

**University of Kansas**  
**Department of Economics**

**Economics 680**  
**Economic Growth**

**Fall 2008**  
**Professor Keating**

Office: 334 Snow Hall

Phone: 864-2837

Office Hours: Mondays and Wednesdays from 2 to 3:30

**Required Readings:** The text for the course is the Second Edition of *Economic Growth* by David N. Weil (Addison-Wesley, 2009). Readings from this text are listed by the letter “W” and one or more chapter numbers in the Course Outline. Homework and exams are primarily based on the required readings and the material covered in class.

**Supplementary Readings:** I have provided a long list of supplementary readings at the end of this syllabus. Those readings are interesting and potentially important, but they will often explore topics that we don’t have time to cover in this course. Supplemental readings are NOT usually required reading. But if something from these readings is covered in class, that information might appear on a test. I will be certain to tell you if and when we cover any supplemental readings in class. And, in addition to that rather long list, some other supplementary readings include:

*Macroeconomics* by Charles Jones, [indicated by “J”]; this document will be posted on BlackBoard.

The 2<sup>nd</sup> edition of *Introduction to Economic Growth* by Charles Jones [indicated by “G”] published by (Norton, 2002) provides an excellent overview of the evidence and a sophisticated introduction to growth theory. I will use this book’s data and its description of growth models for some parts of the course.

*The Wall Street Journal* is a useful tool for applying economic concepts to actual events, evaluating policy debates and providing up-to-date information on economic performance. Regular reading helps develop a better understanding of economics. It would take the better part of a day to read the WSJ from start to finish, but articles relevant to economic growth rarely take more than a half hour.

**Homework** is regularly assigned. Questions will come from the Weil’s text or will be my own creation. Your answers will NOT be collected, but I will provide solutions to each homework set. You will be making a costly error if you conclude that homework is unimportant because it counts for no direct points. Good effort on homework will improve your grade considerably. It is best to work hard on the questions BEFORE you take a look at the solutions.

**My Web Page:** <http://www.people.ku.edu/~jkeating/>, has course information such as the syllabus, a link to Blackboard, and information about research, news, etc. that economists and students of economics will find interesting. I will use my Web page or BlackBoard to distribute important course materials. Blackboard will be used to distribute any items that I am not allowed to make freely available on the Web (e.g. chapters from *Macroeconomics* by Jones, solutions to the textbook questions).

**Grading:** Grades are based on two mid-term exams and a final exam. Each exam will be worth 150 points for a course total of 450 points. Class participation may be helpful in the case of borderline course grades.

**Attendance Policy:** I expect you to attend class whenever possible. I understand that sometimes problems may occur that sometimes force you to miss a few classes. I am not planning to take attendance and will use the honor system, believing that when you miss you had an unavoidable time conflict.

**However, if attendance is consistently too low, I will change the grading structure of this class. Specifically, I will start to take attendance or, alternatively, implement unannounced pop quizzes. Whichever one of these I may select would count for 50 points yielding a total of 500 course points.**

Excused Absence from an Exam: This may be given, but only under justifiable circumstances and permission must be obtained prior to the scheduled exam period if possible. If that is not possible, you should contact me as soon as you are able. Voice mail or e-mail are easy ways to do this. The letter grade for one excused mid-term absence will be the same as your letter grade on the final exam. Unexcused absences earn 0 points. If you know ahead of time you must be absent from an exam, we may be able to arrange for you to take the exam at an earlier time.

Additional examination policies:

- (1) Closed-book tests;
- (2) If you believe there is some error in your grade, but you answered in pencil or anything else that is erasable, then your test will not be eligible for re-grading;
- (3) Electronic devices are not permitted. The mathematical calculations in this class are easy for anyone with the credentials to get into KU;
- (4) Cheating on tests will be punished to the fullest extent allowable at KU.

## COURSE OUTLINE

## READINGS

### Part 1: INTRODUCTION AND OVERVIEW

Empirical Evidence	W:1 J:1,2 G:1,2,3
An Overall View of our Analytical Framework	W:2 J:3,4

### Part 2: FACTORS IN PRODUCTION

Investment and Physical Capital	W:3 J:5
Labor Supply and Population Growth	W:4,5
Human Capital Formation	W:6

### Part 3: THE ESSENTIAL ROLE OF PRODUCTIVITY

Measuring Productivity	W:7
Technology and Growth	W:8,9 J:6
Efficiency	W:10
Open Economy and Growth	W:11

### Part 4: THE FUNDAMENTALS OF GROWTH

The Government's Role	W:12
Income Inequality	W:13
Culture and Social Capital	W:14
Geography, Climate, and Natural Resources	W:15
Resources and the Environment	W:16

### Par 5: A SUMMING UP

W:17 G:4,5,6,7,8,9

## EXAM SCHEDULE:

**FIRST MIDTERM: Wednesday October 1, in class**

**SECOND MIDTERM: Wednesday November 5, in class**

**FINAL: Tuesday, December 16, from 11 am to 1 pm; in our classroom.**

## Supplemental Readings:

1. Dale W. Jorgenson, Mun S. Ho & Kevin J Stiroh [A Retrospective Look at the US Postwar Productivity Growth Resurgence](#), 2006.
2. Steven Oliner & Daniel Sichel, [“Resurgence of Growth in the Late 1990s: Is IT the Story?”](#), *Journal of Economic Perspectives*, 2000.
3. Paul A. David, [“The Dynamo and the Computer: An Historical Perspective on the Modern Productivity Paradox”](#), *The American Economic Review*, 1990.
4. Kevin J. Stiroh, [“What Drives Productivity Growth?”](#), *Economic Review*, Federal Reserve Bank of New York, 2001.
5. Paul M. Romer, [“The Origins of Endogenous Growth”](#), *Journal of Economic Perspectives*, 1994.
6. Robert M. Solow, “Neoclassical Growth Theory” Chap 9, *Handbook Of Macroeconomics*, 1999.
7. *The Handbook of Economic Growth*, Elsevier, 2005
8. Daron Acemoglu & James A. Robinson *Economic Origins of Dictatorship and Democracy*, Cambridge, 2005.
9. Elhanan Helpman, *The Mystery of Economic Growth*, Harvard, 2004.
10. Joel Mokyr, *The Gifts of Athena: Historical Origins of the Knowledge Economy*, Princeton, 2002.
11. Richard R. Nelson, *Technology, Institutions, and Economic Growth*, Harvard, 2005.
12. Jonathan Temple, *The New Growth Evidence*, Journal of Economic Literature, 1999 (JSTOR)
13. David Warsh, *Knowledge and the Wealth of Nations*, Norton, 2006.
14. David S. Landes, *The Wealth and Poverty of Nations: Why Some are so Rich and Some so Poor*, Norton, 1999.
15. Jared Diamond, *Guns, Germs and Steel: The Fates of Human Societies*, Norton, 1999.
16. Gregory Clark, *A Farewell to Alms: A Brief Economic History of the World*, Princeton, 2007.
17. Robert J. Barro and Xavier Sala-i-Martin, *Economic Growth*, MIT Press, 2003.