories of organizations and firm dynamics on aggregate outcomes, including labor markets as well as output growth. We will focus on both the restrictions that intermediate organization imposes on aggregate models and the restrictions that aggregate facts impose on microeconomic theories of firms and organizations.

Organization: The class meets on Tuesdays and Thursdays from 9:00 to 10:30pm in Bendheim Hall 317. I will post a syllabus with links to many of the papers in the reading list at:

http://www.princeton.edu/~erossi/Econ522.pdf

Grading: Your course grade will be based on class participation, a presentation of a paper in the syllabus, and submitting a paper with a research idea. The idea can be preliminary but should be described precisely. Your paper is due on May 10th. I will assign the papers and you will be responsible to prepare a set of slides to present it effectively in class. Please distribute your slides to me and other class participants before your presentation.

Readings:

1. Firm Size and Organization


• Radner, 1992, “Hierarchy: The Economics of Managing,” Journal of Economic Literature


• Simon and Bonini, 1958, “The Size Distribution of Business Firms,” American Economic Review


• Sutton, 1997, “Gibrat's Legacy,” Journal of Economic Literature

2. Firm Dynamics


3. Firms, Organization and Labor Markets


4. Firms, Organization, and Growth


5. Firms, Organization, and Aggregate Fluctuations

6. Missallocation

- Caliendo, Mion, Opromolla and Rossi-Hansberg, 2015, “Productivity and Organization in Portuguese Firms,” working paper

7. Diffusion