

GRADUATE SCHOOL OF INTERNATIONAL STUDIES
SEOUL NATIONAL UNIVERSITY
Fall 2012

ECONOMIC GROWTH: THE U.S. AND WORLD ECONOMY'S PERSPECTIVES

Time: Wednesday 9:00 A.M. - 12:00 P.M.

Place: 140-107.

Instructor: Hyeok Jeong (Email: hyeokj@gmail.com, Tel: 02-3299-1119).

Last Update: July 24, 2012.

Course Description

Goal of this course is to study the models and issues of economic growth in the context of U.S. as well as World economy's perspectives. We first learn the basic facts and neoclassical models of economic growth to frame our discussions. Then, we extend the model to the endogenous growth models emphasizing human capital and ideas. Each time we learn the growth models, we perform empirical analysis for the U.S. economy, and then extend the analysis to the World economy. We will also discuss two other key growth issues such as social infrastructure and natural resources after we learn the neoclassical and endogenous growth models.

After the series of lectures above, we turn to the issues of productivity improvement, entrepreneurship and innovation of the free-enterprise economies focusing on the U.S. case, which will consist of presentation sessions in class,

Required Textbook

Jones, Charles, *Introduction to Economic Growth*, 2nd ed., W.W. Norton and Company, Inc., 2001.

References for Presentation

Baumol, W., S. Blackman, and E. Wolff, *Productivity and American Leadership: The Long View*, MIT Press, 1989.

Sheshinski, E., R. Strom, and W. Baumol, *Entrepreneurship, Innovation, and the Growth mechanism of the Free-Enterprise Economies*, Princeton University Press, 2007.

Evaluation

Course grade will be based on (i) midterm exam (40%), (ii) class presentation (40%), and (iii) class participation (20%).

Class participation grade will be measured by (i) attendance (5%), and (ii) the quality of answers and questions during lectures and presentation sessions that are considered to positively contribute to class (15%).

For class presentation, students will choose some chapters from the two books listed in References for Presentation above, and make a self-contained summary and provide their own analysis consisting of: (i) interpretation of the readings from the growth models that we learn from the lectures, (ii) own critique, and (iii) provision of new evidence for or against the papers. Students are expected to read other classmate's presentation materials before the presentation so that they can actively discuss each other during the presentation sessions. So, please, send the presentation materials to the instructor and other students at least a week before the presentation.

Alternative dates of exam are not allowed, except for the unexpected emergency or student's own health reasons, either case of which needs to be proved by official documents. Any cheating behavior will automatically fail the course without exceptions.

Course Outline

I. Lectures

A. Introduction

- A.1. Stylized Growth Facts
- A.2. Growth Facts of the U.S. Economy

B. Solow Model

- B.1. Capital Accumulation
- B.2. Technology
- B.3. Growth Accounting and the Productivity Slowdown of the U.S. Economy

C. Empirical Application of Neoclassical Growth Models

- C.1. Solow Model with Human Capital
- C.2. Convergence
- C.3. Evolution of World Income Distribution
- C.4. World Development Accounting

D. Ideas and Growth

- D.1. Economics of Ideas
- D.2. Intellectual Property Rights and the Industrial Revolution
- D.3. Romer Model

F. Other Selected Topics

- F.1. Social Infrastructure and Growth
- F.2. Natural Resources and Growth
- F.3. Alternative Theories of Endogenous Growth

II. Midterm Exam: Week 10 (November 7)

III. Presentation: This semester we will focus on the issues of productivity improvement, entrepreneurship and innovation of the U.S. economy. Schedule will be discussed in class, which would depend on class size.

Course Calendar

Week 1 (September 5): no class (out of country), make-up needs to be scheduled

Week 2 (September 12): Lecture 1

Week 3 (September 19): Lecture 2

Week 4 (September 26): Lecture 3

Week 5 (October 3): no class (public holiday)

Week 6 (October 10): Lecture 4

Week 7 (October 17): Lecture 5

Week 8 (October 24): Lecture 6

Week 9 (October 31): no class (out of country), make-up needs to be scheduled

Week 10 (November 7): Midterm Exam

Week 11 (November 14): Presentation Session 1

Week 12 (November 21): Presentation Session 2

Week 13 (November 28): Presentation Session 3

Week 14 (December 5): Presentation Session 4

Week 15 (December 12): Final Exam Period

Remark 1. When we face time constraints, we will cover a subset of the above topics or rearrange the order of the topics.

Remark 2. This syllabus is written on July 24th, 2012. It may be necessary to make adjustments during the semester.