Advanced Economic Policy
PI 2088, Winter Semester 2018-2019

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Office hours: by appointment only.

This is the course syllabus. Details may change over time; these changes will be discussed in class. The latest version of the syllabus 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 for twelve sessions. 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 on 30 October), 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 (16:30) - 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.
- There are two types of papers that you will read for this class: one set of papers analyzes a particular policy carefully, and the other set of papers gives some insight into a topic that one could address with economic policy. The type of response paper you write should depend on the type of paper you read.
- For papers that analyze a particular policy in depth:
  * 4: Correctly and clearly describe what the policy in question is about. This is a **3-4 sentence summary** of the main motivation, method of implementation, and goals of the policy.
  * 4: Clearly and correctly analyze the *effectiveness* of the policy in question. Did the policy work or not? How do we know (how was the outcome measures)?
  * 4: Discuss limitations of the policy. Why didn't it work, or why might it not work everywhere?
  * 1: Includes concepts and ideas discussed in the course.
  * 1: Meet the formal requirements for correct spelling, punctuation, and length.
  * 1: Correctly cite the text under discussion.
- For papers that discuss a topic that could be be addressed with economic policy:
  * 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 (almost) the entire class on their assigned day. The requirements for leading the class are to (1) clearly state the economic/social problem, (2) discuss 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 them 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	25

Grading scale:

≥ 90	1
80-89	2
65-79	3
50-64	4
≤ 50	5

Topics and reading assignments:

Date	Topic; Reading
2 October	• Introduction and overview of the course • Course structure; expectations and requirements; goals • Foundations of academic work
9 October	• 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.
16 October	• Analyzing Economic Policy, Part II • Brainstorming in groups • ***Reading:*** Rodrik, Dani. 1996. "Understanding Economic Policy Reform." *Journal of Economic Literature* 34: 9-41.
23 October	• An example: Same-sex marriage and the household division of labor • ***Reading:*** Genadek, Katie R., Wendy A. Stock and Christiana Stoddard. 2007. "No-Fault Divorce Laws and the Labor Supply of Women with and without Children." *The Journal of Human Resources* 42(1): 247-274.
30 October	• Wealth and Income Inequality • ***Reading:*** Mumtaz, H. and A. Theophilopoulou. 2017. "The impact of monetary policy on inequality in the UK: An empirical analysis." *European Economic Review* 98: 410-423.
13 November	• Health Inequality • ***Reading:*** Bauhoff, S. 2012. "Do health plans self-select? An audit study on Germany's social health insurance." *Journal of Public Economics* 96: 750-759.
20 November	• Gender Inequality • ***Reading:*** De Paola, M., Vincenzo Scoppa, and Rosetta Lombardo. 2010. "Can Gender Quotas Break Down Negative Stereotypes? Evidence from Changes in Electoral Rules." *Journal of Public Economics* 94: 344-53.
27 November	• Intergenerational Persistence • ***Reading:*** Pekkarinen, Toumas, Roope Uusitalo, and Sari Kerr. 2009. "School tracking and intergenerational income mobility: Evidence from the Finnish comprehensive school reform." *Journal of Public Economics* 93(7-8): 965-73.
4 December	• Financialization • ***Reading:*** Lee, Kim Ming and Cheng, Ching Yen. 2011. "Financialization, economic crises and social protection: the case of Hong Kong." *Journal of Asian Public Policy* 4(1): 18-41.
11 December	• Tax Evasion • ***Reading:*** Berger, Michael. 2013. "Not So Safe Haven: Reducing Tax Evasion by Regulating Correspondent Banks Operating in the United States." *Journal of International Business and Law* 12: 51-87.

8 January	• Monopolies • ***Reading:*** Braeutigam, Ronald. 1989. "Optimal Policies for Natural Monopolies." In R. Schmalensee and R.D. Willig (Eds.), *Handbook of Industrial Organization*, Volume II, pages 1289-1346.
15 January	• Climate Change • ***Reading:*** McKibbin, Warwick J. and Peter J. Wilcoxen. 2002. "The Role of Economics in Climate Change Policy." *Journal of Economic Perspectives* 16(2): 107-129.

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