Advanced Economic Policy
Vienna University of Economics and Business
PI 5945, Summer Semester 2019

Instructor: Alyssa Schneebaum
alyssa.schneebaum@wu.ac.at
http://www.wu.ac.at/vw1/m/schneebaum
Office: D4, 2.144. Office hours by appointment.

This is a draft of the course syllabus (v2). Details can change at any time; the newest version will be the one posted on Learn@WU.

Course Description:

This is an advanced Bachelor's-level class in economic policy. The course will teach students to analyze the goals, implementation, and outcomes of economic policy. The particular topics and policies covered will be selected by the group in the first two weeks of the semester.

The class will meet once per week. The first four sessions are based around the instructor's lecture. Remaining sessions will be structured around a group discussion of assigned readings and presentations and teaching by the students.

Along with information based on the main content of the class, students will be encouraged to develop their general academic skills. On the first day of class, the instructor will review the most important aspects of academic writing. A central goal of the course is for students to develop their critical thinking and writing skills, and their ability to present their (written and verbal) academic work in a clear, convincing, and appropriate fashion. These goals will be highlighted throughout the course, and students will be graded in part on their improvement in this regard. The response papers are an excellent way for students to practice honing their academic thinking and writing skills.

Goals of the course:

The students will develop an ability to understand the goals and implementation of economic policy, and analyze its ability to meet said goals.

Requirements:
- **Attendance**
  - Attendance and participation are mandatory.
  - Students are permitted one unexcused absence without penalty.
  - Further unexcused absences will result in a reduction of five points.
  - Students are responsible for all course material, even if they have missed a class.

- At the end of every class (starting with the first student teaching class), the instructor will post two quiz questions on Learn@WU based on the teaching session done by your colleagues. Each quiz question is worth one point. The quiz must be completed by the end of class - so bring your phones or computers!

- **Response Papers**
  - The reading for each class should be completed *before* the class meets. A response paper on a particular reading is due on the day that we discuss the reading in class.
  - Response papers *must* be submitted in class. No late assignments will be accepted for any reason.
  - Grades for response papers will be posted on Learn@WU. Students are responsible for making sure that the grades they receive in written feedback match the posted grade.
  - Response papers should:
    * 4: correctly and clearly describe what the text is about. This is a **3-4 sentence summary** of the main questions, goals, methods, and conclusions of the text.
    * 3: succinctly and clearly discuss the single **most interesting idea or concept** introduced in the text, and explains why exactly it is so compelling.
    * 3: thoroughly discuss **what is missing** from the text, or how it **could be improved**. In the first case, the student explains exactly why this missing piece is important and how it would change the analysis; in the second case, the student provides his/her own suggestions for improvement. Keep in mind that the critique should be based on the context of the goals of the paper!
    * 2: include concepts and ideas discussed in the course and/or from previous readings.
    * 2: correctly cite the text under discussion.
    * 1: meet the formal requirements for correct spelling, punctuation, and length.

- **Group Work**
  - Each group of 3-4 students will pick one of the eight topics decided on by the class, and provide an in-depth analysis of the issue/policy in question. The group is required to present the main ideas from the paper read by the whole class *as well as* other relevant literature on the topic - at least three extra *academic* papers per group member. The group will lead much of the class on their assigned day. The requirements for leading the class are to (1) clearly state the economic/social problem, (2) name and briefly discuss several potential solutions and policies to combat it, (3) inform the class on existing implementation of one of the potential policies, (4) report on the effectiveness of the policy selected to study in depth, and (5) suggest necessary amendments to make the policy better. The group should actively *teach* their classmates in their presentation! The presentation should be creative and engaging – NOT reading from slides while the rest of the class gets bored.
  - The group will also submit a paper covering the same points in written form. The paper should be about ten pages (minimum eight, maximum 12), double-spaced. The paper is the purely academic presentation of your research results; the teaching in class can and should take a less formal form.
  - At the end of the group teaching session, each member of the group will tell me

(confidentially) how many points each other group member should receive, out of 5 for the paper and out of 5 for the teaching session. Thus, of the total 50 points for group work, 10 will be determined by the average of the other group members' ratings.

