

Syllabus

Aims

The aim of this course is to study the determinants of economic growth, as well as explanations for the current wide disparity of income levels across countries.

Objectives

The main objective of this course is to apply economic theory to understand and interpret empirical observations on economic growth. Consequently, by the end of this course the students should have a basic knowledge of the main facts characterizing economic growth over time and across countries, as well as the ability to use theoretical models to develop explanations for these facts. In addition, the student should gain an understanding of the limitations and failings of current growth theories relative to the empirical facts. The theoretical part of the course will initially focus on the neoclassical growth model. Later on, growth models with additional features such as human capital, endogenous technological progress, and endogenous population growth will be introduced. Key empirical applications include interactions of economic and population growth after the industrial revolution, the growth performance of industrialized countries since World War II, and the stagnation of living standards in many developing countries.

Teaching and Assessment

There will be 17 lectures, to be held Tuesdays and Thursdays in University Hall 102. Assignments will include a mixture of problems, essays, and computer-based empirical projects. There will be an in-class midterm on Thursday, April 29th. There will be a single final examination for the course. For students who score higher on the midterm than on the final, the midterm will make up 25 percent of the grade, homework assignments will account for another 25 percent, and the final makes up 50 percent. For students who score higher on the final than on the midterm, the midterm grade will be discarded: the final will make up two-thirds of the grade, and homework assignments one-third.

Contact Information

The easiest way to get in contact with me if you have any questions is via e-mail. My address is:

doepke@northwestern.edu

My office hours are Wednesdays from 3:45 to 5 p.m. in Andersen Hall 316. A web site for this course will be maintained on Blackboard.

Readings

The textbook for the class is:

David N. Weil: *Economic Growth*, 2nd edition. Pearson.

Additional readings will be assigned throughout the class, and selected articles and lectures notes which will be posted on the course web site.

Topics

The following is a preliminary list of topics for the course.

1. Growth facts (Weil Chapter 1):
 - The world income distribution today.
 - Living standards, income, and population from Stone Age to the present.
2. Neoclassical growth theory and the Solow model (Weil Chapter 3).
3. Growth accounting in the neoclassical framework (Weil Chapter 7).
4. Human capital and growth (Weil Chapter 6).
5. Growth accounting with human capital.
6. The Malthusian theory of population and income (Weil Chapter 4).
7. The economics of the Industrial Revolution.