

## **Econ 432: Economic Growth**

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Class: Sec 001 TTh 1:35-2:50pm, B119 MARB  
Instructor: Christian vom Lehn  
Contact: [cvomlehn@byu.edu](mailto:cvomlehn@byu.edu), (801) 422-4733, 435K CTB  
Office hours: M 4:00-5:00pm, W 4:00-5:00pm, or by appt.  
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### LEARNING OUTCOMES AND COURSE VISION

*“Teach ye diligently... that you may be instructed more perfectly... in all things that pertain to the kingdom of God, that are expedient for you to understand; Of things both in heaven and in the earth, and under the earth; things which have been, things which are, things which must shortly come to pass; **things which are at home, things which are abroad; the wars and perplexities of the nations...**” (D+C 88:78-80, emphasis added)*

*“And verily, I say unto you, that it is my will that you should... obtain **a knowledge of history, and of countries, and of kingdoms, of laws of God and man**, and all this for the salvation of Zion...” (D+C 93:53, emphasis added)*

The learning outcomes for this course are as follows:

- Adjust values in one currency to values in another currency controlling for purchasing power parity (PPP)
- Demonstrate an understanding of basic dynamic models of economic growth
- Discuss growth and development accounting, and decompose observed differences across countries into efficiency and technology components
- Discuss Lorenz curves and Gini coefficients
- Discuss how growth interacts with population, human capital, technical progress, openness, government, inequality, culture, geography, climate and resources

### PREREQUISITES

Either Econ 381 and Econ 388 OR Econ 380, Econ 381 and Poli 328.

### TEXTS

*Introduction to Economic Growth*, 3rd Edition, by Charles I. Jones and Dietrich Vollrath, W.W. Norton & Company, 2013.

*Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, by Daron Acemoglu and James A. Robinson, Crown Business Publishers, 2012.

## GRADES

Grades will be based on the six categories listed below with the corresponding weights.

<b>Item</b>	<b>Pct. %</b>
Final Exam	30%
Midterm 1	20%
Midterm 2	20%
Homework	12.5%
Why Nations Fail Reading	12.5%
Course Engagement	5%

- **Midterms:** Midterms 1 and 2 will be given in the Testing Center and will cover the content from their respective sections of the course. Both tests are *timed*. You will only have three hours to complete the test.
- **Final Exam:** The final exam will be comprehensive, including material from *Why Nations Fail*. Plan on taking the exam at the scheduled time, listed on the calendar at the end of this document.
- **Homework:** I will assign 10 problem sets and I will drop your lowest score. You may work in groups of up to four and turn in one assignment per group. Homework assignments are due at the beginning of class (see calendar at the end). Assignments can either be turned in at the front of class or put in the TA mailbox in the economics office before class. Late homework will not be graded. Although group work is permitted, I will penalize any reported free riding. Anyone who is confirmed to have put their name on an assignment without significantly contributing to its completion will lose credit on that assignment and the previous three assignments.
- **Why Nations Fail Reading:** There will be ten assigned readings from the book, *Why Nations Fail*, which you should complete during the semester. For each assigned reading, there are three review questions that you should write up the answers to and turn in, taking no more than 2-3 pages double spaced. The details on the readings and the review questions are available on the content tab of Learning Suite. All answers to review questions should be submitted electronically in Learning Suite by 11:59pm on the last day of classes, April 17. Grading of your answers to these review questions will be largely based on completion. Thus, I will accept one resubmission of any reading response that receives less than full points for every response turned in before the last week of classes. I strongly encourage you to not procrastinate this, as the book covers a lot of history, and you may find it difficult to cram the reading into a short period of time. If you are looking for a way to spread these out, consider turning in one chapter each time a problem set is due – that will evenly space the work throughout the semester.
- **Course Engagement:** As part of your grade, I expect you to engage with me and your fellow classmates both inside and outside of class. The primary purpose of this component of your grade is to give you an incentive to get the most out of this class. There is not a strict formula for how to obtain these points, but completing the following actions will guarantee full credit:

- Complete the beginning of class survey (link available on Learning Suite)
- Attend all classes, be prepared for each class and participate (see below for details)
- Complete all course assignments.
- Come visit me at least once in the semester during office hours to introduce or re-introduce yourself
- Complete a midcourse evaluation (sent by e-mail) and final student ratings for the course.

Other activities you can engage in that will contribute to your course engagement grade include: working together with other students on problem sets, attending TA office hours and review sessions, asking questions outside of class above and beyond what is covered in class, and attending visiting scholar seminars in the economics department.

- **NOTE - Class Participation and Preparation:** For each class, there will be a pre-assignment, expected to take ten minutes or less. In class, I will randomly call on individuals with questions about the pre-assignment. You have one “free pass” a semester, where I will randomly select someone else. Beyond this, there will be opportunities to voluntarily participate in the course of lecture each class.
- **NOTE - Final Grades:** I will assign final grades based on two possible curves, whichever gives you the highest grade. The first curve is the conventional curve based on ranking the entire class using everyone’s total weighted score. The second curve is based on changing the weight on your lowest midterm to 5% and increasing the weight on your best midterm to 35%. But know that this second curve will be far less generous than the first curve. For planning purposes, you should assume that the curve where I put higher weight on your best midterm will be roughly three points more strict. For example, if there is no curve on the conventional weighting scheme, a final score above a 93 would be an A. In this case, with the highest midterm counted extra curve, you should expect the bar for an A to be a 96. I view the option of this second curve as a privilege, and in cases of demonstrated cheating or academic misconduct, I reserve the right to rescind it.

