



Economic Policy Analysis
Department of Economics, ECO606
Fridays, 630-930 pm.
Spring 2019

Instructor: Ms. Marzhan Aikimbaeva

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Office hours: By appointment. Please make sure, to e-mail me first so we can arrange a date and time for your questions.

Course Description

ECO616 is a graduate course that aims to examine global policy issues from both a theoretical and empirical points of view. The course will introduce the economic study of several international problems as well as, local of current relevance and the policy alternatives that deal with them. It will combine economic theory with applied analysis of policy. Various case studies will be covered in class. The theoretical elements of the course will be at a level suitable for students that have background in Economics or have taken the Principles of Economics or any introductory Economics course. In addition, the course aims to develop in students the ability to evaluate international economic issues, and to develop skills in overcoming these issues while improving written communication and presentation skills. Further, this course also exposes students to a wide range of relevant and interesting issues that will guide them in choosing a research topic to write their master's thesis in the second year.

Course Goals

Students, upon completion of this course, will be able to:

- understand how economic theory is used to study a variety problem involving several countries.
- demonstrate the effects of alternative economic policies devised to deal with economic problems, the role of incentives and the difficulties involved in coordinating and enforcing these policies.
- evaluate arguments introduced by different sides in resolving major international economic issues.
- critically evaluate alternative solutions to economic problems that have a global impact and the effects of alternative economic policies.

Required Texts, Materials, or Equipment

Most of the chapters are compiled from various textbooks at introductory level and should not pose particular difficulties to you if read well in advance. The topics are meant to make economics interesting and illustrate its applications in a wide range of everyday issues. Occasionally, you may be required to supplement your studies with further journal articles or media reports. These will be posted on Moodle by the instructor.

Daily Work/Homework

<Briefly describe what students will be required to do to prepare for class and/or to complete weekly homework and problem set assignments.>



Major Assignments: Descriptions

Assessment for ECO616 is based on four components. The first component is a group-work based assessment on a Poster, weighted at 10%. You will work individually on the poster. The topic will be announced in advance. The second is an in-class test contributing 15% of the final marks, and the third is an individual take-home essay, contributing 30% of the final marks. Finally, there is a two-hour exam at the end of the term, which contributes 35% of the final marks.

Class Participation

Class participation is mandatory and will be worth 10% of the final grade. Attendance will be taken at the end of each class. If you cannot make it to the class, for any reason, please make sure to e-mail me and let me know in advance. You won't be marked absent unless, you bring in a report from the doctor's in case of illness.

Course Grading

- Poster = 10%
- Class Participation = 10%
- In-class quiz = 15%
- Take-home essay = 30%
- Final exam = 35%

Grade Cutoffs:

- A- 90-93
- B+ 87-90
- B 83-87
- B- 80-83
- C+ 77-80
- C 70-77
- C- 65-70
- D 60-65
- F 60 and below

Course Policies and Information for Students

1. PENALTIES FOR LATE WORK and REQUESTS FOR EXTENSIONS

Extensions will not be granted unless, there is a documented family emergency or health problem. Late work

2. POLICIES ON MISSED EXAMS, MAKE-UP EXAMS OR QUIZZES

There will be no make-up exams or quizzes if missed.

3. REQUESTS FOR INSTRUCTOR FEEDBACK ON DRAFTS AND REQUESTS TO REVISE

If you'd like me to review your take home essay before submission, you can do so, by e-mailing me. Please, indicate the subject line as: Essay Review ECO616



4. ETHICS/VIOLATIONS OF ACADEMIC INTEGRITY:

Academic dishonesty will not be tolerated at AUCA. All assignments, quizzes, and exams must be done by on your own. If the student is found to engage in cheating, plagiarism, inventing false information or citations, helping someone else or any other violation of the "Code of Academic Integrity" should expect the severest penalties available under AUCA policies.

- According to Merriam-Webster Online Dictionary; Plagiarize means: "to steal and pass off (the ideas or words of another) as one's own, to use (another's production) without crediting the source, to commit literary theft and to present as new and original an idea or product derived from an existing source." As a result of these, Plagiarism is an act of fraud.

