

**WASHINGTON UNIVERSITY IN ST. LOUIS**  
Department of Economics

**Econ 472:** Topics in Growth and Development  
**Professor:** Ping Wang  
**Office:** Seigle Hall 340  
E-mail: [pingwang@wustl.edu](mailto:pingwang@wustl.edu)  
**Office Hour:** Tu Th 11:30-noon & by appointment<sup>1</sup>

**Spring 2024:** Tu Th 10:00-11:20 AM, SH 109  
**Assistant in Instruction:** Masaki Tanaka  
**Office:** Seigle Hall 358  
E-mail: [masaki.tanaka@wustl.edu](mailto:masaki.tanaka@wustl.edu)  
**Office Hour:** TBD

**COURSE DESCRIPTION:**

This course is devoted to selected topics in growth and development from macroeconomic and global perspectives. It begins by highlighting important empirical facts concerning growth and development in various countries at different development stages. Fundamental growth and development theory are then delivered, to provide a framework to explain empirical facts and to evaluate the consequences of commonly adopted development policies systematically. Topics include (i) technological changes and industrial transformation, (ii) skills, health and labor market development, (iii) demographic transition, (iv) income and wealth inequality, (v) institutions and poverty problems, and (vi) political economy, global development and sustainability. Cross-country empirical evidence and country case studies are provided throughout the lectures. (Prerequisites: Econ 4011, Econ 4021. Credit: 3 units)

**TEXTS:**

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

1. (A) Philippe Aghion and Peter Howitt, *The Economics of Growth*, The MIT Press
2. (J) Charles Jones, *Introduction to Economic Growth*, Norton.
3. (R) Debraj Ray (1998), *Development Economics*, Princeton University 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. The second book is easily accessible with real world discussions and will thus be referred to more often, but it lacks an integrated and thorough analysis for explaining real world observations. The third is commonly used for micro-based development economics courses, which is not suitable for the purposes of this course because our focus is on macroeconomic and global issues. It would have been great if someone would write a book more accessible than the first but more rigorous than the second. In the absence of such a textbook, I have to rely heavily on my own supplements, which can be downloaded from my website: <https://sites.wustl.edu/pingwang/courses/topics-in-growth-and-development/> It is important to have these supplements in hands (hardcopy or e-copy on your mobile device) when taking my class, because it would minimize your notes-taking effort while maximizing your quality-learning of my lectures. When I go over some technical part of the materials particularly in Lecture II A & B, I will slow down my pace and request the assistant in instruction to hold Friday help sessions to review the notes 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 essentially irrelevant to my evaluation of your course performance. Thus, there is no need to be concerned with technicalities, but simply feel relax for a true learning experience.

Because we will cover many real world issues in growth and development with cross-country studies as well as country case studies, selected materials from the following books are useful (+ denotes recommended, which are great to learn and fun to read):

---

<sup>1</sup> Due to conflict with faculty recruiting seminars, office hours on 1/30 and 2/1 will be cancelled.

- +Acemoglu, D., and J. A. Robinson (2012), *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, Crown Business.
- Acharya, A. and P. Wang, eds. (forthcoming), *Political Economy, Global Order and World Development*.
- Banerjee, A.V., Duflo, E. (2005), "Growth theory through the lens of development economics," *Handbook of Economic Growth*, 1, 473-552.
- +Banerjee, A.V., and E. Duflo (2011), *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, MIT Press.
- Boldrin, M., B. Chen and P. Wang, eds. (2004), *Human Capital, Trade and Public Policy*, Edwards-Edgar.
- +Easterly, W. (2001), *The Elusive Quest for Growth*, Cambridge, MIT Press.
- Lucas, R. (2002), *Lectures on Economic Growth*, Harvard University Press.
- Maddison, Angus (1982), *Phases of Capitalist Development*, Oxford University Press, UK.
- Parente, S., Prescott, E. (2002), *Barriers to Riches*, MIT Press Books, The MIT Press.
- Piketty, T. (2014), *Capital in the 21<sup>st</sup> Century*, Harvard University Press.
- Rosenstein-Rodan, Paul N. (1961), "Notes on the Theory of the 'Big Push'," in Howard S. Ellis (ed.), *Economic Development for Latin America*, London, UK: Macmillan, 57-66.
- Rostow, Walt W. (1960), *The Stage of Economic Growth*, Cambridge, UK: Cambridge University Press.
- Sachs, J. (2005), *The End of Poverty: Economic Possibilities for Our Time*, Penguin Books.
- Wan Jr., H. Y. (2004), *Economic Development in a Globalized Environment: East Asian Evidences*, Springer.

