

Growth: Problems

1. Suppose that Country A is initially twice as rich as Country B. If Country B grows 1% faster than Country A, how long will it take to catch up?
2. Intuitively, do you think that higher fertility rates would be good or bad for GDP growth?
3. What do you think is the biggest factor for the dramatic increase in U.S. GDP over the past 200 years?
4. What do you think is the single biggest factor that explains why Western Europe is so much wealthier than Sub-Saharan Africa?
5. Why might better institutions lead to improved long-term economic growth?
6. What might explain the Japanese “economic miracle?”