Students found guilty of academic dishonesty will be assigned an appropriate academic penalty.

For more information, please visit: http://www.auca.kg/en/registrar_code_conduct/

If you have any concerns about how to write an academic article, term paper, etc. feel free to consult me at any time.

Disclaimer

The instructor reserves the right to make modifications to this information throughout the semester.



Date	Topics/Assigned Readings/Homework	Major Assignments and Deadlines
January 25 th , 2019	Lecture 1. An Introduction to Policymaking. David Colander and Roland Kupers, Complexity and the Art of Public Policy: Solving Society's Problems from the Bottom Up, Princeton University Press, Princeton, NJ, 2014. Giorgio Fagiolo and Andrea Roventini, "On the Scientific Status of Economic Policy: A Tale of Alternative Paradigms" (pdf,294KB), Laboratory of Economics and Management (LEMB), Sant'Anna School of Adv Studies, Pisa, Italy, LEM Working Paper Series, February 2008.	None.
February 1 st , 2019	Lecture 2. Immigration Reform: History, Economic Impacts, and Current Policies Jeffrey Williamson (2006), Global Migration, Finance and Development http://www.imf.org/external/pubs/ft/fandd/2006/09/williams.html http://gppreview.com/2019/01/09/modern-migration-challenges/ https://www.dw.com/en/angela-merkels-cdu-set-to-review-her-migration-policy/a-47062391 https://www.washingtonpost.com/world/the_americas/more-than-10000-migrants-request-visas-as-caravan-hits-mexico/2019/01/23/340169b8-1f2b-11e9-a759-2b8541bbbe20_story.html?noredirect=on&utm_term=.cb0d55757d9f https://www.nytimes.com/2019/01/23/nyregion/dream-act-bill-passed.html	Announcement of topics for the poster.
February 8 th , 2019	Lecture 3. The WTO and trade The Cancun Challenge – The Economist, September 4, 2003 – The Death of the WTO Doha Talks, Evan Davis, BBC website at: http://news.bbc.co.uk/1/hi/business/5215318.stm https://www.thetimes.co.uk/article/davos-2019-help-us-save-the-wto-japan-urges-trump-ssz5jf7d8 https://www.independent.co.uk/news/uk/brexit-explained/wto-rules-world-trade-organisation-brexit-no-deal-explained-a8742746.html	None.
February 15 th , 2019	Lecture 4. Foreign Direct Investment P. Loungani and A. Razin (2001), How Beneficial is Foreign Direct Investment for Developing Countries?, Finance and Development http://www.imf.org/external/pubs/ft/fandd/2001/06/loungani.htm Assaf Razin (2003), FDI Flows and Domestic Investment: An Overview, CESifo Economic Studies (*) http://cesifo.oxfordjournals.org/content/49/3/415.full.pdf+html Assaf Razin and Ephraim Sadka – Foreign Direct Investment: Analysis of Aggregate Flows, Princeton University Press, Chapter 1 – Overview http://press.princeton.edu/chapters/s8539.pdf	Poster submission deadline.
February 22 nd , 2019	Quiz (15% of the grade)	