Many materials will be taken from research papers that are not required due to unnecessarily technical contents.

### **GRADING:**

Your overall performance will be evaluated based on:

1. two take-home projects (20% each),
2. a group project and presentation (20%),
3. a term paper with presentation of the preliminary work (40%).

Learning is far more important than testing. Thus, there will be no formal exams.

The homework assignments are to help you understand the methodologies learned and the use of them in the real world (to be submitted electronically to the assistant before the deadline given below). The group project (up to 5 per team) will be arranged by self-selection, to be finalized the week after the spring break.

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 and differs from your group project (preferably 10-15 pages double-space 12pt font, due by noon May 1).

In observing the green paperless policy, both homework and term paper should be submitted to me electronically via e-mail, copying your assistant (be sure your photo/scan/e-file is *legible*).

Group project and preliminary term paper presentations will be scheduled during the last 2 weeks of the semester; depending on the enrollment, each group project presentation and term paper presentation will take about 10-20 minutes, depending on the class enrollment size. The presentation schedule will be arranged by the assistant via random drawings.

I value highly the term paper and the presentation components because these are in my view the best for training yourself to think like an economist or a high-power analyst rather than just an ordinary follow-the-instruction analyst or a shallow media reporter.

As a general departmental policy, no reschedule of any deadlines will be given except medical or family emergency. Needless to say, typical honor code should be observed for both take home projects and individual term paper.

I strongly encourage active participation by all of you throughout the semester, as interactions tend to better promote deep learning.

## **COURSE OUTLINE:**

- I. Introduction: Measurement, Stylized Facts and Basic Techniques: about 1.5 lectures
- II. Fundamentals
  - A. Growth Theory
    1. Neoclassical Growth Theory: J, chs. 2 and 3
    2. Endogenous Growth Theory: J, chs. 4 and 8
    3. Growth Accounting: A, secs. 5.1-5.3
  - B. Development Theory: R, ch. 5
- III. Technological Changes and Industrial Transformation
- IV. Skills, Health and Labor Market Development
- V. Demographic Transition
- VI. Income and Wealth Inequality
- VII. Institutions and Poverty Problems
- VIII. Political Economy, Global Development and Sustainability
- IX. Policy Debates: While I plan to cover the first three debates comprehensively and items 4, 6, 9 and 10 very briefly, items 3-12 are all potential topics for group projects and term papers:
  1. Financial Deregulation and Crisis – From Asian Financial Crisis to Financial Tsunami
  2. Free Trade vs. Protectionism – From GATT/WTO and Trade Blocs to Trade Wars
  3. Semiconductor Policy and Geopolitics – When Economic Tradeoff Meets National Security
  4. Health vs. Education Policy for Avoiding Poverty Trap – Lessons from Sub-Saharan Africa
  5. Inequality during the Pandemic – the Vulnerability of the Poor
  6. Weak vs. Authoritarian State – Lebanon vs. North Korea
  7. Corruption and Economic Development – Barriers to African and South/Southeast Asian Development
  8. Capital Cronyism and Economic Development – The China Story
  9. Immigration and Economic Development – The Singaporean Human Capital Policy
  10. Economics of Aging – When Advanced Countries Stop to Advance
  11. The Environments and Limit to Economic GrowthOf course, you are free to select any topics related to Growth and Development to conduct a group project or write a term paper.

**TIMETABLE:**

1/16	Syllabus Overview, Lecture I		
1/18	Lecture I		
1/23	Lecture I, IIA-1		
1/25	Lecture IIA-1		
1/30	Lecture IIA-1, IIA-2		
2/1	Lecture IIA-2		
2/6	Lecture IIA-2		
2/8	Lecture IIA-2, IIA-3		
2/13	Lecture IIA-3, IIB		
2/15	Lecture IIB	(take-home project #1 distributed online)	
2/20	Lecture IIB, III	<b>(e-copy of take-home project 1 due by 10 am)</b>	
2/22	Lecture III		
2/27	Lecture III		
2/29	Lecture IV	(take-home project #2 distributed online)	
3/5	Lecture IV	<b>(e-copy of take-home project 2 due by 10 am)</b>	
3/7	Lecture IV		
3/11-15		☯☯☯	Spring Break
			☯☯☯
3/19	Lecture V		
3/21	Lecture VI		
3/26	Lecture VI		
3/28	Lecture VII		
4/2	Lecture VII		
4/4	Lecture VIII		
4/9	Policy Debates-1		
4/11	Policy Debates-2		
4/16	Group presentation I		
4/18	Group presentation II		
4/23	Term paper presentation I		
4/25	Term paper presentation II		
5/1	<b>(e-copy of the term paper due by noon)</b>		