



SAINT LOUIS
UNIVERSITY
— EST. 1818 —

SAINT LOUIS UNIVERSITY, MADRID CAMPUS
Department of Business Administration & Economics

Spring 2018

ECONOMIC DEVELOPMENT

ECON-4560

Prerequisites: ECON-3140 & MATH 1320/1420

INSTRUCTOR

Pablo Swedberg

Classes: T, R, 2:30-3:45pm

Office Hours: T, R 9:30-11:00 and 3:45-5:00pm (by appointment)

Office: Padre Arrupe Hall (attic)

e-mail: pablo.swedberg@slu.edu

PRH 16

Phone: 91-5585454

DESCRIPTION

This course is an introduction to economic growth and development, and puts forward a way of thinking about these issues. The course will begin by highlighting important concepts and definitions in development economics. Next, we will focus economic growth. We will study some of the main theories of economic growth, examine the empirical evidence for these theories and also examine some of the problems derived from growth theories. The rest of the course will be devoted to the study of different aspects of human development: poverty, education, health, land relations, risk, gender, informal and formal norms and institutions. While studying each of these topics, we will ask: What determines the decisions of poor households in developing countries? What constraints are they subject to? Can policy play an important role in improving their well-being?

COURSE OBJECTIVES

The course integrates theoretical and empirical aspects. Under each section we will explore different theories and focus on one or two relevant papers. Although a complete understanding of the technical aspects is not required, students are expected to master and be able to explain the intuition behind the results of the selected papers. By the end of the course students will be able to interpret tables of regression results, to explain traditional and contemporary models of economic growth, and to describe policy interventions.

The World Bank website has a large amount of data on a variety of indicators for all member countries. The *World Development Indicators* (WDI) is the World Bank's premier annual compilation of data about development.

<http://www.worldbank.org/data/>

<http://www.worldbank.org/data/wdi2004/index.htm>

The Human Development reports contain extensive data tables that have information on a variety of development indicators. These are all available online at:

<http://hdr.undp.org/reports/global/2004/>

The IMF's World Economic Outlook has a lot of macroeconomic data. This is available at:

<http://www.imf.org/external/pubs/ft/weo/2004/02/index.htm>

GOALS

After completing *Economic Development* students should be able to identify and derive:

- ✚ The Solow model
- ✚ The Theory of demographic transition
- ✚ The impact of population growth on economic development
- ✚ The role of investment in human capital in determining economic growth
- ✚ The contribution of productivity to income differences
- ✚ The role of technology and the economics of ideas
- ✚ The different ways in which economies can be inefficient
- ✚ The effect of income inequality on economic growth
- ✚ Economic growth in the open economy

COURSE MATERIALS

Main Textbook:

Economic Growth 3d edition, D. Weil, Addison Wesley

ISBN-10: 0321795733

ISBN-13: 9780321795731

GRADING:

The final grade will be based on the following items:

- **Class participation: 10%**
- **Class attendance: 10%**
- **Group topic project: 20%**
- **Group country project: 20%**
- **Midterm exam: 15%**
- **Final exam: 25%**

Scale: 92 – 100 A; 89 – 92 A-; 85 – 89 B+; 78 – 85 B; 74 – 78 B-; 70 – 74 C+; 60 – 70 C; 55 – 60 C-; 50 – 55 D; Below 50 F

REQUIREMENTS

Group Topic projects:

Students will work in groups of two-three people. Group members are required to prepare and orally present two readings per member related to one of the topics covered throughout the course and provided by Professor Swedberg. These presentations will take no more than 25 minutes.

In these guided lectures the speakers will be asked to identify the main issues of the readings and its relevance with respect to the topics discussed in class. The students' presentation must place special emphasis on the critical analysis of the article applying the models we study in class to the topic of the paper and identifying the article's weak and strong points. The speakers will be asked to reflect on the impact that the reading has had on their own view of the subject.

Group Country projects:

Students will be required to prepare a power point presentation on a developing country or geographical region for which they will have to identify the country's history of economic development and growth strategies including geographical, institutional and political factors contributing to its current state of development. Furthermore, students will present the current education, research & development and health policies, and suggest solutions for future economic growth. Students will work in groups (not exceeding four students per group). Each group will make a 20-minute presentation of their project.

COURSE CALENDAR

January 10: Classes begin

January 21: Last day to DROP a class without a grade of "W"; no classes may be added after this date.

February 20: **MIDTERM EXAM @ 14:30 am (PRH 16)**

March 9: Last day to DROP a class and receive a grade of "W"

May 3: Last day of classes

May 8: **FINAL EXAM @ 12pm (PRH 16)**

POLICIES AND RULES

Late policies regarding exams:

Midterm and final examinations must be written on their respective dates. No alternative examinations will be scheduled except in the case of excused medical absences. Absences due to medical reasons without proof of hospitalization will be considered unexcused absences. Cases of excused medical absences must be petitioned for through the Chair of the department. Make-up midterms are subject to approval by the professor, the Chair and the Department of Business and Economics.

