

Topics on Structural Transformation

SYLLABUS

as of 21 March 2023

1 Course Details

Instructor

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Office hours : by appointment (email)

Schedules and room assignments

- Lectures (LE): Tuesdays and Thursdays, 10:15 - 11:45 at RW 6
- Tutorials (TU): Tuesdays and Thursdays, 12:15 - 13:45 at RW 6

2 Course Prerequisites

Students should have intermediate levels in microeconomics and macroeconomics.

3 Course Description and Objectives

The goal of the course is to understand basic theories as well as seminal and frontier empirical studies on how countries, especially developing economies, experience structural transformation or the lack of such transformation, as they grow. We will explore challenges that countries face in accelerating structural transformation. These challenges are categorized into five big topics:

1. Firms, frictions, and industrial policies
2. Labor and home production
3. Agricultural productivity and sectoral gaps
4. Trade and spatial frictions
5. Political economy and structural transformation

Students will be able to explore problems faced by developing and emerging economies, such as among others: potential sources of resource misallocation due to slow structural transformation, why it is challenging for firms in developing economies to scale up or the missing-middle phenomenon, as well as lessons learned from industrial policies in spurring growth and structural transformation.

4 Course Outline

Date	LE TU	Content
25 April 2023	LE 1	Introduction on structural transformation
25 April 2023	TU 1	Introduction on structural transformation
27 April 2023	LE 2	Development theories and structural transformation
27 April 2023	TU 2	Development theories and structural transformation
2 May 2023	LE 3	Firms distributions and misallocation
2 May 2023	TU 3	Firms distributions and misallocation
4 May 2023	LE 4	Frictions and industrial policies
4 May 2023	TU 4	Frictions and industrial policies
9 May 2023	LE 5	Labor and home production
9 May 2023	TU 5	Labor and home production
11 May 2023	LE 6	Gender and technology
11 May 2023	TU 6	Gender and technology
16 May 2023	LE 7	Agricultural productivity and sectoral gaps
16 May 2023	TU 7	Agricultural productivity and sectoral gaps
23 May 2023	LE 8	Misallocation and barriers to grow in agriculture sector
23 May 2023	TU 8	Misallocation and barriers to grow in agriculture sector
25 May 2023	LE 9	Trade and spatial frictions
25 May 2023	TU 9	Trade and spatial frictions
30 May 2023	LE 10	Information frictions in trade
30 May 2023	TU 10	Information frictions in trade
1 June 2023	LE 11	Political economy and structural transformation
1 June 2023	TU 11	Political economy and structural transformation
6 June 2023	LE 12	Review
6 June 2023	TU 12	Q & A
TBA	Exam	Exam

5 Grading

- E-exam with a duration of 60 minutes. Successful students will receive 6 ECTS.
- Students are invited to deliver a 10-minute presentation on papers covered in lectures 4, 6, 8, 10, 11. Each student can only present once. The reward is 3 extra points added to the final exam score. Interested students should contact me by 27 April 2023 per email.

6 Class Policy

In general the Academic Conduct of the JGU-Mainz applies. Please see the code of conduct on plagiarism, academic integrity, and copyright in the following [link](#). Lack of knowledge thereof is not a reasonable explanation for violation. Academic honesty is obligatory. Any suspected plagiarism will be taken seriously. Questions related to exams and the Disciplinary Code should be directed to the *Studienbüro*.

Special accommodations

- If you have a disability or other special needs that require accommodation, please let me know within the first week of class or as soon as possible.
- Please feel free to also get support from JGU-Mainz's Service Point for Accessible Studies (*Servicestelle für barrierefreies Studieren*): <https://www.barrierefrei.uni-mainz.de/>.

Additional Notes

- Please engage in the class, ask questions, and listen to others. Be curious and courageous in learning.
- Please feel free to reach out and set up appointments for office hours.
- Our class should be a safe space to learn from each other. Please be respectful towards everyone in the class including in your email communication.

7 Resources

I will post all materials to the class' online folder on LMS Moodle. The following resources may be of your interest.

- access to scholarly journals and articles: JSTOR via the University of Mainz's VPN
- access to statistical and econometric softwares: ZDV's App Store

8 Health and Wellness

If you are facing challenges from your academic life, health or other important parts of your life, please know that JGU-Mainz offers various forms of supports. If you, or anybody you know, could benefit from mental and physical health care, please refer to the following resources.

- Counseling and Psychological Support: <https://www.pbs.uni-mainz.de/beratung/>
- General health: <https://www.studium.uni-mainz.de/gesund-studieren-in-mainz/>

List of Related Literature

Allen, T. (2014). Information frictions in trade. *Econometrica*, 82(6), 2041–2083.

Atkin, D., & Khandelwal, A. K. (2020). How distortions alter the impacts of international trade in developing countries. *Annual Review of Economics*, 12, 213–238.

- Bick, A., Fuchs-Schündeln, N., & Lagakos, D. (2018). How do hours worked vary with income? cross-country evidence and implications. *American Economic Review*, 108(1), 170–199.
- Bridgman, B., Duernecker, G., & Herrendorf, B. (2018). Structural transformation, marketization, and household production around the world. *Journal of Development Economics*, 133, 102–126.
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- Dinkelman, T. (2011). The effects of rural electrification on employment: New evidence from south africa. *American Economic Review*, 101(7), 3078–3108.
- Gollin, D. (2014). The lewis model: A 60-year retrospective. *Journal of Economic Perspectives*, 28(3), 71–88.
- Gollin, D., Lagakos, D., & Waugh, M. E. (2014). The agricultural productivity gap. *The Quarterly Journal of Economics*, 129(2), 939–993.
- Harris, J. R., & Todaro, M. P. (1970). Migration, unemployment and development: A two-sector analysis. *The American economic review*, 126–142.
- Herrendorf, B., Rogerson, R., & Valentinyi, A. (2014). Growth and structural transformation. *Handbook of economic growth*, 2, 855–941.
- Hsieh, C.-T., & Klenow, P. J. (2009). Misallocation and manufacturing tfp in china and india. *The Quarterly journal of economics*, 124(4), 1403–1448.
- Hsieh, C.-T., & Olken, B. A. (2014). The missing âmissing middleâ. *Journal of Economic Perspectives*, 28(3), 89–108.
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- Ngai, L. R., & Pissarides, C. A. (2007). Structural change in a multisector model of growth. *American economic review*, 97(1), 429–443.
- Restuccia, D., Yang, D. T., & Zhu, X. (2008). Agriculture and aggregate productivity: A quantitative cross-country analysis. *Journal of monetary economics*, 55(2), 234–250.
- Rodrik, D. (2008). Normalizing industrial policy.
- Rodrik, D. (2016). Premature deindustrialization. *Journal of economic growth*, 21(1), 1–33.