

**Economics 475: Economics of Growth**  
Spring 2007

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Office Hours: Tuesday 2.30-3.30 pm, , Thursday: 11 am- 12

**Course Description:**

The course will be devoted to the study of models of economic growth, their applications and the empirical evidence across countries. Prerequisites for the class are Econ 301 and 302 (Intermediate Micro and Macro). Since a one semester calculus course is required for the previous two classes, we will be using calculus.

**Required Readings:**

We will be using:

“Introduction to Economic Growth,” Second Edition, by Charles I. Jones, 2002, W.W. Norton.

(available at the University Bookstore and Underground Books) and additional readings available either in the class web page directly or in e-reserve at the Social Science Reference Library.

**Grading/ Exams:**

1. Grading will be on the basis of **three exams (none of them cumulative)** and homework assignments (about 2 or 3).

**Homework grading:** from each homework we will randomly pick only one or more problems to grade (this is due to limited grading help)

The dates and weighting will be:

	<b>Weight</b>	<b>Date / Dates</b>
Exam 1	32 %	Thursday February 22
Exam 2	32 %	Thursday March 29 (or previous evening ,TBA)
Exam 3	32 %	Thursday May 10 (last day of classes)
Homework Assignments	4 %	To be announced in class/via email

2. Students are responsible for announcements made in class and via e-mail.

3. As a general rule, I do not give make up exams. However, if there are exceptional circumstances that make it impossible for you to take an exam at the scheduled time you should contact me **before** the exam.

**E-mail and WEB Page**

The class will be put on an electronic mailing list. This allows distribution of announcements and class related information to everyone. Please activate your account and check your E-mail regularly (**this is mandatory**).

I will use E-mail to provide you with detailed information about the topics we will be covering at a particular time, specific readings, topics to be included in each exam , etc.

The Web page for our class has the syllabus, other relevant information and useful links. The address is:

<http://www.ssc.wisc.edu/~munia/475>

You can also access our page going to the Economics Department Page (<http://www.econ.wisc.edu>), then into the Undergraduate Program , then into Courses and then into Econ 475.

## **COURSE OUTLINE AND READINGS.**

### **I. Introduction, Stylized Facts, Overview of Growth Models**

Jones: Ch.1

Jones: Appendix A (Mathematical Review)

### **II. Solow Model : With and Without Tech. Change, Growth Accounting**

Jones: Ch. 2.

Young, Alwyn "A Tale of Two Cities: Factor and Technical Change in Hong Kong and Singapore", 1992, NBER Macroeconomics Annual (only sections covered in class)

Young, Alwyn "The Tyranny of Numbers: Confronting the Statistical Realities of the East Asian Growth Experience", Alwyn Young, QJE 1995 (only sections covered in class).

Handout with selected pages from Krugman and Stiglitz on East Asian Growth.

### **III. Neoclassical Growth Model with Human Capital, Empirical Applications of Neoclassical Growth Models**

Jones: Ch. 3

### **IV. Technology**

*The Economics of Ideas*

Jones: Ch. 4

*Romer Model of Endogenous Growth*

Jones: Ch. 5.

### **V. Skills and Education**

Dahlin, B., "The Impact of Education on Economic Growth: Theory, Findings and Policy Implications, Working Paper, Duke University.

### **VI. Institutions, Government Policies**

Acemoglu, D.; Johnson, S.; Robinson, J., "The Colonial Origins of Comparative Development: An Empirical Investigation," American Economic Review, 91 (5), Dec. 2001.

### **VII. Technology Diffusion Across Countries**

Jones: Ch. 6

### **VIII. Alternative Theories of Endogenous Growth**

Jones: Ch. 8

### **IX. Natural Resources**

Jones: Ch. 9

### **X Additional Topics, Empirical Papers**

Cardenas, M., "Economic Growth in Colombia: A Reversal of 'Fortune'?", Center for International Development at Harvard University Working Paper No. 83, December 2001.

Eaton, Jonathan and Kortum, Samuel, "Trade in Capital Goods, European Economic Review 45, 2001.

Romer, P., "Two Strategies for Economic Development," in Proceedings of the World Bank Conference on Economic Development, 1992.

Subramanian, A. and Roy, D. ,”Who can explain the Mauritian Miracle? Meade, Romer, Sachs or Rodrik?”, in Rodrick, D. ed. , *In Search of Prosperity, Analytical Narratives on Economic Growth*, Princeton University Press, 2003.

Taylor, Alan, “Three Phases of Argentine Economic Growth”, NBER Historical Paper # 60, 1994.

### **Grievance Procedure**

The Department of Economics has developed a grievance procedure through which you may register comments or complaints about a course, an instructor, or a teaching assistant. The Department continues to provide a course evaluation each semester in every class. If you wish to make anonymous complaints to an instructor or teaching assistant, the appropriate vehicle is the course evaluation. If you have a disagreement with an instructor or a teaching assistant, we strongly encourage you to try to resolve the dispute with him or her directly. The grievance procedure is designed for situations where neither of these channels is appropriate.

If you wish to file a grievance, you should go to room 7238 Social Science and request a Course Comment Sheet. When completing the comment sheet, you will need to provide a detailed statement that describes what aspects of the course you find unsatisfactory. You will need to sign the sheet and provide your student identification number, your address, and a phone where you can be reached. The Department plans to investigate comments fully and will respond in writing to complaints.

Your name, address, phone number, and student ID number will not be revealed to the instructor or teaching assistant involved and will be treated as confidential. The Department needs this information, because it may become necessary for a commenting student to have a meeting with the department chair or a nominee to gather additional information. A name and address are necessary for providing a written response.