March 1 st , 2019	Lecture 5. Governance and Corruption Shleifer, A., and R. W. Vishny. "Corruption." The Quarterly Journal of Economics 108, no. 3 (1993): 599-617. Olken, B. "Monitoring Corruption: Evidence from a Field Experiment in Indonesia." National Bureau of Economic Research Working Paper No. 11753, November 2005. D. Treisman (2000), The causes of corruption: a cross-national study, Journal of Public Economics downloadable at http://www.sscnet.ucla.edu/polisci/faculty/treisman/	
March 8 th , 2019	No classes- International Women's Day	
March 15 th , 2019	Lecture 6. The Economics of Transition P. Mitra and M. Selowsky (2002), Lessons from a Decade of Transition in Eastern Europe and the former Soviet Union, Finance and Development http://www.imf.org/external/pubs/ft/fandd/2002/06/mitra.htm	
March 22 nd , 2019	No classes- Spring break	
March 29 th , 2019	Lecture 7. Gender Discrimination Dreze, Jean, and Amartya Sen. "Gender Inequality and Women's Agency." Chapter 7 in India: Economic Development and Social Opportunity. New York, NY: Oxford University Press, 1999, pp. 140-178. Rao, V. "The Rising Price of Husbands: A Hedonic Analysis of Dowry Increases in Rural India." Journal of Political Economy 101, no. 4 (1993): 666-677. Qian, Nancy. "Missing Women and the Price of Tea in China: The Effect of Relative Female Income on Sex Imbalance." Mimeograph, Massachusetts Institute of Technology, 2005	
April 5 th , 2019	Lecture 8. Education to alleviate poverty European Expert Network on Economics of Education (EENEE) Policy Brief 2/2015 http://siteresources.worldbank.org/INTMENA/Resources/Poverty_ch3_06.pdf Duflo, E. "Schooling and Labor Market Consequences of School Construction in Indonesia: Evidence from an Unusual Policy Experiment." American Economic Review 91, no. 4 (2001): 795-813. Duflo, E., and R. Hanna. "Monitoring Works: Getting Teachers to Come to School." National Bureau of Economic Research Working Paper No. 11880, December 2005. Glewwe, P., N. Ilias, and M. Kremer. "Teacher Incentives." National Bureau of Economic Research Working Paper No. 9671, May 2003. https://www.forbes.com/sites/billconerly/2014/10/01/will-education-reduce-economic-inequality/ Paul Glewwe (2002) "Schools and Skills in Developing Countries: Education Policies and Socioeconomic Outcomes" Journal of Economic Literature	
April 12 th , 2019	Lecture 9. Financial Crisis and Credit Markets S. Claessens (2012), Shedding Debt, Finance and Development, http://www.imf.org/external/pubs/ft/fandd/2012/06/claessens.htm L. Kodres and A. Narain (2012), Fixing the System, Finance and Development, http://www.imf.org/external/pubs/ft/fandd/2012/06/kodres.html	



	<p>Aleem, I. "Imperfect Information, Screening and the Costs of Informal Lending: A Study of a Rural Credit Market in Pakistan." World Bank Economic Review 4, no. 3 (September 1990): 329-349.</p> <p>Morduch, J. "The Microfinance Promise." Journal of Economic Literature 37, no. 4 (1999): 1569-1614.</p>	
April 19 th , 2019	<p>Lecture 10. Environment</p> <p>Fullerton, Don, and Sarah West. "Tax and Subsidy Combinations for the Control of Car Pollution." NBER Working Paper No. 7774, July 2000.</p> <p>Sandel, Michael J. "It's Immoral to Buy the Right to Pollute." Chapter 19 in <i>EESR</i>.</p> <p>Tietenberg, Thomas H. "Economic Instruments for Environmental Regulation." Chapter 16 in <i>EESR</i>.</p> <p>"Taxes for a Greener Environment." <i>The Economist</i>, June 28, 1997, p. 84.</p>	
April 26 th , 2019	<p>Lecture 11. Labor Markets: Minimum wages and employment.</p> <p>Raj Nallari , Frontiers in Development Policy Published: September 2011 Pages: 247 - 253 https://doi.org/10.1596/9780821387856_CH36 https://ec.europa.eu/info/sites/info/files/european-semester_thematic-factsheet_active-labour-market-policies_en.pdf https://www.cnn.com/2019/01/16/house-democrats-introduce-bill-to-hike-minimum-wage-to-15-per-hour.html https://www.cbpp.org/research/economy/policy-basics-the-minimum-wage</p>	Take-home essay is due.
May 3 rd , 2019	<p>Lecture 12. Health</p> <p>Banerjee, Abhijit V., Angus Deaton, and Esther Duflo. "Wealth, Health, and Health Services in Rural Rajasthan." American Economic Review 94, no. 2 (2003): 326-330.</p>	