

**ECON 407-001**  
**ECONOMIC GROWTH AND DEVELOPMENT 2**  
**Department of Economics**  
**University of Waterloo**  
**Fall 2017**

## **Meetings**

**Lecture time:** Tuesday and Thursday 14:30-15:50

**Lecture location:** HH 2107

## **Instructor information**

**Instructor:** Francisco M. Gonzalez

**Office:** Hagey Hall 130

**Office hours:** Tuesday and Thursday 13:00-14:00

**E-mail:** francisco.gonzalez@uwaterloo.ca

## **Course description**

The goal of this course is to understand the enormous differences in living standards across countries and over time. It uses economic analysis to understand the sources of investment and innovation, and the role of economic, social, and political institutions in economic growth and development.

## **Textbook**

There is no required textbook for this course.

## **Evaluation**

Student performance will be evaluated through a collection of assignments, a midterm exam and a take-home exam, with the following weights:

Assignments: 35%

Midterm exam: 40%

Take-home exam: 25%

Students are expected to work in groups (about 3 students per group) on all assignments. The first midterm exam will be held on November 9 and it will take place in the class period and the room classes are held. The take-home exam is due in class on November 30. Detailed information about assignments and exams will be provided in class.

## **Course outline**

### **1. Capital accumulation**

Mankiw, N.G., "The growth of nations", *Brookings Papers on Economic Activity* 1, 1995, 275-326.

### **2. Productivity growth**

Galor, O., "From stagnation to growth: unified growth theory", in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, North-Holland 2005,

Boldrin, M. and D. Levine, "The case against patents", *Journal of Economic Perspectives*, Winter 2013

Gordon, R. , "Why innovation won't save us", *Wall Street Journal*, December 21, 2012.

Barro, R., "Notes on growth accounting", *Journal of Economic Growth*, June 1998, 119-137.

### **3. Institutions and culture**

Olson, M., "Big bills left on the sidewalk: why some nations are rich, and others poor", *Journal of Economic Perspectives*, Spring 1996, 3-24.

Nunn N., "Historical development", in P. Aghion and S. Durlauf (eds.), *Handbook of Economic Growth*, North-Holland 2014, 347-402.

### **4. Rent seeking**

Kanbur, R. and J. Stiglitz, "Wealth and income distribution: new theories needed for a new era", *Vox*, August 18, 2015.

Gonzalez, F.M., "The use of coercion in society: insecure property rights, conflict and economic backwardness", in M. Garfinkel and S. Skaperdas (eds.), *Oxford Handbook of the Economics of Peace and Conflict*, Oxford University Press, 2012, 633-675.

Acemoglu, D. and J.A. Robinson, "Economics versus politics: pitfalls of policy advice", *Journal of Economic Perspectives*, Spring 2013, 173-192.

### **5. Global Inequality**

Bourguignon, F., "A turning point in global inequality ... and beyond", World Bank 2011.

Deaton, A., "Measuring poverty", Research Program in Development Studies, Princeton University 2004.

Autor, D., "U.S. labor market challenges over the longer term", paper prepared for the Federal Reserve Board of Governors, October 2010.

Alvaredo, F., A.B. Atkinson, T. Piketty and E. Saez, "The top 1 percent in international and historical perspective", *Journal of Economic Perspectives*, Summer 2013, 3-20.

## **6. Quality of life**

Stevenson, B. and J. Wolfers, "Subjective well-being and income: is there any evidence of satiation?", *American Economic Review, Papers & Proceedings*, May 2013,

Sen, A., "Quality of Life: India vs. China", *The New York Review of Books*, May 12, 2011.

## **Weekly schedule**

1. Sept. 7: introduction
2. Sept. 12, Sept. 14: capital accumulation
3. Sept. 19, Sept. 21: productivity growth
4. Sept. 26, Sept. 28: innovation
5. Oct. 3, Oct. 5: growth accounting
6. Oct. 10, Oct. 12:
  - Oct. 10: READING WEEK
  - Oct. 12: institutions
7. Oct. 17, Oct. 19: culture
8. Oct. 24, Oct. 26: rent seeking
9. Oct. 31, Nov. 2: social conflict
10. Nov. 7, Nov. 9:
  - Nov. 7: economics and politics
  - Nov. 9: MIDTERM EXAM
11. Nov. 14, Nov. 16: unequal development
12. Nov. 21, Nov. 23: inequality
13. Nov. 28, Nov. 30:
  - Nov. 28: quality of life
  - Nov. 30: due date of TAKE-HOME EXAM

## Statements and links to be included on all course outlines:

### **Economics Department Deferred Final Exam Policy**

Deferred Final Exam Policy found at

<https://uwaterloo.ca/economics/undergraduate/resources-and-policies/deferred-final-exam-policy>

### **Cross-listed course**

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

### **Academic Integrity**

**Academic Integrity:** In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [UWaterloo Academic Integrity](#) webpage and the [Arts Academic Integrity](#) webpage for more information.

**Discipline:** A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

**Grievance:** A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. [Read Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

**Appeals:** A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

### **Accommodation for Students with Disabilities**

**Note for students with disabilities:** [The AccessAbility Services office](#), located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

### **If you are using Turnitin® in your course**

**Turnitin.com:** Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.

### **Outlines for ECON 101 and 102 must include the following statement:**

It is the responsibility of students to ensure that they write exams in the location, date, and time assigned to their section. Students writing exams in the wrong section will be assessed a 20% penalty on the final exam grade. There will be no accommodation for possible differences in exam material or content.

*(The above statement is also recommended for ECON 201, 206 and 207)*

## **NEW – Recommended statements to be included on course outlines**

### **Mental Health Support**

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

#### **On Campus**

- Counselling Services: [counselling.services@uwaterloo.ca](mailto:counselling.services@uwaterloo.ca) / 519-888-4567 xt 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

#### **Off campus, 24/7**

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe](#) app to your phone to quickly access mental health support information

### **Territorial Acknowledgement**

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples.

The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.

