

## **Economic Growth and Structural Transformation**

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ECON 485F  
Fall 2016

### **Prerequisites**

Prerequisites: Grade of C or better in ECON 362, also grade C or better in college level statistics and calculus.

### **Lectures**

4:25 pm - 5:50 pm, Tuesday & Thursday, Lecture Hall 012

### **Communication**

Announcements about the organization of the course will be made on Blackboard and/or at the beginning of class.

I receive a large volume of emails. As such, I cannot reply to emails with information that is already given in the syllabus, posted on Blackboard, or was announced in class. I also cannot explain course material in emails – if you have questions about the course material, you may ask them in class or during office hours.

### **Office Hours**

Office hours begin the week of [August 29<sup>th</sup>](#). Times and locations will be announced on Blackboard in due time.

### **Mid-Term Exam**

There is one mid-term exam, scheduled for [October 27<sup>th</sup>](#).

Any special requests regarding the mid-term exams must be made in writing three weeks before each mid-term exam, i.e. on or before [October 6<sup>th</sup>](#). After that, I will not consider any special requests.

### **Final Exam**

The comprehensive final exam will be held during the final exam period. Note that this means that the latest possible date for the final exam is [December 16<sup>th</sup>](#). The specific dates, times, and locations for final exams for each course will be announced on [September 30<sup>th</sup>](#). Any special requests regarding the final exam must be made on or before [November 4<sup>th</sup>](#). After that, I will not consider any special requests. NOTE: Department policy (see at the end of syllabus) prohibits me to accommodate any unexcused absences from the final exam, including travel plans.

### **Readings**

The assigned textbook is *Economic Growth*, 3<sup>rd</sup> Ed., by David Weil. There is a companion website which we will also be using at [http://wps.aw.com/aw\\_weil\\_econgrowth\\_3/](http://wps.aw.com/aw_weil_econgrowth_3/). In the course we will rely on this book as well as on a set of notes and slides which will be developed in class.

Moreover, two recommended, non-technical books are “Why Nations Fail” (2012) by Daron Acemoglu and “The Elusive Quest for Growth” (2002) by William Easterly.

Also see the section “Class Outline” below.

## **Homework**

There will be occasional homework assignments and problem sets. You are allowed to work on these assignments in pairs, provided that 1) both partners turn in their own copy of the assignment and 2) it is clearly indicated who you worked with.

## **Term paper**

A term paper will be due at the end of the semester. In the term paper students are expected to combine theory and data by empirically applying the course material. Details about the requirements of the term paper will be given in class.

## **In-class participation**

In-class participation will mainly consist in preparation and discussion of the lecture and homework material. Active participation and demonstration of good understanding of the class material affect the participation grade positively. Excessive absences and lack of preparation will count against your participation grade. At the end of the semester, the participation grade can either raise or lower the score based on the written grades (see section "Grading").

## **Student Academic Honesty Code**

Students in this course are expected to observe the [Student Academic Honesty Code](#) and should make sure they become familiar with its provisions. Violations of the code, for example cheating on exams or plagiarism on papers, will be prosecuted as specified in the Code.

## **Grading**

The score for the written parts of the course will be the weighted average of: 15% homework, 20% term paper, 25% midterm, and 40% final exam. This average written score can be raised or lowered depending on in-class participation.

## **Course Outline**

Parts I and II correspond to the respective parts in Weil's textbook. For Part III, structural change, we rely mainly on notes and slides we will develop ourselves. Note that we will probably not cover extensively Weil's part III, the fundamentals of economic growth. However, the recommended books by Easterly and Acemoglu, respectively, discuss in much detail possible fundamental determinants considered in the academic literature.

### **Part 0: Introduction, Facts and Measures**

#### **Part I: Factors of production and factor accumulation**

We will consider the causes of the long-run accumulation in the input factors capital, labor, and human capital, as well as their effects on growth. The Solow model of technical growth will be the core topic in this part.

#### **Part II: Productivity**

This part focuses on technology and technology growth as one of the main determinants of a country's long-run level of productivity.

#### **Part III: Structural change**

In this part we consider what happens within a country over the long run when productivity increases over time, and how it can explain the structural transformation of an economy from (agriculture to) an industrial economy to a service economy.

## ECONOMICS DEPARTMENT POLICY REGARDING MAKE-UP FINAL EXAMS

**STUDENTS SHOULD NOT MAKE ANY TRAVEL PLANS** to return home before the END of the exam period **December 16, 2016** unless all exams, including make-up exams, have been verified. Those who book travel prior to the end of their scheduled exams will **NOT** be accommodated under any circumstances. **The desire to leave early does not qualify you for an early make-up final exam—if you are not present to take the regular final or the scheduled make-up exam, then the missed final exam will count as an F towards your course grade.**

**ALL** make-up final exams in Economics will be given **Friday December 16, from 8:00 AM to 10:00AM**. All officially scheduled final exams for **Fall 2016** will be linked from the [BU Brain](#) on September 30. **YOU MUST CHECK FOR CONFLICTS**. If a conflict exists you may request a make-up exam from the instructor of **ANY** of the conflicting courses. If you request a make-up exam for an economics course, a sign-up list to request the make-up exam will be available in class after the add/drop deadline – ask the instructor. Students ***MUST*** make their request for a make-up exam in economics **NO LATER THAN FRIDAY, November 4**.

It is **the student's responsibility** to learn from the instructor if the request has been approved. Only students who are approved may take a make-up final exam. Students who have not requested a make-up exam in an economics course by **November 4** will be required to resolve conflicting exams with the instructor in one of their other courses.

Make-up exams are approved **ONLY** for the following conditions:

- Conflicts with the **OFFICIAL** final exam schedule such as –
  - Two exams at the exact same time or
  - More than two exams that begin within a 24 period.
- **DOCUMENTED** personal illness or family emergency.