

The University of Alberta  
DEPARTMENT OF ECONOMICS

**ECONOMICS 222-A1**  
*Technology, Institutions, and Economic Growth*

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**Fall 2011**

Office Hours: Tues 12:30- 1:30,

Even numbered Fri 1:30-2:30

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This course provides a broad survey of the causes of economic growth. It is also intended to enhance students' critical thinking skills by comparing, contrasting, and integrating different insights, as well as pursuing a process for interdisciplinary analysis.

The **textbook** for the course is my own book: *The Causes of Economic Growth: Interdisciplinary Perspectives*. Students may access chapters of the book through the library's subscription to SpringerDirect (just type in the title on the library website, and you will be told how to do so). The book is also available in the bookstore. Students should realize that the lectures will cover a great deal of material not available in the textbook.

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**Grading:**

Mid-term Exam (Thursday, Oct. 20, in class)	25%	Note: copies of old midterm and final exams for this course will be provided on course website.
Book Review (due Thursday, November 17)	25%	
Final Exam (Tuesday Dec 20, 2PM)	50%	

The instructor assigns letter grades at the end of the course in a manner that ensures that a change of one or two points in numerical grade does not cause a change in letter grade. There is no fixed formula for converting numerical grades to letter grades, though the instructor seeks to achieve an appropriate class average.

The University of Alberta is committed to the highest standards of academic integrity and honesty. Students are expected to be familiar with these standards regarding academic honesty and to uphold the policies of the University in this respect. Students are particularly urged to familiarize themselves with the provisions of the Code of Student Behaviour (online at [www.ualberta.ca/secretariat/appeals.htm](http://www.ualberta.ca/secretariat/appeals.htm)) and avoid any behaviour which could potentially result in suspicions of cheating, plagiarism, misrepresentation of facts and/or participation in an offence. Academic dishonesty is a serious offence and can result in suspension or expulsion from the University.

Policy about course outlines can be found in ' 23.4(2) of the University *Calendar*.

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**Book Review:**

For the book review, the student will select a book related to the course material: economic growth in general, economic methodology, any of the causes of growth. Books should have been published in the last decade. Students must have instructor approval of the book they choose, and must relate it to the subject matter of the course in their review. The review should be about ten typed pages (double-spaced) in length. Reviews must include a description of the main points raised by the book, a critique of the conclusions drawn by the author(s), and a discussion of the relationship of this work to the broader literature. You must discuss whether assumptions made and (especially) conclusions drawn are justified. The key to getting a good mark on the book review is *analysis*: simply telling me what the book says will not do. Students should be clear in their reviews as to when they are presenting the author's view and when they are presenting their own. While most of the grade will be based on content, points will be deducted for poor grammar.

## Course Outline and Reading List:

We will address topics in the order they are discussed in the book. We will stress the material on economic analysis, but will discuss to a lesser extent what other disciplines have to say. The lectures will include material, including diagrams and a few equations, that are not in the text.

**Chapter 1.** We will begin with a discussion of the nature of economic growth, and an ethical discussion of whether growth is good (including its environmental impacts). We note the advantages of drawing on insights from disciplines other than economics. We will also discuss how economic growth can best be defined and measured. The chapter also addresses how our guiding question, ‘what are the causes of economic growth?’ needs to be carefully specified.

**Chapter 2.** What phenomena might reasonably be expected to play a role in generating growth? Economists have emphasized such ‘economic’ variables as investment and technological innovation and trade, but increasingly appreciate the need to look at culture, institutions, networks, and geography.

**Chapter 3.** This chapter addresses the strengths and weaknesses of a variety of theories and methods that can be applied to the study of economic growth. We will focus on formal growth theories in economics.

**Chapter 4.** This chapter addresses the overall perspective of the different disciplines that study some aspects of economic growth. This material, like that from Chapter 3, not only helps us later to evaluate disciplinary insights, but should help students to appreciate differences across disciplines in which they take courses.

**Chapter 5.** We will briefly discuss the process of surveying the vast literature on economic growth.

**Chapter 6.** We are now ready to actually look at scholarly insights into economic growth. We will discuss in turn investment, trade, technology, and geography. We will spend most of our time in this chapter talking about technology. We will discuss not only how innovations influence growth but also what forces generate technological innovation.

**Chapter 7.** This chapter is devoted to institutions. As with technology, we will discuss not only how institutions affect growth but how good institutions are created historically.

**Chapter 8.** This is the third of three chapters focused on the causes of growth. It examines cultural and social determinants of economic growth (including social divisions, income inequality, population, and health). One topic of particular interest is entrepreneurship.

**Chapter 9.** Here we look at a couple of topics that are clearly important but have received little scholarly attention. The first is how economic growth involves the rise *and decline* of both sectors and firms. The second addresses the importance of informal networks between individuals.

**Chapter 10.** In addition to the causal analyses of Chapters 6 through 9, we must wonder if there are ‘emergent properties’ of the complex system of causal interactions. The first question addressed is whether there are mechanisms that serve to keep poor countries poor. The second suggests that business cycles are largely an emergent property of economic growth, and discusses the connection between growth and economic fluctuations.

**Chapter 11.** We will have illustrated how to integrate disciplinary insights into a more holistic understanding in Chapters 6 through 10. In Chapter 11, we will do so again in the context of the controversial question of what role governments should play in the process of economic growth. Education and transportation are treated at some length here.

**Chapters 12, 13, 14.** We will deal more briefly with the last Chapters in interdisciplinary analysis: reflection, testing, and communication of results. These short chapters nevertheless provide an opportunity to pull together the insights of previous chapters.