

GRADUATE SCHOOL OF INTERNATIONAL STUDIES
SEOUL NATIONAL UNIVERSITY
Spring 2021

ECONOMIC GROWTH AND INTERNATIONAL DEVELOPMENT

Time: Monday 14:00 - 16:50.

Place: Zoom Room or Room 140-2-202.

Course Number: M2048.000200.

Instructor: Hyeok Jeong (Email: hyeokj@snu.ac.kr, Tel: 02-880-2921).

Office Hour: Tuesday 17:00 - 17:50 with appointment.

Last Update: January 18, 2021.

Course Keywords

International Development, Sources of Economic Growth, Barriers to Development, Cross-country Inequality, Capital Deepening, Human Capital, Productivity, Efficiency, Demography

Course Description

Main goal of this course is to learn theoretical perspectives and empirical tools in thinking about the central question of how to make poor countries rich, i.e. the issue of international development. To answer this question, we try to understand the sources of and barriers to economic growth and development, focusing on the differences in levels and rates of change of real per capita income across countries and the associated income distribution dynamics across countries. We will learn about these issues by using both economic models and data interactively and infer policy implications to promote economic development and welfare of nations.

We start from learning some empirical facts about different levels and rates of change of real per capita income across countries for motivation. Neoclassical models of economic growth will be introduced to interpret these facts. These models emphasize (i) accumulation of production factors such as physical and human capital, and (ii) productivity growth from technological progress as general sources of economic growth. We review the existing empirical evidence to evaluate the main success and failure of these benchmark models.

Understanding the above *sources of growth* is an important agenda of economic growth and development. At the same time, understanding the *lack of development* and uneven experience of growth across countries is another equally important agenda. To this end, we study other important perspectives and issues of growth and development, which emphasize (i) allocation efficiency, (ii) government and market, (iii) population growth and demography, (iv) urbanization, (v) agriculture and development, and (vi) poverty, inequality and growth linkage. Taking these factors into account, the economic environments including government policies as well as individual incentives and the associated income distribution dynamics becomes an integral part of the process of growth.

Finally, if time permits, we may study some selected topics such as natural resources and global climate changes and international issues.

Textbook

David Weil, *Economic Growth*, 3rd. ed., Addison-Wesley, 2012.

(Classroom Resources: http://wps.aw.com/aw_weil_econgrowth_3/)

Evaluation

Course grade will be based on (i) homework sets (20%), (ii) two in-class exams: midterm (30%) and final (30%), and (iii) class participation (20%). Class participation grade will be measured by (i) attendance (10%), and (ii) the quality of answers to the review questions that will be asked in class to the randomly selected students and the quality of questions that are considered to contribute to class (10%). For the online class meetings, every student needs to turn on camera so that the TA can monitor the class participation. The student whose camera is off will be counted as absence. If there are any university guidelines about exam implementation in relation to social distancing, the in-class exams will be substituted by take-home or online exams.

Keeping class etiquette is required. If meeting off line, no cell phones including text messaging is allowed. If meeting online, non-class activities such as

eating, sleeping, or talking on the phone are not permitted. For any negative disruptions to class, negative participation grade will be given.

This course does not allow alternative dates of exams except for student's own health reason, which needs to be proved by official medical documents provided by non-family member doctors. For any cheating behavior, students will fail the course without exception.

According to the revised SNU school rule (the 4th Clause of the Article 85), effective date of September 1st in the year 2018, any students who attend less than two-thirds of the required classes will receive a grade of "F" or "U" with exception of inevitable cases which is upon discretion of the instructor.

Instruction for Online Class

Due to the Covid-19 pandemic situation, we will do the lectures, presentations and discussions via Zoom. The URL of the login site of Zoom is <https://zoom.us>. You can create the login ID for Zoom by using your SNU email ID or by obtaining license from the IT Center (phone: 02-880-8282, email: zoom_tf@snu.ac.kr). The Zoom meeting ID and password for this class will be informed to the registered students by emails from TA. Class materials (reading assignments, presentation files and schedules) and the announcement of the class logistics will be posted on SNU eTL.

Course Outline

Part I. Overviews of Development Facts and Theories

1. Stylized Facts of Growth and Development
Reading: Weil Chapter 1.
2. Overview of Growth and Development Theories
Reading: Weil Chapter 2.
Homework 1 Assignment.

Part II. Neoclassical Perspectives of Economic Development

3. Capital Accumulation
Reading: Weil Chapter 3.
4. Human Capital
Reading: Weil Chapter 6.
Homework 2 Assignment.
5. Productivity Growth
Reading: Weil Chapter 7.
6. Technological Change
Reading: Weil Chapters 8 and 9.
Homework 3 Assignment.

Part III. Other Important Perspectives of Economic Development

7. Allocation Efficiency
Reading: Weil Chapter 10.
Homework 4 Assignment.
8. Government and Market
Reading: Weil Chapter 12.
9. Population Growth and Demography
Reading: Weil Chapters 4 and 5.
Homework 5 Assignment.
10. Inequality and Poverty
Reading: Weil Chapter 13.
11. Natural Resources and Climate Change
Reading: Weil Chapters 15 & 16.

Exam Schedule

Midterm Exam (Week 7, April 13)

Final Exam (Week 15, June 8)

Remark 1. When the time constraints prevail, we may rearrange the above topics.

Remark 2. This syllabus is written on January 18, 2021. It may be necessary to make adjustment during the semester upon contingencies.