The importance of economic growth is difficult to overstate. The more than tenfold increase in income in the United States over the last century is the result of economic growth. So is the fact that income per capita in the United States and Western Europe is at around fifty times greater than in much of sub-Saharan Africa.”

Jones and Vollrath (2013), pvi

**Description:** The economic growth literature studies the big picture. General questions addressed in this literature include: “Why are some countries so rich and others so poor? Does it have to be this way? Are there factors that we can point to (and perhaps change) that lead to these enormous gaps?” Weil (2005, p3). These questions have been central in economics at least since Adam Smith’s (1776) treatise, “An Inquiry into the Nature and Causes of the Wealth of Nations”. This course critically examines some leading mainstream models used to explain economic growth. We will also touch on some non-mainstream issues and approaches.

**Prerequisites:** You should be comfortable with material covered in ECON 204, and ECON 246 or STAT 261.


This textbook by Jones and Vollrath (denoted JV) is in the Bookstore. JV is an excellent introduction to the mainstream academic study of economic growth and is the most widely used undergraduate economic growth textbook. It assumes a background consistent with the course prerequisites. Economic growth is best explained using intermediate level math and economic logic (at the level of the prerequisites).

Vollrath’s [Growth Economics Blog](http://www.growtheconomics.com) and [Topics in Economic Growth](http://www.topicsineconomicgrowth.com) nicely complement the text.

**Evaluation:** Your final grade will be determined as follows:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Assignments</td>
<td>5%</td>
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<tr>
<td>Pop quizzes</td>
<td>15%</td>
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<tr>
<td>Midterm 1</td>
<td>20%</td>
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<tr>
<td>Midterm 2</td>
<td>20%</td>
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<tr>
<td>Final examination</td>
<td>40% (60%)</td>
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Midterm 1: February 1, in class
Midterm 2: March 13, in class
Final examination: TBA
The final examination is 2-hours long and will cover material from the entire course. It will include analytical questions but will focus mainly on multiple choice and short essay questions (e.g. T, F or U and Explain questions) that require you to synthesize your understanding of the different models and theories. If you do better on the final exam than on your worst midterm, I will shift the weight of that midterm to the final (in which case the final exam will have weight of 60%). You will be allowed a handwritten crib sheets, to be described, for the final exam.

The assignments and pop quizzes are designed to help you get into this challenging material. Starting Friday January 11, in each class there will be a 50% probability (coin toss) of being given a quiz. For each quiz you will receive 50% for attendance and 50% for your answer. These quizzes are to encourage you to attend and keep on top of the material. The efficient way to learn the material is to attend the classes and review your notes.

Please participate. Class questions and comments are most welcome. As a token incentive of appreciation, 2 bonus marks will be awarded to those that make more than “good” 4 contributions (corrections/questions/statements) in class. Please come up to me after class to introduce yourself and remind me about contribution.

Course letter grade - numerical score (%) equivalencies used at UVic are as follows:

<table>
<thead>
<tr>
<th>A+</th>
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<th>B+</th>
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<th>C+</th>
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<td>90-100</td>
<td>85-89</td>
<td>80-84</td>
<td>77-79</td>
<td>73-76</td>
<td>70-72</td>
<td>65-69</td>
<td>60-64</td>
<td>50-59</td>
<td>0-49</td>
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</tbody>
</table>

Notes: You are expected to attend class and take notes (or arrange to get notes from a fellow student). I may post notes for certain topics but they will likely be incomplete.

Policies:

Department policies regarding academic integrity, attendance, grading, academic concessions, travel plans, students with a disability, and inclusivity and diversity, are detailed at: http://www.uvic.ca/socialsciences/economics/undergraduate/home/courses/course-policies.php.

Adds/Drops. Students are responsible for checking their own records and registration status. For important dates please see https://web.uvic.ca/calendar2018-09/general/dates.html.

Academic Concession. Consideration for missed midterm or other tested material will be given only on the basis of documented illness, accident or family affliction, and for no other reasons. If you miss the midterm without providing documentation with 10 days, I will assume that you simply chose not to write the midterm. In the event of a missed final exam, students are advised to follow the procedures in the University Calendar, https://web.uvic.ca/calendar2018-09/undergrad/info/regulations/exams.html.

