

Discussion Questions
“Some Macroeconomics for the 21st Century”
Robert E. Lucas, Jr.

1. What, according to Lucas, accounts for the extraordinarily high rate of growth that occurred in the world between 1960 and 1990?

What in Lucas’ model accounts for changes in the world growth rate over time?

What role does Figure 1 play in accounting for changes in the world growth rate?

Figure 2?

How is Lucas’ model similar to the Solow model that we have studied in class?
How is it different?

What does Lucas mean when he says that his model is a “model of spillovers”?

2. Why, according to Lucas, are growth rates of nations highly unequal in each year in the 1960 through 1990 period?

How does Lucas measure “inequality” of national growth rates?

What accounts for inequality of growth rates in the Lucas model?

3. Why, according to Lucas, will growth fall and inequality lessen in the 21st century?

4. Do you agree with Lucas when he describes his model as an “economic” model?

What features of the model agree with your view of how growth occurs and diffuses across nations?

What features of the model would you like to see changed?

Are your own predictions for growth in the 21st century very different from those of Lucas? How so and why?