Economic Growth
Economics 4794-001
MWF 10:00-10:50, Econ 117
Course Outline

Professor Wolfgang Keller
Office: Economics 206C
Office Hours: Wed and Fri from 9:00-10:00, Wed 1:30-2:30, and by appointment
Phone: (303) 735 5507
Email: kellerw@colorado.edu

Objectives of the course
Economic Growth has emerged as an independent area of active field of research within economics. The aim of this course is to synthesize recent ideas and approaches to understanding economic growth at the undergraduate level, and to survey the leading explanations for the causes of growth. This course is organized into three substantive sections. The first examines the degree to which income variations across countries can be attributed to variations in factor accumulation, and, the determinants of factor accumulation. In the second part of the course, we study of the role of productivity and technology in explaining income differences. The third section explores the deeper or fundamental characteristics of countries that may underlie differences in factor accumulation and productivity among countries. We will supplement textbook material with articles about actual country experiences.

Course Requirements and Evaluation
Evaluation will be based on a midterm, a paper, an in-class group presentation, and the final.

The format of classes will consist of lectures and lab demonstrations. Lab demonstrations basically consist of empirical problems that we will solve in class and hands-on examples of how data may be used to analyze issues in economic growth. These exercises will not be handed in for a grade but will be crucial for understanding how to answer questions that may appear on your exams.

Your grade will have the following components:
Midterm (Oct 7, 2011) 25%
Research Paper 20%
Presentations and discussion 15%
Final Exam 40%

Research Paper

In your paper you will compare the growth performance of a country chosen from a list that will be provided with the growth performance of a set of comparison countries (at least three). For example, you may compare the growth performance of Colombia over the years 1970 to 2006 with that of other countries of similar income and size during the same period. The goal of this paper is to explain the growth performance of the country in question, drawing on concepts that we covered in class and both qualitative as well as quantitative methods. You need to send me the name of your chosen country, the names of your comparison countries, and the time period by midterm. The paper is due on the last day of class, Dec 9, 2011. The paper including references and all tables and figures in double-spacing, standard margins, and 11pt font should be about 15 pages.

Presentation and Discussion

The final weeks of the course will introduce you to a number of research papers, about 12, on the topic of Economic growth. The main focus of our activity will be in-class group presentations of these papers and how they relate to class. This provides you with a new perspective on how questions of growth translate into data and research. It typically also leads to lively discussions.

You will know your paper and group assignment by midterm time. Your group will be responsible for an in-class presentation (about 15 minutes) of the paper, and the crafting of three questions directed to the class to initiate discussion. It will be important for the rest of the class to pay attention to these questions as I will be choosing some of the questions to be included in the final. Everyone else in class not presenting will be responsible for having read the paper and will come to class with at least 2 thoughtful questions prepared ahead of time to include in the general discussion. Groups must email me their Powerpoint presentation slides at least 1 hour ahead of class to facilitate set-up of the presentations.

Class Attendance

Attendance is mandatory for this class; you cannot pass this class without a > 80% attendance record. I will hand out sign-up sheets on randomly chosen dates to evaluate this.

Prerequisites

Econ 1078 Math Tools for Economists I or equivalent.
Econ 3070 Intermediate Micro or Econ 3080 Intermediate Macro.
These courses should be completed with earned credit before taking this class. If you are uncertain whether you have the prerequisites, you should find this out immediately. Students without the necessary prerequisites will be dropped from class.

Text

There is one required text in this course: David N. Weil, Economic Growth, 2nd edition. You can buy the book through any bookstore. Alternatively, there is an online textbook option at: http://www.coursesmart.com/

Policy on Late Work and Exams: There are no makeup examinations for a missed exam, and no late papers will be accepted. If you miss the midterm due to an emergency, your grade will be reweighted accordingly. The paper is a term-long project that cannot be missed due to an emergency. There are no extra credit provisions. All students must take the final exam to pass the course.

The final exam is on Dec 10, 4:30 p.m. - 7:00 p.m. It will be comprehensive. Students who have three or more final exams on the same day are entitled to reschedule the last exam or exams that day, but must make arrangements to do so no later than Oct 5. See University policy on final exam scheduling: http://www.colorado.edu/policies/final_exam.html.

Religious observance: (see full details of this policy at http://www.colorado.edu/policies/fac_relig.html). If you have a conflict covered by this policy, let me know by the third week of class so as to allow ample time to make alternative arrangements.

Information about the course: I will be posting most PowerPoint slides and files covering the exercise questions on CULearn. If you miss a class, you should make an appointment with me to discuss specific questions about the material after you have obtained and reviewed the notes from one of your classmates.

Topic Outline and Readings

We will be devoting approximately one week to each topic heading, with more time spent on some of the chapters. There will also be reviews for the midterm and the final, and if time permitting some presentations by visiting professors.

Introduction

1. Chapter 1 and 2: Differences in the level and rate of Income Growth among countries.
   Theory: Working with growth rates.

Factor Accumulation

2. Chapter 3: Capital’s Role in Production
   Theory: The Solow Growth Model

3. Chapter 4.1-4.3 and Appendix: The Role of Population in Economic Growth
   Theory: The Malthusian Model
4. Chapter 4.4 and Appendix:
   Theory: Total Fertility Rate, Life Expectancy, Net Rate of Reproduction
5. Chapter 6: The Effect of Human Capital on Growth

Productivity

6. Chapter 7: How much does productivity growth differ among countries?
   Theory: Growth Accounting, Total Factor Productivity
7. Chapters 8 and 9: Can technological gaps explain differences in productivity?
   Theory: Model of Technological Change
8. Chapter 10: How much of productivity differences come from inefficiency?
   Theory: Decomposing productivity into technology and efficiency
9. Chapter 11: Does being open to the world economy affect a country’s economic growth?
   Theory: Growth with capital mobility

Group presentations will cover topics in Long-Run Fundamentals:

10. Chapter 12: Government
11. Chapter 13: Income Inequality
12. Chapter 14: Culture and Social Capital
13. Chapters 15 and 16: Geography, Climate, And Natural Resources

Concluding discussion

Notes on how to access journal articles from Chinook, CU’s online library catalog.

If you connect from off-campus, you will need a VPN connection (http://www.colorado.edu/its/vpn/).

Journal articles can be accessed without cost and viewed online.

1. Go to: http://ucblibraries.colorado.edu/research/ejournalfinder.htm
2. Type in the name of the journal you are looking for, and click Search. The journal title is typically in italics. You should not type in the title of the article, which is usually in quotations.
3. Look at the year of your article. There should be one or more archives that overlaps with the year of your article. Click on that.
4. Typically this takes you to a new website. There you will have to look for the precise year, volume, and page number that matches your article.
5. When you find your article, click on the title or the PDF link.
6. This file can be saved to your computer, USB, or printed.