

Advanced Economic Policy
Vienna University of Economics and Business
Winter Semester 2022-2023

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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 students 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 responsible for all course material, even if they have missed a class.
- Students will receive participation points for each class, based on their level of engagement in the class on that day.

• **Response Papers (RPs)**

- The reading for each class should be completed *before* the class meets. An RP on a particular reading is due on the day that we discuss the reading in class.
- RPs *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 explain 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 3-5 students will pick one of the six 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. The paper is due on the day of your presentation.
 - 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.
 - The group is responsible for selecting an appropriate reading to assign to the entire class on this subject. This selection is due on 27 October. I suggest you send it to me earlier, in case of rejection.

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
13 October	<ul style="list-style-type: none"> • Introduction and overview of the course • Course structure; expectations and requirements; goals • Foundations of academic work
20 October	<ul style="list-style-type: none"> • Analyzing Economic Policy • Labor market effects of immigration • Selection of topics to cover - first as a class and then for yourself • Brief brainstorming in groups • Reading: Acemoglu, Daron and James A. Robinson. 2013. “Economics versus Politics: Pitfalls of Policy Advice.” <i>Journal of Economic Perspectives</i> 27(2): 173-192. • Reading: Card, David. 1990. “The Impact of the Mariel Boatlift on the Miami Labor Market.” <i>ILR Review</i> 43(2): 245-257. <i>Note:</i> this paper can’t be accessed from WU via Google Scholar. Get to it via JSTOR: https://www.jstor.org/journal/indulaborelarevi
27 October	<ul style="list-style-type: none"> • Use class meeting time to work in your groups! • Reading assignments due by 18:00
3 November	<ul style="list-style-type: none"> • Chips / supply chain shortages • Ramani, Vinay, Debabrata Ghosh, and ManMohan S. Sodhi. 2022. “Understanding systemic disruption from the Covid-19-induced semiconductor shortage for the auto industry.” <i>Omega</i> 113. and • Chandler, Jennifer. 2022. “When the supply chain breaks: strategies for the chip shortage.” <i>Journal of Business Strategy</i>.
10 November	<ul style="list-style-type: none"> • Trade wars • Fajgelbaum, Pablo D. and Amit K. Khandelwal. 2022. “The Economic Impacts of the US-China Trade War.” Working Paper, available on Learn@WU.
17 November	<ul style="list-style-type: none"> • Tax evasion • Alstadsæter, Annette, Niels Johannesen, Segal Le Guern Herry, and Gabriel Zucman. 2022. “Tax evasion and tax avoidance.” <i>Journal of Public Economics</i> 206.
1 December	<ul style="list-style-type: none"> • Inequality of opportunity • Andrade, Stefan B. and Jens-Peter Thomsen. 2018. “Intergenerational Educational Mobility in Denmark and the United States.” <i>Sociological Science</i> 5: 93-113.
15 December	<ul style="list-style-type: none"> • Carbon emissions • Spash, Clive. 2010. “The Brave New World of Carbon Trading.” <i>New Political Economy</i> 15(2): 169-195.
22 December	<ul style="list-style-type: none"> • TBD •

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