

BOSTON COLLEGE  
Department of Economics

EC 375 Economic Growth and Development  
Fall 2008  
Class: T & Th 10:30  
<http://www2.bc.edu/~murphyro>

Professor Bob Murphy  
21 Campanella Way, Room 485  
Office Hours: T & Th 2:00-3:00  
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### **Economic Growth and Development**

Purpose of Course: This course provides an intensive overview of the field of economic growth and development. The course is designed primarily for economics majors, but is also appropriate for international studies, business, history, or political science majors seeking a comprehensive understanding of both theoretical and empirical aspects of growth and development. We will study the underlying determinants economic growth, including factor accumulation and technological progress. We also will explore the extent to which political and social institutions influence the process of economic development. Our overriding goal will be to explain why some countries experience rapid increases in their standards of living while others do not. A central feature of our discussion will be the role policy plays in affecting economic success or failure across countries. Given the comprehensive coverage of the course, the workload is heavy and expectations for students are high.

Prerequisites: Students will have successfully completed EC 131-132, Principles of Economics and EC 201-202 (or 203-204), Intermediate Micro and Macro Economics.

Office Hours: I will hold office hours on Tuesday and Thursday afternoons from 2:00 to 3:00 in room 485 of 21 Campanella Way. You are welcome to make an appointment for other times. My office phone number is 552-3688 and my e-mail address is [murphyro@bc.edu](mailto:murphyro@bc.edu).

#### Texts:

Economic Growth, second edition, by David N. Weil, Pearson Addison-Wesley, 2009, available at the BC Bookstore. This book provides a thorough coverage of the theory and empirics of economic growth. In addition, Addison-Wesley Publishers has a web site that accompanies the Weil textbook, <http://www.aw-bc.com/weil/>, on which you will find some useful materials. I encourage you to explore the site. On the site you will find some very useful lab exercises that will help you learn about cross-country data and enhance your understanding of important concepts.

The End of Poverty, by Jeffrey D. Sachs, The Penguin Press, 2006 and The White Man's Burden, by William Easterly, The Penguin Press, 2007. These books provide differing perspectives on economic development strategies.

Problem Sets: I will assign problem sets that are drawn from the problems at the ends of chapters of the Weil textbook. Answer keys will be posted on the course website. These problems are to be handed in and will be graded on a pass/fail basis.

Current Economic News: Frequently, I will hand out or direct you to additional readings on current international policy issues. I may also post materials on the course web page, which you will find on my homepage: <http://www2.bc.edu/~murphyro>. I encourage you to follow current international development issues by reading on a daily basis one of the major national newspapers (e.g., The Wall Street Journal, The New York Times, and The Washington Post). Fortune, The Economist, and Business Week magazines are also good sources for keeping up on economic events. We frequently will discuss in class the relevant economic news of the day.

Grading: Your grade for the course will be based on a mid-term exam (40%) to be given on **THURSDAY, OCTOBER 23** in class, a scheduled final exam (60%) to be given on **SATURDAY, DECEMBER 13 at 12:30 P.M.** Makeup exams will not be given. If you must miss the mid-term exam (but only with an excuse ahead of time), all of your grade will be based on the final exam. Attendance in class is mandatory and class participation, along with performance on problem sets, will be used to adjust grades up or down by half a grade level.

## Course Outline

### **Part I. Introduction and Overview**

#### 1. The Facts to Be Explained and a Framework for Analysis

Weil, Chapters 1 and 2.

### **Part II. Factor Accumulation**

#### 2. Physical Capital

Weil, Chapter 3

#### 3. Population and Economic Growth

Weil, Chapters 4 and 5.

#### 4. Human Capital

Weil, Chapter 6.

### **Part III. Productivity**

#### 5. Measuring Productivity

Weil, Chapter 7.

#### 6. The Role of Technology in Growth

Weil, Chapter 8.

7. Explaining Technological Change

Weil, Chapter 9.

8. Productivity, Technology and Efficiency

Weil, Chapter 10.

9. International Openness and Economic Growth

Weil, Chapter 11.

**\*\*\*\*\*MIDTERM EXAM THURSDAY, OCTOBER 23, IN CLASS\*\*\*\*\***

**Part IV. Fundamentals Behind Economic Growth**

10. Government Policies

Weil, Chapter 12.

Selected sections of Easterly and Sachs (to be announced in class).

11. Income Inequality and Economic Development

Weil, Chapter 13.

12. The Role of Culture in Economic Development

Weil, Chapter 14.

Selected sections of Easterly and Sachs.

13. Geography, Climate, and Natural Resources

Weil, Chapters 15 and 16.

**Part V. Conclusion**

14. Lessons from the Past and Prospects for the Future

Weil, Chapter 17.

**\*\*\*\*\*FINAL EXAM SATURDAY, DECEMBER 13, 12:30 P.M.\*\*\*\*\***