Point system:

Response papers (2)	15 each
Group paper	25
Group presentation/teaching	25
Class participation	20

Grading scale:

≥ 90	1
80-89	2
65-79	3
50-64	4
< 50	5

Topics and reading assignments:

Date	Topic; Reading
6 March	• Introduction and overview of the course • Course structure; expectations and requirements; goals • Foundations of academic work
13 March	• Selection of topics to cover - first as a class and then for yourself • Analyzing Economic Policy, Part I • ***Reading:*** Acemoglu, Daron and James A. Robinson. 2013. "Economics versus Politics: Pitfalls of Policy Advice." *Journal of Economic Perspectives* 27(2): 173-192.
20 March	• Analyzing Economic Policy, Part II • Brainstorming in groups • ***Reading:*** Hayek, F. A. 1945. "The Use of Knowledge in Society." *American Economic Review* 35(4): 519-530.
27 March	• An example: Preschool "Effects" • ***Reading:*** Fessler, Pirmin and Alyssa Schneebaum. 2019. "The educational and labor market returns to preschool attendance in Austria." *Applied Economics.* `https://www.tandfonline.com/doi/full/10.1080/00036846.2019.1584368`
3 April	• Migration and the Labor Market • ***Reading:*** Card, David. 1990. "The Impact of the Mariel Boatlift on the Miami Labor Market." *ILR Review* 43(2): 245-257. • Note: this paper can't be accessed from WU via Google Scholar. Get to it via JSTOR: `https://www.jstor.org/journal/indulaborelarevi`
10 April	• Brexit • ***Reading:*** Sampson, Thomas. 2017. "Brexit: The Economics of International Disintegration." *Journal of Economic Perspectives* 31(4): 163-184.
8 May	• Demographic Change • ***Reading:*** Bloom, David and David Canning. 2004. "Global demographic change: dimensions and economic significance." NBER Working Paper Series 10817. `https://www.nber.org/papers/w10817.pdf`
15 May	• Government Debt • ***Reading:*** Herndon, Thomas, Michael Ash, and Robert Pollin. 2014. "Does high public debt consistently stifle economic growth? A critique of Reinhart and Rogoff." *Cambridge Journal of Economics* 38: 257-279.

22 May	• Automation and Jobs • ***Reading:*** Vivarelli, Marco. 2014. "Innovation, Employment and Skills in Advanced and Developing Countries: A Survey of Economic Literature." *Journal of Economic Issues* 48(1): 123-154. **AND** • Segal, Michael. 2018. "Automatic Pilots: Automation will probably change your job, not destroy it." *Nature* 563: 132-136. • ***Also cool, though not required:*** Abbott, Ryan and Bret Bogenschneider. 2018. "Should robots pay taxes? Tax policy in the age of automation." *Harvard Law and Policy Review* 12: 145-175.
29 May	• Agricultural subsidies • ***Reading:*** Swinnen, Johan F. M. 2010. "The Political Economy of Agricultural and Food Policies: Recent Contributions, New Insights, and Areas for Further Research." *Applied Economic Perspectives and Policy* 32(1): 33-58.
5 June	• Imperialism and China's "New Silk Road" • ***Reading:*** Melecky, Martin, Mark Roberts, and Siddharth Sharma. 2019. "The wider economic benefits of transport corridors: A policy framework and illustrative application to the China-Pakistan Economic Corridor." *Cambridge Journal of Regions, Economy and Society* 12: 17-44.
12 June	• Conclusions • ***Reading:*** Kranton, Rachel. 2019. "The Devil is in the Details: Implications of Samuel Bowles's *The Moral Economy* for Economics and Policy Research." *Journal of Economic Literature* 57(1): 147-160.

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