

Freie Universität Berlin | School of Business & Economics
Economic Growth (BSc, 102048, 102049)
Fall 2019

Lecturer: Joonseok Jason Oh | joonseok.oh(at)fu-berlin.de
Office hours: TBA

Time and location: Lecture is FRI 14-16 (c.t.) at Hs 101 Hörsaal (Garystr. 21)
Workshop is MON 10-12 (c.t.) at Hs 107 Hörsaal (Garystr. 21)
(Start: 18th of October, workshop is weekly)

Target group: BSc Economics

Credits: 6.0 ECTS

Prerequisites: Principles of Macroeconomics (BSc in Economics), English

Literature: This course is based on Weil (2013). Other useful books are Jones and Vollrath (2013), Mankiw (2019) and Williamson (2017).

Contents: The course offers an introduction to economic growth. First, it offers a review of the key empirical facts related to the differences in standards of living among countries over the last two centuries. Both developed and developing countries are covered. Second, theories focusing on factor accumulation are presented as preliminary explanations for the historical experience of countries. The role of physical and human capital, population growth and demographic change are examined. Third, technological progress as a key preliminary explanation of economic growth is emphasized, before the fundamental causes of economic growth such as institutions, income inequality, culture, geography and natural resources are discussed. The course aims to provide the ground for a deeper analysis of economic growth.

Learning goals: Students that successfully passed this course: feel like an expert in the field, able to discuss issues related to economic growth on a basic level; Know the most important modern theoretical models that try to explain the key empirical relationships; Master the key methods used to solve and analyze the models and to examine policies. Students therefore have a critical perspective on the advantages and limitations of these models and they know how these models can be used to analyze research questions such as:

- Why are there such large differences in income per capita and worker productivity across countries?
- Why do some countries grow rapidly while other countries stagnate?
- What sustains economic growth over long periods of time and why did sustained growth start 200 years or so ago?
- What are the potential roles for policy in the process of economic growth?

Teaching methodology:

- This is an interactive course and students have to be ready to work actively;

- Stylized facts in economic growth are discussed;
- Rigorous exposition of theoretical models and illustrative examples are used throughout the discussion;
- Self-study, i.e., autonomous work by students on all material covered in class;
- Regular homework assignments related to particular topics are distributed and have to be solved by students;
- There is a workshop (see below) offered each week that we use to work on parts of the assignments;
- Students are encouraged to make use of office hours, which are meant to clarify specific problems students may have.

Workshop and Homework Assignments:

- Assignments are distributed at least one week before the related meeting;
- Students prepare solutions in advance;
- Workshop participation is only recommended for prepared students;
- The workshop is interactive, involving group work;
- Parts of the solutions are compared, corrected, and presented by students during the workshop;
- Students identify doubts, difficulties etc. and can ask clarifying questions;
- Suggestions for solutions will be made available after the workshop.

Assessment: Evaluation is based on a final exam (2 hours).

References:

Jones, C. I. and Vollrath, D. (2013). *Introduction to Economic Growth*. W. W. Norton & Company, third edition.

Mankiw, N. G. (2019). *Macroeconomics*. Worth Publishers, tenth edition.

Weil, D. N. (2013). *Economic Growth*. Pearson, third and international edition.

Williamson, S. D. (2017). *Macroeconomics*. Pearson, sixth edition.