

Economics 3211-WA: Economic Development

Winter 2020

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Lectures: Tuesday and Thursday 1:00-2:30 in AT 2005

Office Hours: Friday 9:00-11:30 or feel free to stop by anytime.

Course Description

Economics 3211 is a one semester course on the subject of economic development. The primary purpose of this course is to develop an understanding of why some countries are rich and other countries are poor. The goal is to identify the factors that allow some countries to experience sustained economic growth over a number of years, while other countries seem unable to replicate this success. The goal is to hopefully identify policy solutions that, if adopted, would allow poor countries to experience economic growth, and thus a higher standard of living.

Throughout this course, we will examine the role of physical capital, population growth, human capital (education and health), technological development, efficiency, government policy, openness to trade, income inequality, culture, and geography. Each of these topics will provide us with insight as to why some countries are rich and others are poor. We will make use of models of economic growth to ground our discussion and give our analysis more structure.

Prerequisites and Necessary Skills

Students must have taken ECON 1100 in order to take this course. Those students who have taken intermediate macroeconomics (ECON 2203) will have an advantage over those students who have not, as there is significant overlap with some of the concepts.

An understanding of high-school level algebra will be necessary. Additionally, experience analyzing data will be an asset.

Learning Outcomes

By the end of this semester students will

- understand the role that physical capital plays in the growth of an economy.
- understand the role that human capital plays in the growth of an economy.
- be able to identify the costs and benefits of high population growth.
- understand the roles that efficiency and technological development play in economic development.
- have made use of various models of economic development.
- gain a better understanding of how to use data to analyze economic phenomena.
- understand the role that culture and geography play in economic development.
- improve their writing and develop their critical analysis skillset.

Textbook

Neil, David N. (2013). *Economic Growth. 3rd Edition*, Pearson, Boston.

I highly recommend you read the indicated chapters as we go through the material. I am hoping to have time to cover the entire textbook. That is 513 pages of material, which translates into an average of 43 pages per week of reading. Given this, I recommend that you devote at least 3 hours a week to reading the textbook for this course, in addition to the 3 hours of classroom time. Additional time for reviewing lecture notes and doing practice problems is recommended.

Grading

Your grade will be determined by assignments, a major paper, and a final exam. The date of the final exam will be set by the university, but will occur between April 6th and April 20th. Do not make plans to leave Thunder Bay before the end of the exam period.

Assignments	(40%)	
Major Paper	(30%)	Due: April 3rd
Final Exam	(30%)	

There will be 3 to 5 assignments during this course depending on how quickly we progress through the material. My goal is to have 4, however the nature of the material may mean I

opt for more smaller assignments or for fewer larger assignments. I will provide updates as the term progresses.

Students may consult each other on assignments, but each student must hand in their own assignment. Students may type their assignment, or hand-write them neatly. Feel free to consult with me on any issues you are having with the assignments. Late assignments will not be accepted and will be given a grade of zero.

The major paper will be due April 3rd. Late papers will not be accepted and will be given a grade of zero. More information will be provided in a separate handout.

Academic Misconduct

The University and I take a serious view of offences against academic honesty such as plagiarism, cheating and impersonation. Penalties for dealing with such offences will be strictly enforced. If you are unaware of what constitutes academic misconduct, Lakehead has provided a series of self-guided lessons through myCourseLink to help you better understand the issues. The course is known as AWARE, and students are free to self-enroll if they desire.

Penalties for those found guilty of attempting to obtain academic credit dishonestly can include receiving a grade of zero for the assignment/essay in question, receiving a grade of zero in the course, and more severe penalties such as removal from their program of study or the university.

The University Regulations regarding academic dishonesty can be found at:
<https://www.lakeheadu.ca/faculty-and-staff/departments/services/provost-vice-president-academic/academic-integrity-plans-policies/academic-dishonesty-regulations>

The Student Code of Conduct can be found at:
<https://www.lakeheadu.ca/faculty-and-staff/policies/student-related/code-of-student-behaviour-and-disciplinary-procedures>

Outline

We will do our best to get through most of the topics listed below. If we are running out of time, certain topics may be cut. I will inform you of these cuts as the term progresses.

Introduction

- 1: Introduction to Economic Development (Chapter 1)

Factor Accumulation

- 2: Solow-Swan and Capital Accumulation (Chapter 2-3)
3: Population (Chapter 4-5)
4: Human Capital (Chapter 6)

Productivity

- 5: What is Productivity? (Chapter 7)
6: Technological Progress (Chapter 8-9)
7: Efficiency (Chapter 10)
8: Open vs Closed Economies (Chapter 11)

Fundamentals

- 9: Government (Chapter 12)
10: Income Inequality (Chapter 13)
11: Culture (Chapter 14)
12: Geography (Chapter 15)

Other Approaches

- 13: Other Models