## LEARNING SUITE

We will use [BYU Learning Suite](#) in this class for posting announcements, class resources, problem sets and grades.

## TENTATIVE COURSE OUTLINE

<b>Date</b>	<b>Day</b>	<b>Topic</b>	<b>Jones/Vollrath</b>	<b>HW Due</b>
Jan 8	T	Introduction to Economic Growth	Ch. 1	
Jan 10	Th	Fundamentals of the Solow-Swan Model	Ch. 2	
Jan 15	T	Applying the Solow-Swan Model	Ch. 2	HW 1
Jan 17	Th	Technology and Long Run Growth	Ch. 2	
Jan 22	T	Taking the Model to the Data: Growth Accounting, Human Capital	Ch. 2 and Ch. 3	
Jan 24	Th	Taking the Model to the Data: Predictions and Convergence	Ch. 3	HW 2
Jan 29	T	NO CLASS		
Jan 31	Th	The Economics of Ideas	Ch. 4	
Feb 5	T	Endogenous Growth: Romer Model	Ch. 5	
Feb 7	Th	Endogenous Growth: Schumpeter	Ch. 5	HW 3
Feb 12	T	Catch up and exam review		
<b>Feb 13–15</b>	<b>W–F</b>	<b>Midterm 1 (Testing Center)</b> <b>(No Class Tu, Late Fee \$5 after 2pm on W)</b>	<b>Chs. 1–5</b>	
Feb 14	Th	Development: Skills and Technology	Ch. 6	
Feb 19	T	NO CLASS – MONDAY INSTRUCTION		
Feb 21	Th	Development: Globalization and Trade	Ch. 6	HW 4
Feb 26	T	Institutions: Investment Decisions	Ch. 7	
Feb 28	Th	Institutions: Capital Misallocation	Ch. 7 (and Notes)	HW 5
Mar 5	T	Population: Malthusian Growth	Ch. 8	
Mar 7	Th	Population: Technology and the Industrial Revolution	Ch. 8	
Mar 12	T	Population: The Demographic Transition	Ch. 8	HW 6
Mar 14	Th	Catch up and exam review		
<b>Mar 18–20</b>	<b>M–W</b>	<b>Midterm 2 (Testing Center)</b> <b>(No Class Tu, Late Fee \$5 after 2pm on W)</b>	<b>Chs. 6-8</b>	
Mar 21	Th	Natural Resources	Ch. 10	HW 7
Mar 26	T	Natural Resources	Ch. 10	
Mar 28	Th	Understanding Policy and Growth Effects	Ch. 9	
Apr 2	T	Climate, Culture and Geography	None	HW 8
Apr 4	Th	Industrial Transitions	None (Notes)	
Apr 9	T	Industrial Transitions	None (Notes)	HW 9
Apr 11	Th	Inequality	None	
Apr 16	T	Why Nations Fail		HW 10
		<i>Exam preparation day, Apr 18</i>		
Apr 22	M	<b>Final Exam, B119 MARB, 2:30pm-5:30pm</b>		

## PLEASE READ THE FOLLOWING STATEMENTS FROM BYU

In keeping with the principles of the BYU Honor Code, students are expected to be honest in all of their academic work. Academic honesty means, most fundamentally, that any work you present as your own must in fact be your own work and not that of another. Violations of this principle may result in a failing grade in the course and additional disciplinary action by the university. Students are also expected to adhere to the Dress and Grooming Standards. Adherence demonstrates respect for yourself and others and ensures an effective learning and working environment. It is the university's expectation, and my own expectation in class, that each student will abide by all Honor Code standards. Please call the Honor Code Office at 422-2847 if you have questions about those standards.

In accordance with Title IX of the Education Amendments of 1972, Brigham Young University prohibits unlawful sex discrimination against any participant in its education programs or activities. The university also prohibits sexual harassment—including sexual violence—committed by or against students, university employees, and visitors to campus. As outlined in university policy, sexual harassment, dating violence, domestic violence, sexual assault, and stalking are considered forms of “Sexual Misconduct” prohibited by the university.

University policy requires all university employees in a teaching, managerial, or supervisory role to report all incidents of Sexual Misconduct that come to their attention in any way, including but not limited to face-to-face conversation, a written class assignment or paper, class discussion, email, text, or social media post. Incidents of Sexual Misconduct should be reported to the Title IX Coordinator at [t9coordinator@byu.edu](mailto:t9coordinator@byu.edu) or 801-422-8692. Reports may also be submitted through Ethics Point at <https://titleix.byu.edu/report-concern> or 1-888-238-1062 (24-hours).

BYU offers confidential resources for those affected by Sexual Misconduct, including the university's Victim Advocate, as well as a number of non-confidential resources and services that may be helpful. Additional information about Title IX, the university's Sexual Misconduct Policy, reporting requirements, and resources can be found at <http://titleix.byu.edu> or by contacting the university's Title IX Coordinator.

Brigham Young University is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities. If you have any disability that may impair your ability to complete this course successfully, please contact the University Accessibility Center (UAC), 1520 WSC, (801) 422-2767. It is the student's obligation to request academic adjustments to accommodate a disability and to assist the university through an interactive process to identify appropriate and effective academic accommodations. Disabled students needing and desiring an accommodation in the classroom or other school-related activity should contact the University Accessibility Center. UAC personnel will document the disability and determine appropriate accommodations.