

ECONOMIC DEVELOPMENT II  
ECONOMICS 3325B-650  
Department of Economics  
Western University

January 2022

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**Office hours:** Held online using ZOOM (details provided on course website)  
Tuesdays: 11:30 – 12:30pm Eastern Time (ET);  
Thursdays: 11:30 – 12:30pm ET;  
Students must sign up for 10-min time slots during these allocated office hours using the sign-up tool in OWL. All these details are tentative and subject to change, should the need arise.

**Delivery mode:** Online asynchronous class

**Course website:** <https://owl.uwo.ca/portal>

**Undergraduate inquiries:** 519-661-3507 or SSC Room 4075 or [econugrd@uwo.ca](mailto:econugrd@uwo.ca)

**Registration:**

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

**Prerequisite Note:**

The prerequisites for this course are Economics 2221A/B and Economics 2261A/B.

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not only help protect your academic record but will ensure that spaces become available for students who require the course in question for graduation.

**Course Objectives:**

In this course we explore determinants of long-run economic growth, as opposed to short-run economic fluctuations due to business cycles. We discuss big economic questions like why some countries are rich and others poor. We start with questions on how to measure economic development, we establish some growth facts and then move onto theories of economic development. We'll cover the Malthus model of economic stagnation and discuss the theories behind the Industrial Revolution which marked the transition to sustained economic growth. We'll study the one-sector Solow growth model with and without human capital before moving onto a two-sector version of the growth model to enable us to discuss structural transformation during economic development. We'll end the course by discussing the impact of non-renewable resources and, time permitting, the impact of institutions on economic development. This course relies heavily on mathematical computations in interpreting data observations, and on analytical mathematical derivations in analyzing models.

**Course Learning Outcomes:**

Upon successful completion of the course:

- Students will understand the need to use GDP at purchasing power parities when doing cross-country comparisons, they will be comfortable manipulating data, plotting GDP per capita over time, and computing growth rates.
- Students will understand the main drivers of stagnation in the Malthus model.
- Students will understand how population growth and innovation released the world from Malthusian stagnation and led to sustained economic growth.
- Students will be able to identify drivers of economic growth and engage in discussions about determinants of growth across countries in the context of the Solow model.
- Students will be able to augment the Solow model with skilled labor to assess the impact of human capital differences on income differences.
- Students will understand key facts of structural transformation, as the economy reallocated production from agriculture to manufacturing and services during and after the Industrial Revolution.
- Students will understand how to augment the standard Solow growth model with different features such as skilled labor, a second sector of production or non-renewable resources, and how to analyze such models using analytically derived equilibrium conditions.

**Textbook/Resources:**

There is no textbook for this course. There will be lectures notes, readings, practice problems and short videos posted on the OWL course website.

**Communication:** Updates about the course will be delivered via OWL announcements. I will plan to keep communications easy to read by having the same topics covered from week to week. Students are responsible for keeping up to date on all announcements sent.

## Technical Requirements

This course requires that you have access to:

- a laptop or computer with a stable internet connection, to access course resources, download and upload exams
- a Zoom account with your @uwo.ca email address, for office hours
- a microphone for participating in online office hours
- a webcam (optional) for participating in online office hours.

As an economics instructor, I do not help solve technical problems regarding computers or internet connection issues. For technical support, see the OWL help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for OWL; update your browser frequently.

## Assessments and Grading:

Your grade in this course will be based on 2 midterm exams and a final exam. The dates, coverage, and percentage of your grade are in the table below. **All dates are tentative; you will be notified of any changes.**

<b>Table 1. Assessments*</b>	All midterms have a time window of 9-11am Eastern Time (ET)**	Tentative Material	Weight
Midterm 1	Friday, February 11	Modules 1, 2, 3	33%
Midterm 2	Friday, March 11	Modules 4, 5, 6	33%
Final Exam	Set by Registrar's Office	Cumulative; all modules	34%

\* The Registrar's office is in the process of approving the tentative schedule of assessments in Table 1. You will be notified of any changes. The exact coverage of material is also tentative and will be confirmed ahead of each assessment.

