How does economic growth affect the environment?

PREPARATION (1-2 pages)

1. **READ** Chapter 20 in CoreEcon. As you read you should be taking notes using the table below.
2. **COPY THE TABLE BELOW.**
   a. Complete it by excerpting quotes and then analyzing them based on the question above. How does the excerpt/quote help you to answer the question. Also, what are your **Thoughts, Questions, and Epiphanies** as you read?
   b. Do the same for any **additional sources** you use. Cite your source when you go beyond the assigned text (there are lots of possible sources listed in the supplementary resources section below).
3. **PRINT** your work out and bring to discussion.

Quote (page number or source)	Text Analysis + TQE (Thoughts, Questions, Epiphanies)
1.	
2.	
3.	
4.	

GRADING

1. **Written Preparation (Formative): TYPE UP** and **PRINT** your table of quotes and thoughts/questions/epiphanies. Bring a **HARD** copy of this with you for the beginning of class. This is your entry ticket to the discussion. No prep = no participation = INC.
2. **Discussion (Formative):** This will be graded using the [AT Economics Discussion Rubric].

SUPPLEMENTARY RESOURCES

1. **Resources on “The Asian Economic Miracle”**

   - "When Nations Play Leapfrog"

     This article notes that economic growth rates have accelerated and that some Asian economies have grown faster over the last few decades than the United States and Great Britain did while they were industrializing. What seems to account for the rapid growth of the Asian economies?

     In 1946, Japan had a per capita real GDP of $470, while the figure for the United States was $3099 (all figures are in 1970 U.S. dollars). By 1979, Japan's per capita real GDP had grown to $4074, while that of the United States was $5799. Is this experience consistent with Barro's statements about the speed with which differences in real incomes are eliminated?

   - "**Where Hong Kong Has the Edge**"

     This article discusses the different growth experiences of Hong Kong and Singapore. (Think in terms of the aggregate Cobb-Douglas production function.) Per capita output is Y/L. List two ways in which to bring about an increase in per capita output. Which of these ways has Singapore emphasized? What about Hong Kong? Looking to the future, which method seems more promising? Why? What effects can a high saving rate have in a steady state? During the transition to a steady state?

   - "**The Myth of Asia’s Miracle**"

     In this well-known and controversial article, Paul Krugman challenges the view that the impressive economic performance of East Asia is a "miracle". According to Krugman, what is the source of the remarkable increase in GDP in these East and Southeast Asian countries? Why does he think this increase in GDP is not miraculous? What does Krugman predict about the future economic growth of these countries? Are Krugman’s views consistent **or inconsistent with the Solow growth model?**

   - "**Is the Vaunted ‘Asian Miracle’ Really Just an Illusion?**"

2. **Resources on Singapore’s History and Economic Growth**

   - Why Singapore Became an Economic Success
   - Economic History of Singapore
   - The World Bank in Singapore
   - A Global Retreat as Economies Dry Up
   - How Lee Kuan Yew Engineered Singapore's Economic Miracle

3. **General Resources on Economic Growth**

   - **Podcast:** In this podcast, Robert Solow, Professor Emeritus at Massachusetts Institute of Technology and Nobel Laureate, talks with EconTalk host Russ Roberts about his hugely influential theory of growth and inspiration to create a model that better reflected the stable long-term growth of an economy. Solow contends that capital accumulation cannot explain a significant portion of the economic growth we see. He makes a critical distinction between innovation and technology, and then discusses his views on Milton Friedman and John M. Keynes. Click here to delve deeper into Solow's ideas.

- **Podcast:** In this podcast, **Thomas Piketty** of the Paris School of Economics and author of *Capital in the Twenty-First Century* talks to Econtalk host **Russ Roberts** about the book. The conversation covers some of the key empirical findings of the book along with a discussion of their significance.
- **Podcast:** In this podcast, **Daron Acemoglu**, the Elizabeth and James Killian Professor at the Massachusetts Institute of Technology, talks with EconTalk host **Russ Roberts** about his new paper co-authored with James Robinson, "The Rise and Fall of General Laws of Capitalism," a critique of Thomas Piketty, Karl Marx, and other thinkers who have tried to explain patterns of data as inevitable "laws" without regard to institutions. Acemoglu and Roberts also discuss labor unions, labor markets, and inequality.
- **Podcast:** In this podcast **Morten Jerven** of Simon Fraser University, author of *Poor Numbers,* talks with EconTalk host **Russ Roberts** about the quality of data coming out of Africa on income, growth, and population. Jerven argues that the inconsistency of the numbers and methodology both across countries and within a country across time, makes many empirical studies of African progress meaningless. The conversation closes with a discussion of what might be done to improve data collection in poor countries.
- **Podcast:** In this podcast, **Gabriel Zucman** of the University of California, Berkeley talks with EconTalk host **Russ Roberts** about his research on inequality and the distribution of income in the United States over the last 35 years. Zucman finds that there has been no change in income for the bottom half of the income distribution over this time period with large gains going to the top 1%. The conversation explores the robustness of this result to various assumptions and possible explanations for the findings.
- **TedTalk:** Richard Wilkinson on how income inequality harms society
- **TedTalk:** Daniel Ariely on whether equality of income is desirable
- **Spreadsheet:** Global Income Data by Country
- **Speech:** Robert Kennedy's speech questioning how we measure economic well-being
    - Text
    - Sound Recording
- **UN Database:** National Accounts Main Aggregates Database
- **Book:** The Wealth of Nations (Adam Smith)
- **Book:** The Theory of Moral Sentiments (Adam Smith)
- **Website:** Globalinc (website on global inequality)
- **Video:** Thomas Piketty and James Heckman explain why data is fundamental to their work
- **Readings (Sources of Economic Growth)**
    - Economic Growth
    - Empirics of Economic Growth
    - Natural (land) Resources
    - Population

    - Saving
    - Telecommunications (Globalization)
    - Space Bridging (Globalization)
    - A Cell Phone for Every Woman
    - The German Economic Miracle
    - Japan after WWII
    - The Industrial Revolution and the Standard of Living
    - Education
    - Immigration
    - Transition Economies
    - Global Attitudes Regarding Sustainable Development
    - The Magic of Microcredit
    - **Human Capital**
        - Pass the Books, Hold the Oil
        - What is the Wealth of a Nation?
        - Human Capital
- **Readings (Consequences of Economic Growth)**
    - "In Praise of Cheap Labor"
    - "The Case for Sweatshops"
    - Income Inequality in the U.S.
    - The Academic Fight Over U.S. Inequality
    - Economic Growth and the Environment
    - Free Market Environmentalism
    - Global Warming
- **Readings (Barriers to Economic Growth)**
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    - Rent Seeking
    - Saving
    - Corruption
    - Political Behavior
    - Law and Economics
- **Readings (Growth and Development Models)**
    - Economic Growth
    - Transition Economies
- **Readings (Growth and Development Strategies)**
    - Economic Growth
    - Foreign Aid
    - International Capital Flow
    - Privatization
    - Space Bridging (Globalization)
    - Agricultural Subsidy Programs
- **Commanding Heights**: Click the link for resources related to this PBS documentary. We may watch a few clips from the video in class. You can watch the whole series by

streaming it online, if you're interested by clicking here. It's a really engaging and relatively contemporary view of development and globalization.