
Economic Growth

Economics 4794-001

MWF 11:00-11:50, Econ 117

Course Outline

Professor Shiue

Office: Economics 206B

Office Hours: Wed and Fri from 1:00-2:30 and by appointment

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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 the economic history of country experiences.

Course Requirements and Evaluation

Evaluation will be based on three in-class midterms, a final exam, and an in-class group presentation.

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:

Midterms one and two (20% each)

40%

Midterm three	10%
Presentations and discussion	10%
Final Exam	40%

The final weeks of the course will introduce you to a number of research papers in the topic of Economic growth. The main focus of our activity will be in-class group presentations of select papers and how they relate to topics we have covered in class. This will give you a new perspective on how questions of growth translate into data and research. The goal is also to encourage more class participation.

You will know your paper and group assignment by the beginning of Spring Break. 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 include in the third and last midterm. 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 so that we can avoid wasting class time setting up presentation material.

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, talk to me immediately.

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: No makeup examinations for missed exams and no late papers will be accepted. If you miss a midterm due to an emergency, your grade will be reweighted by subsequent exam(s). There are no extra credit provisions. All students must take the final exam to pass the course.

The final exam is on May 3, 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 Feb. 19. 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 PowerPoint slides and exercise questions on CULearn. I will not be emailing individual students with additional lecture notes, missed announcements, or assignments. If you miss a class, you are strongly encouraged to make an appointment with me to discuss specific questions about the material after you have obtained notes from someone in class.

Topic Outline and Readings

We will be devoting approximately one week to each topic heading. However, this is subject to change.

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 Model
3. Chapter 4.1-4.4 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

Review and Midterm 1, Feb. 19.

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

Review and Midterm 2, April 2.

Group presentations will cover topics in Long-Run Fundamentals:

10. Chapter 12: Government
11. Chapter 14: Culture and Social Capital

12. Chapters 15 and 16: Geography, Climate, And Natural Resources

Review and Midterm 3 TBA

Concluding discussion

Final Exam.

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.