\*\* Each Friday listed in Table 1 the assessment is available to download on OWL at 9am. The midterms are allocated 90 minutes to complete within the 120-minute time window. This means that I allocated 30 minutes for you to download and upload the exams and for any technical difficulties that you may have. I strongly encourage students to start the assessments at 9am. To submit your midterms, you must upload your answers to OWL before 11am. Once the submission window closes, your assessment is considered late. If you submit the assessment up to 15 minutes late, there is a penalty of 10 points which will be deducted from your grade. Submitting an assessment more than 15 minutes late results in a grade of zero.

All assessments are open book. **To be successful in this class, you should prepare for all assessments as if they are in-person, closed-book assessments.** If you plan to consult resources for every single question on any assessment, you will likely run out of time, be unable to complete the assessment and get a low score. Running out of time is not a basis for appealing your grade. The assessments are designed in a way to ensure there is enough time if you've prepared for and know the material. **Prepare as though all assessments were in-person and closed-book, so that when you take the assessment, you spend your time thinking about the questions rather than reviewing course material.**

Notice that you can't use a self-reported absence (SRA) for midterms in this class. If you

miss any assessments, request academic consideration by having your absence approved by the Academic Counselling office. All medical and non-medical absences are reviewed by the Academic Counselling office who then decides whether to approve the absences or not. Please do not email me with details regarding why you missed an assessment. For more details, please see Western University's policies on pages 7 and 8 of this course outline.

If the *academic counsellor does not approve your absence* from an assessment, or if there is *no justification for your absence*, a grade of zero is assigned to that assessment. If the *academic counsellor approves your absence* from an assessment, the following rules apply.

1. Once a student opens an online exam, they are no longer permitted to seek academic consideration for being absent from that exam. I will monitor this via OWL.
2. There is **no make-up for the 2 midterm exams**. If a student misses 1 midterm only with an approved absence, the weight of that midterm is transferred to the final. If a student misses both midterms (with an approved or not approved absence), this will likely result in an inability to meet the course learning outcomes and you may not be permitted to pass the course. Contact me for additional steps.

### **Professionalism, Privacy and Copyright:**

- You are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. You may take notes and make copies of course materials for your own educational purposes only.
- You may not reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent.
- Recordings (audio or video) are not permitted without explicit, written permission. Permitted recordings may not be distributed or shared.
- You will be expected to take an academic integrity pledge before all assessments.

### **Tips on How to Be Successful in this Class**

Because this is an asynchronous, online class, you should understand the level of autonomy and self-discipline required to be successful.

- Make it a habit to log onto OWL to review materials and announcements posted.
- Take notes as you go through the course material. Keeping your own handwritten or typed notes will help you learn more effectively than just reading the posted materials.
- As you go through the material, keep a list of questions. Post your questions in the OWL discussion forums.
- Prepare for exams as though they were in-person, closed-book exams, so that when you take the exam, you spend your time thinking about the questions rather than reviewing the course material.
- If you have questions or are struggling with a topic, check the online discussion forums or contact me.

## Outline of Topics:

Below is a tentative outline of topics. This outline may be adjusted during the term based on time constraints. Each module of topics will be linked on OWL with full details of everything you need to cover for that topic: from lecture notes, to readings, videos, practice problems, etc.

### Module 1: Measuring Economic Growth

- GDP measurement at PPP; Comparisons across time and countries
- Beyond GDP: distinguishing GDP from utility or welfare
- Growth rates, using logs
- Simplest growth model

### Module 2: Economics Growth Facts

- Comparisons of poor and rich countries: level of income, growth rates; Position in the world distribution of income
- Kaldor's stylized facts

### Module 3: Population and Economic Development. From Malthusian Stagnation to Sustained Economic Growth

- Malthus model: production with a fixed factor
- Technological change in the Malthus model
- Transition to sustained economic growth
- Industrial Revolution

### Module 4: Solow Growth Model

- The basic Solow growth model: steady state, comparative statics, economic growth
- Technological progress in the Solow growth model
- Growth accounting

### Module 5: Solow Growth Model with Human Capital

- An extension to Solow model to include human capital or skilled labor

### Module 6: Structural Transformation: Reallocations across Different Sectors of the Economy

- Stylized facts of structural transformation
- A two-sector version of the growth model

### Module 7: Natural Resources and Economic Development

- Non-renewable resources and the growth model

### Module 8: Institutions and Economic Development

- Differences in economic institutions and differences in incomes per-capita.

