WASHINGTON UNIVERSITY IN ST. LOUIS
Department of Economics

Econ 472: Topics in Growth and Development
Professor: Ping Wang
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Office Hrs: Th 2:45-4:00 PM & By appointment

Spring 2018: Tu Th 10:00-11:30 AM (SH 103)
Assistant in Instruction: Hoipan Wong
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Office Hrs/Help Sessions: Tu 2:45-4 PM/F 11-noon

COURSE DESCRIPTION:

This course highlights important empirical facts concerning growth and development in various countries at different development stages. Fundamental growth theory is then delivered, combining diagrammatic and basic algebraic analyses, in order for explaining these empirical facts systematically and for evaluating the consequences of commonly adopted development policies. Topics vary, but may include population, human capital and labor market development, R&D and innovation, finance and growth, modernization and industrial transformation, world income disparities and poverty problems, institutions and political economy issues, environmental and social factors, and international trade and economic integration.

(Prerequisites: Econ 4011, Econ 4021. Credit: 3 units)

TEXTS:

There will be no required text. Limited number of chapters from the following two books may be used.

1. (A) Philippe Aghion and Peter Howitt, The Economics of Growth, The MIT Press

The strength of the first book is the provision of a rigorous theoretical framework that can be used to address many important issues in growth and development. The weakness is that it is much more technical than what one would like to see at the undergraduate level. While the second book is easily accessible with real world discussions, it lacks an integrated analysis for explaining those real world observations. It would be great if someone could write a book more accessible than the first and more rigorous than the second, but in the absence of that I have to rely heavily on my own supplements, which will be posted on my website, https://pages.wustl.edu/pingwang/topics-growth-and-development at least a week in advance of every lecture. It is important to bring these supplements (hardcopy to be provided by your assistant in instruction) to class as it will minimize your notes-taking effort of more technical materials and maximize your quality-learning of my lectures. When I go over the necessary but more technical part of the materials, I will slowdown my pace and request the assistant in instruction to hold help sessions to review mathematical tools if it is so demanded. While such rigorous tools help you strengthen your economic analysis for both your career and post-bachelor studies, there are heavily discounted in the evaluation of your course performance. Thus, there is no need to be concerned with technicalities, but simply feel relax about a true learning experience.
GRADING:

Your overall performance will be evaluated based on:
1. two quizzes (30% each; 20% in class, 10% take-home due by the beginning of the next class),
2. a term paper (20%),
3. a group presentation assignment focusing on policy debates specified in the outline below (20%).

Learning is far more important than testing. Thus, there will be no formal exams. The in-class quizzes will consist of short answer (straightforward conceptual questions), short essay (economic reasoning) and compact analytic problems (diagrammatic and simple algebraic analyses). A sample of problems will be distributed for your review about a week in advance prior to each quiz (with the quiz problems being minor variations of a subset of the review problems). The term paper asks you to delineate economic issues underlying a particular topic of your choice as long as it is related to the broad area of growth and development (about 10 pages double-space 12pt font, to be submitted by 10:15am April 26). The presentation groups (3-4 per team) will be arranged by self-selection, to be finalized the week after the spring break. I value highly the term paper and the group presentation components because these are in my view the best for training yourself to think like an economist rather than just an ordinary media reporter or newspaper writer.

As a general departmental policy, no reschedule of quizzes will be given and no overdue term paper will be accepted except medical or family emergency.

COURSE OUTLINE:

I. Introduction:
   1. Exploring the World of Growth and Development (A, ch. I; J, ch. 1) about 2 lectures
   2. Basic Techniques: (supplements) about 1.5 lectures

II. Fundamentals
   1. Neoclassical Growth Theory: (A, ch. 1; J, chs. 2 and 3) about 3 lectures
   2. Elementary Endogenous Growth Theory
      a. The AK Model: (A, ch. 2, J. ch. 8) about 2 lectures
      b. Human Capital and Economic Growth: (supplements) about 1.5 lectures
      c. Technology and Economic Growth: (A, secs. 4.1, 4.2; J, ch. 4) about 1.5 lectures
   3. Growth Accounting: (A, secs. 5.1-5.3) about 1 lecture
   4. Big Push Theory: (supplements) about 2 lectures
   5. Staged Development and Industrialization: (supplements) about 3 lectures

III. Key Factors Driving Growth and Development: From Theory to Practice
   1. Technology and Economic Development: (supplements) about 2 lectures
   2. Labor Market Development: (supplements) about 2 lecture
   3. Institutional and Infrastructural Development: (supplements) about 1.5 lecture
   4. Financial Development: (supplements) about 1.5 lecture
IV. Policy Debates: (supplements + group presentation) about 2 lectures

1. Health and Poverty Trap – Lessons from Sub-Saharan African Countries
2. Planned vs. Market Economies – A Tale of Two Islands: Hong Kong vs. Singapore
3. Financial Deregulation and Crisis – From Asian Financial Crisis to Financial Tsunami
4. Corruption and Economic Development – Barriers to African Development
7. Public vs. Private Education
8. The Role of Competition (Smithian vs. Schumpeterian)
9. Free Trade vs. Protectionism
10. Fertility Choice: Quantity vs. Quality
11. Economics of Aging
12. The Environments and Limit to Economic Growth

TIMETABLE:

1/16 Syllabus Overview, Lecture I-1  
1/18 Math Preparation (by assistant in instruction)  
1/23 Lecture I-1  
1/25 Lecture I-2  
1/30 Lecture I-2, II-1  
2/1 Lecture II-1  
2/6 Lecture II-1  
2/8 Lecture II-2-a  
2/13 Lecture II-2-a  
2/15 Lecture II-2-b  
2/20 Lecture II-2-b, II-2-c  
2/22 Lecture II-2-c (Review Problem #1 distributed)  
2/27 Lecture II-3  
3/1 Quiz #1 (covering Lectures II-1 to II-2-c)  
3/6 Lecture II-4 (take-home due by 10:15am) 3/8 Lecture II-5

Spring Break

3/20 Lecture II-5  
3/22 Lecture II-5  
3/27 Lecture III-1  
3/29 Lecture III-1  
4/3 Lecture III-2  
4/5 Lecture III-2  
4/10 Lecture III-3  
4/12 Lecture III-3, III-4 (Review Problem #2 distributed)  
4/17 Lecture III-4  
4/19 Quiz #2 (covering Lectures II-3 to III-3)

4/24 Group presentation (take-home due by 10:15am)  
4/26 Group presentation (Term paper due by 10:15am)

5/1 Marked term paper can be picked up from your assistant in instruction office during his office hour