Courtesy. Please try to make it to class on time, and I’ll endeavor to not run over time by more than a minute. Those who are late more than twice without prior consultation with me may be asked to leave the class. If you need to leave the class early, please mention it to me and sit by an aisle towards the back.
Electronic Devises. The following article adds to the literature which finds that classroom laptop/tablet/phone use not only dramatically lowers education outcomes for users but also for those around them: NY Times article! New research shows that old fashion pen and paper is on average a much better way to learn: NPR article.

Since it appears that laptops impose a large negative externality on others, please do not laptops in class other than when indicated (or unless you have prior approval). Instead, please make hard copies of the text(s) notes and articles.

E-mail correspondence. Emails should be limited to critical matters, such as inability to attend exams, or prolonged illness, and should include the course name and number in the subject line. Questions on course material should be asked during office hours or in class.

The standard format for writing a letter must be used. This means it should start off with a salutation (e.g. Dear….), include full sentences and conclude with a signature that includes your name (e.g. “Sincerely, your full name). Text message lingo should not be used.

Course Experience Survey (CES). I’ve put considerable thought into designing this course and value your feedback in helping me improve it. Towards the end of term, you will have the opportunity to anonymously complete the CES. The survey is vital to providing feedback to me regarding the course and my teaching, as well as to help the department improve the overall program for students in the future.

If you do not receive an email invitation to complete the CES, you can go directly to http://ces.uvic.ca. I will remind you nearer the time, but please be thinking about this important activity, especially the following three questions, during the course.

1. What strengths did your instructor demonstrate that helped you learn in this course?
2. Please provide specific suggestions as to how the instructor could have helped you learn more effectively.
3. Please provide specific suggestions as to how this course could be improved.”

Background References: Excellent textbooks on economic growth from simplest to the most challenging include:

Barro and Sala-I-Martin (1995), Economic Growth (HD75.5 B37) – a grad text.
Aghion and Howitt (2009) The Economics of Growth (HD82 A5453) – state of the art.
Acemoglu (2009), Introduction to Modern Economic Growth (HD75.A24) – state of the art.

Profound general readings on the mystery of economic growth and development include:

Piketty (2014), Capital In the Twenty-First Century – it was all the rage.
de Soto, Hernando (2000), The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else – a panacea for development?
Diamond (1999), Guns, Germs, and Steel – the human story is disembodied technological change.
SYLLABUS:

This outline of topics and readings is tentative and changes may be made as the course progresses, see CourseSpaces for updates. The key readings in each section are indicated with a star *. If the links below don’t work, please access the paper through a search engine or the UVic library site.

1. **Introduction:**

   * JV Chapter 1: The Facts of Economic Growth

   Appendix A: Mathematical Review


2. **The Solow Growth Model**

   * JV Chapter 2.1: The Basic Solow Model

   * JV Chapter 2.2: Technology and the Solow Model

   * JV Chapter 2.3 & 2.4: Evaluation & Growth Accounting

3. **Empirical Applications of Neoclassical Growth Models**

   * JV Chapter 3.1: The Solow Model with Human Capital

   * JV Chapter 3.2: Convergence…
     - New Evidence on Convergence from Vollrath’s “Growth Economics Blog”

   * JV Chapter 3.3: The Evolution of the Income Distribution
     - TBA

4. **Social Infrastructure and Long-run Economic Performance** (Chapter 7)

5. **Population and the Origin of Sustained Economic Growth** (Chapter 8)

   * JV Chapter 8-8.2.2: Modern Growth versus The Malthusian Economy
6. **Natural Resources and Economic Growth** (Chapter 10)

   * JV Ch 10-10.2

   * The Committee for the Prize in Economic Sciences in Memory of Alfred Nobel, *Scientific Background on the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2018*. Selective readings TBA

   TBA

7. **Technology and Endogenous Growth**

   * JV Chapter 4: The Economics of Ideas

   * JV Chapters 5 & 6 (Selective readings TBA): The Engine of Growth & … Development

   * The Committee for the Prize in Economic Sciences in Memory of Alfred Nobel, *Scientific Background on the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2018*. Selective readings TBA

   TBA

7. **Growth of What?** TBA