**Please Note**  
**Department & University Policies for Winter 2022**

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” [http://www.uwo.ca/univsec/pdf/academic\\_policies/exam/administration.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf).
3. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
4. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at [http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_20](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_20)).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 3.

5. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
6. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: [http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page\\_14](http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryID=1&SelectedCalendar=Live&ArchiveID=#Page_14). **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: [https://economics.uwo.ca/undergraduate/program\\_counselling/responsibilities\\_policies.html#appeals](https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals). The Department will not consider an appeal unless an attempt has been made to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to [econugrd@uwo.ca](mailto:econugrd@uwo.ca). Please follow the instructions and use the appeal form shown in the above link.

7. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.
8. Note the following **add and drop deadlines**:

Deadline to <u>add</u> a second term half course:	<b>Tuesday January 18, 2022</b>
Deadline to <u>drop</u> a second term half course:	<b>Monday March 14, 2022</b>

### **Policy Regarding Makeup Tests and Final Examinations**

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

### **Policies Regarding Academic Accommodation**

- The Faculty of Social Science's policies on academic accommodation are found at [https://counselling.ssc.uwo.ca/procedures/academic\\_consideration.html](https://counselling.ssc.uwo.ca/procedures/academic_consideration.html)
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see [http://academicsupport.uwo.ca/accessible\\_education/index.html](http://academicsupport.uwo.ca/accessible_education/index.html)), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Self-Reported Absences cannot be used once a student has proceeded to start to write a test or exam.
- **Self-Reported Absences:** Students will have two opportunities during the fall and winter terms to receive academic consideration if they self-report a missed assessment using the online self-reported absence portal, provided the following conditions are met: the assessment is missed due to an absence of no more than 48 hours in duration, and the assessment for which consideration is being sought is worth 30% or less of the student's final grade. Students are expected to contact their instructors within 24 hours of the end of the period of the self-reported absence, unless noted otherwise on the syllabus. Students are not able to use the self-reporting option in the following circumstances:
  - for exams scheduled by the Office of the Registrar (e.g., final exams)
  - absence of a duration greater than 48 hours
  - assessments worth more than 30% of the student's final grade
  - if the student has opened or started the test or exam
  - if a student has already used the self-reporting portal twice during the fall/winter terms

If the conditions for a Self-Reported Absence are *not* met, students will need to provide a Student Medical Certificate (SMC) if the absence is medical or provide appropriate documentation if there are compassionate grounds for the absence in question. Students are encouraged to contact their Faculty academic counselling office for more information about the relevant documentation. It is strongly recommended that students notify the instructor as soon as possible, ideally before the assessment, when they become aware of an absence. University policy is that students must communicate with their instructors no later than 24 hours after the end of the period covered by the SMC or immediately upon their return from their documented absence. Failure to follow University policy and procedures may result in denial of academic accommodation and a grade of zero.

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons. **All required documentation for absences that are not covered by the Self-Reported Absence Policy must be submitted to the Academic Counselling office of a student's Home Faculty.**
- **Western University policy on Consideration for Student Absence** is available here: [Policy on Academic Consideration for Student Absences - Undergraduate Students in First Entry Programs.](#)
- **Student Medical Certificate (SMC):** This form is available here: [http://www.uwo.ca/univsec/pdf/academic\\_policies/appeals/medicalform.pdf](http://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf)
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar.](#)

**Policy Regarding Class Attendance and Engagement:** If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

**Statement on Mental Health and Support Services:** Students under emotional/mental distress should visit [https://uwo.ca/health/mental\\_wellbeing/](https://uwo.ca/health/mental_wellbeing/) for more information and a complete list of resources on how to obtain help.

**Statement on Remote Proctoring:** While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.