An unexcused absence from a midterm examination causes the final examination to weigh 50% of the final course grade.

The date of the final examination is May 10th, 2017 at 12:00. The class instructor is not authorized to change the date of the final exam, so a student wishing to take the final examination on a different date from the one set must receive approval from the Dean and/or the Vice Dean of the University. **Please do this in advance!!**

ACADEMIC INTEGRITY

Academic integrity is honest, truthful and responsible conduct in all academic endeavors. The mission of Saint Louis University is "the pursuit of truth for the greater glory of God and for the service of humanity." Accordingly, all acts of falsehood demean and compromise the corporate endeavors of teaching, research, health care and community service via which SLU embodies its mission. The University strives to prepare students for lives of personal and professional integrity, and therefore regards all breaches of academic integrity as matters of serious concern.

The governing University-level Academic Integrity Policy can be accessed on the Provost's Office web at:

http://www.slu.edu/Documents/provost/academic_affairs/University-wide%20Academic%20Integrity%20Policy%20FINAL%20%2006-26-15.pdf.

As a member of the University community, you are expected to know and abide by these policies, which detail definitions of violations, processes for reporting violations, sanctions and appeals.

ACCOMODATION STATEMENT

In recognition that people learn in a variety of ways and that learning is influenced by multiple factors (e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. Students who think they might benefit from these resources can find out more about:

1. Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.
2. University-level support (e.g., tutoring/writing services, Disability Services) by visiting the Academic Dean's Office (San Ignacio Hall) or by going to http://spain.slu.edu/academics/learning_resources.html.
3. Students who believe that, due to a disability, they could benefit from academic accommodations are encouraged to contact Disability Services at +34 915 54 58 58, ext. 204, send an e-mail to counselingcenter-madrid@slu.edu, or to visit the Counseling Office (San Ignacio Hall). Confidentiality will be observed in all inquiries. Course instructors support student accommodation requests when an approved letter from Disability Services has been received and when students discuss these accommodations with the instructor after receipt of the approved letter.

TITLE IX STATEMENT

Saint Louis University and its faculty are committed to supporting our students and seeking an environment that is free of bias, discrimination, and harassment. If you have encountered any form of sexual misconduct (e.g. sexual assault, sexual harassment, stalking, domestic or dating violence), we encourage you to report this to the University. If you speak with a faculty member about an incident of misconduct, that faculty member must notify SLU's Title IX deputy coordinator, Marta Maruri, whose office is located on the ground floor of Padre Rubio Hall, Avenida del Valle, 28 (mmaruri@slu.edu; 915-54-5858 ext. 213) and share the basic fact of your experience with her. The Title IX deputy coordinator will then be available to assist you in understanding all of your options and in connecting you with all possible resources on and off campus.

If you wish to speak with a confidential source, you may contact the counselors at the SLU-Madrid's Counseling Services on the third floor of San Ignacio Hall (counselingcenter-madrid@slu.edu; 915-54-5858 ext. 230) or Sinews Multiple therapy Institute, the off-campus provider of counseling services for SLU-Madrid (www.sinews.es; 91-700-1979) To view SLU-Madrid's sexual misconduct policy and for resources, please visit the following web address:

http://spain.slu.edu/student_life/docs/SLUMadridSexualMisconductPolicy.pdf.

STUDENT OUTCOME ASSESMENT

Saint Louis University-Madrid Campus is committed to excellent and innovative educational practices. In order to maintain quality academic offerings and to conform to relevant accreditation requirements, we regularly assess our teaching, services, and programs for evidence of student learning outcomes achievement. For this purpose we keep on file anonymized representative examples of student work from all courses and programs such as: assignments, papers, exams, portfolios, and results from student surveys, focus groups, and reflective exercises. *Thus, copies of your work for this course, including any exams, assignments and/or submitted papers may be kept on file for institutional research, assessment and accreditation purposes.* If you prefer that Saint Louis University-Madrid Campus does not keep your work on file, you will need to communicate your decision in writing to your professor.

COURSE OUTLINE:

SECTION I: INTRODUCTION

- Economic development
- GDP and GDP growth
- Income distribution in developing countries
- Human development

(Weil, Chapters 1 and 2)

SECTION II: THEORIES OF ECONOMIC GROWTH, POPULATION GROWTH & HUMAN CAPITAL

- The Solow model
- Economic development and population growth
- Human capital and economic growth

(Weil Chapter 3, 4, 5 and 6)

SECTION III: THE ROLE OF PRODUCTIVITY, TECHNOLOGY & EFFICIENCY

- Productivity
- Technological progress
- The role of technology in growth
- Efficiency and economic growth

(Weil, Chapters 7, 8, 9 and 10)

SECTION IV: INCOME INEQUALITY

- Measuring economic inequality
- Inequality, Income and Growth

(Weil, Chapters 11 & 13)

SECTION V: GOVERNMENT, CULTURE AND GEOGRAPHY

- The impact of government on economic growth
- The effect of culture on economic growth
- Geography, climate and natural resources

(Weil, Chapter 12, 14 and 15)