

Title of Class Economic Growth and Development

Credits: 4 graduate hours

Semester: Spring 2025

Instructor: Stephen Parente

Meeting Times: Monday, Wednesday 8:00-9:20 AM 310 DKH

Office Hours: To be Determined

Email: parente@illinois.edu

Course Description and Goals: Focus on economic development and growth from a macro perspective with the objective of understanding why some countries today are so much richer than others. Begins by documenting the patterns of development over the last two thousand years and then presents competing theories to explain this pattern. By the end of the course, students will have an understanding of why the whole world is not rich, and what policy changes can be enacted to close the gaps.

Prerequisites ECON 500, ECON 501

Learning Outcomes

By the end of this course, students will:

1. Analyze classical and modern growth models, including their assumptions and implications.
2. Assess empirical evidence related to economic growth across different regions and periods.
3. Understand the mechanisms of technological progress and demographic transitions in economic development.
4. Apply Unified Growth Theory to analyze long-term economic phenomena.
5. Critically evaluate policies aimed at eliminating income differences.

Learning Resources

Textbook: There is no textbook for the course.

Learning Management System: Canvas

The course will be administered through Canvas (learn.illinois.edu). All necessary materials for the course will be posted there, and it will be the primary means of communication with the instructor.

Books and Readings: Most of the course will be based on journal articles that can be accessed through the course website. However, there are a number of books that you may find useful. Some of them are listed below.

Acemoglu, D. and J. Robinson. 2012 **Why Nations Fail: the Origins of Power, Prosperity, and Poverty.** Harvard University Press: Cambridge, MA.

Dercon, Stefan. 2022. **Gambling on Development: Why Some Countries Win and Others Lose.** Hurst Publishers: London.

Galor, Oded. 2022 **The Journey of Humanity: The Origins of Wealth and Inequality.** Dutton: USA.

Galor, Oded. 2011 **Unified Growth Theory.** Oxford University Press: Oxford and Princeton.

McCloskey, Diedre. 2010. **Bourgeois Dignity; Why Economics Can't Explain the World.** Chicago University Press: Chicago.

Mokry, Joel. 1990. **The Lever of Riches. Technological Creativity and Economic Progress.** Oxford University Press: New York and Oxford.

Clark, Gregory. 2008. **A Farewell to Alms: A Brief Economic History of the World.** Princeton

Diamond, Jared. 1997 **Guns and Steel: The Fates of Human Societies.** W.W. Norton and Company: New York

Problem Sets

There will be approximately 5-8 problem sets, most of which are due before the midterms.

Problem Set Due Dates:

Problem Set 1: Monday, January 27 One-page summary of seminar 1/23 by Pr. Agiakloglou

Problem Set 2: Monday, February 3 Two alternative index measure summaries

Problem Set 3: Due Date to be Determined

Problem Set 4: Due Date to be Determined

Problem Set 5: Due Date to be Determined

Examinations

There will be a midterm exam on March 12 that is on-line and open book. The final examination time and date are set by the University.

Exam Schedule:

Exam: March 12, on-line

Final Exam: Thursday, May 15th 7-10 PM

Exam dates and times are *not* flexible. The only exception to this rule is a death in the family or illness requiring immediate attention from a physician. See Article 1 - Student Rights and

Responsibilities (for more details on these issues at:
http://www.admin.illinois.edu/policy/Code/article1_part5_1-501.html

Paper and Presentation

Students may work in pairs to write a research paper, the results of which are to be presented in the last week of the semester. Topics are flexible. One obvious topic is a study of a country's growth and development path, organized around some of the key points of the course. Namely, what institutions, policies, interest groups have affected an economy's trajectory. You should think of the output of your report as being part of a book on economic growth and development that the class would publish. The paper should be between 10 and 20 pages.

Scoring

	4 credits
5 Assignments	100 Total Points
Midterm Exam	150 Total Points
Final Exam	300 Total Points
Presentation	150 Total Points
Paper	300 Total Points
Total	1000

Your grade will be calculated as a percentage based on the point allocation above. The final grade for the class will be out of 1,000 points. To calculate your letter grade at any point in the semester, i.e., before all exams and assignments are finalized, divide the total points you have scored on all graded assignments, exams, etc. by the total possible points for those components of the course. Multiply this number by 100 and round to the nearest integer; then compare that number to the Plus/Minus Grade Cutoffs below. For example, suppose you obtained 130 out of 180 points on the midterm and perfect scores on your first 4 assignments, then your grade at this point of the semester would be $100 \times (4 \times 30 + 130) / (120 + 180) = 83$, which is a B.

Grading Cutoffs

A+	100-97.00	C+	77.00-79.99	F	0-59.99
A	93.00-96.99	C	73.00-76.99		
A-	90.00-92.99	C-	70.00-72.99		
B+	87.00-89.99	D+	67.00-69.99		
B	83.00-86.99	D	63.00-66.99		
B-	80.00-82.99	D-	60.00-62.99		

Course Policies

Attendance Policy: Attendance will not be taken. Nevertheless, I expect you to attend class regularly as it is the best way to learn the course content. Additionally, I expect there to be a good amount of class discussion, which will be used in a positive way in determining your final grade.

Assignment Policy: Problem Sets are an indispensable part of the course and must be submitted through Canvas by due date. Late submissions will be subject to a 10% penalty.

Exam Policy: Exams will be in person, and open book. Exam questions will be similar to many problem set questions. Some exam questions will cover models studied in class, but others will require the students to apply their knowledge to new problems.

Academic Assistance

Students are encouraged to utilize the many resources we have throughout campus to assist with academics. We recommend that you seek them out starting early in the semester, not just in times of academic need, in order to develop good study habits and submit work which represents your full academic potential. Many resources are found on the Economics Website including details about the Economics Tutoring Center, Academic Advising, and other academic support options: <https://economics.illinois.edu/academics/undergraduate-program/academic-student-support>

Academic Integrity

According to the Student Code, 'It is the responsibility of each student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.' Please know that it is my responsibility as an instructor to uphold the academic integrity policy of the University, which can be found here:

<https://studentcode.illinois.edu/article1/part4/1-401/>

Academic dishonesty may result in a failing grade. Every student is expected to review and abide by the Academic Integrity Policies. It is your responsibility to read this policy to avoid any misunderstanding. Do not hesitate to ask the instructor(s) if you are ever in doubt about what constitutes plagiarism, cheating, or any other breach of academic integrity. **Read the full Student Code at <https://studentcode.illinois.edu/>**

Students with Disabilities

To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES you may visit 1207 S. Oak St., Champaign, call 333-4603 (V/TTY), or e-mail a message to disability@illinois.edu. DRES Website: www.disability.illinois.edu/

Community of Care

As members of the Illinois community, we each have a responsibility to express care and concern for one another. If you come across a classmate whose behavior concerns you, whether in regards to their well-being or yours, we encourage you to refer this behavior to the Student Assistance Center (217-333-0050 or <http://odos.illinois.edu/community-of-care/referral/>). Based on your report, the staff in the Student Assistance Center reaches out to students to make sure they have the support they need to be healthy and safe. Further, we understand the impact that struggles with mental health can have on your experience at Illinois. Significant stress, strained relationships, anxiety, excessive worry, alcohol/drug problems, a loss of motivation, or problems with eating and/or sleeping can all interfere with optimal academic performance. We encourage all students to reach out to talk with someone, and we want to make sure you are aware that you can access mental health support at the Counseling Center (<https://counselingcenter.illinois.edu/>) or McKinley Health Center (<https://mckinley.illinois.edu/>).

For mental health emergencies, you can call 911 or walk into the Counseling Center, no appointment needed.

Disruptive Behavior

Behavior that persistently or grossly interferes with classroom activities is considered disruptive behavior and may be subject to disciplinary action. Such behavior inhibits other students' ability to learn and an instructor's ability to teach. A student responsible for disruptive behavior may be required to leave class pending discussion and resolution of the problem and may be reported to the Office for Student Conflict Resolution for disciplinary action.

Emergency Response Recommendations

Emergency response recommendations can be found at the following website:

<http://police.illinois.edu/emergency-preparedness/>. I encourage you to review this website and the campus building floor plans website within the first 10 days of class.

<http://police.illinois.edu/emergency-preparedness/building-emergency-actionplans/>.

Religious Observances

The Religious Observance Accommodation Request form is available at

<https://odos.illinois.edu/community-of-care/resources/students/religious-observances/>.

Submit the form to the instructor and to the Office of the Dean of Students (helpdean@illinois.edu) as soon as possible.

Family Educational Rights and Privacy Act (FERPA)

Any student who has suppressed their directory information pursuant to Family Educational Rights and Privacy Act (FERPA) should self- identify to the instructor to ensure protection of the privacy of their attendance in this course. See <http://registrar.illinois.edu/ferpa> for more information on FERPA. Student information and records will not be released to anyone other than the student unless the student has provided written approval or as required by law.

Sexual Misconduct Reporting Obligation

The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University's Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options. A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here:

<http://www.wecare.illinois.edu/resources/students/#confidential>.

Other information about resources and reporting is available here: <http://wecare.illinois.edu/>.

Student Support

The Counseling Center is committed to providing a range of services intended to help students develop improved coping skills in order to address emotional, interpersonal, and academic concerns. Please visit their website to find valuable resources and services:

<https://counselingcenter.illinois.edu/>.

Counseling Center Information: 217-333-3704

Location: Room 206, Student Services Building (610 East John Street, Champaign IL)

McKinley Mental Health Information: 217-333-2705

Location: 3rd Floor McKinley Health Center 1109 South Lincoln, Urbana, IL

Emergency Dean: The Emergency Dean may be reached at (217) 333-0050 and supports students who are experiencing an emergency situation after 5 pm, in which an immediate University response is needed and

which cannot wait until the next business day. The Emergency Dean is not a substitute for trained emergency personnel such as 911, Police or Fire. If you are experiencing a life threatening emergency, call 911. Please review the Emergency Dean procedures:

<http://odos.illinois.edu/emergency/>

Academic Dates and Deadlines

Students should make note of important academic deadlines for making changes to their courses (add, drop, credit/no-credit, grade replacement, etc.). <https://registrar.illinois.edu/academic-calendars>

Please check with your academic department regarding specific procedures and policies.

Course Schedule (subject to change with advance notice, and also student input. For example, the topics do not include such important topics as the Middle Income Trap, AI or Climate Change. If these are topics the class is interested in, we can adjust the topics after the midterm.)

Week	Date	Topic
2	JAN 27 JAN 29	Week 2: Introduction to Economic Growth <ul style="list-style-type: none"> • Development and Growth Facts • Measures of Well-being
3	FEB 3 FEB 5 FEB 10	Week 3: Growth and Development Theories: Classical <ul style="list-style-type: none"> • Malthus • Solow-Swan
4&5	FEB 12 FEB 17 FEB 19	Week 4 & 5: Growth and Development Theories: Endogenous Growth <ul style="list-style-type: none"> • Ak Model • Horizontal Innovation • Models of Creative Destruction: Vertical Innovation
6&7	FEB 24 FEB 26 MARCH 3 MARCH 5	Week 6 & 7: Growth and Development Theories: Unified Growth Theories <ul style="list-style-type: none"> • From Stagnation to Economic Growth • The Industrial Revolution and the Great Divergence

8	March 12	Midterm Examination
8	MARCH 10	Week 8: Geography and Economic Development <ul style="list-style-type: none"> • Climate, Agricultural Productivity • Natural Resources • Tropical Diseases, life expectancy, and productivity
9,10&11	MARCH 24 MARCH 26 MARCH 31 APRIL 2 APRIL 7 APRIL 9	Week 9, 10, &11: Political and Economic Institutions <ul style="list-style-type: none"> • Political Institutions • Economic Institutions • Colonialism and Divergence • Political Elites, Autocratic and Democratic Regimes
12&13	APRIL 14 APRIL 16 APRIL 21 APRIL 23	Week 12&13: Human Capital, Genetics, Culture <ul style="list-style-type: none"> • Human Capital, Fertility and the Demographic Transition • Culture and Social Norms • Genetics
14&15	APRIL 28 APRIL 30 MAY 5 MAY 7	Week 14&15: Development Strategies and Case Studies <ul style="list-style-type: none"> • Development Strategies • Case Studies: Class Presentations
	MAY 15	Final Examination