The information presented here is as of 10/17/2013.

ECONOMICS (Div. II)

Chair, Professor WILLIAM GENTRY


GENERAL INFORMATION

The primary objectives of the economics major are to develop an understanding of how individuals, organizations and societies meet their material needs. The introductory courses present the fundamental principles of economics at a level that is useful for understanding a wide range of social and policy issues. The core theory courses provide a more rigorous grounding in the tools used in analyzing individual choice, the functioning of markets, and the behavior of output, employment, and inflation. The econometrics course familiarizes students with the methods used to analyze economic data, and equip them with the tools necessary to critique and conduct empirical research. The electives draw on the skills developed in the introductory and core courses to gain a richer understanding of specific aspects of economic behavior and public policy.

The Economics major and business careers.

The analytical and critical thinking skills taught in economics classes are useful for many careers, including business. The major is not designed to provide pre-professional training in business or management, however. Students from a wide variety of majors, including the sciences and humanities, have gone on to successful business careers. We therefore advise those interested in business to acquire a broad exposure to the arts, social science, and natural sciences, and to major in a subject that engages their interest even if that subject is something other than Economics.

Preparation for graduate school.

Graduate study in economics requires considerably more mathematical sophistication than it does at the undergraduate level. We advise students who are considering pursuing a Ph.D. to take at a minimum MATH 150 or 151, MATH 209, MATH 250, and MATH 350. We also advise students to consider electives such as Econ 451 and 475 that present advanced perspectives on contemporary economic theory. As graduate schools look for evidence of research aptitude, we also encourage those interested in graduate school to pursue the Honors program.

MAJOR REQUIREMENTS

Except for those receiving AP, IB, or A-level credit (see below), nine courses are required for the Economics major. These are:

Introductory courses

- Economics 110 Principles of Microeconomics
- Economics 120 Principles of Macroeconomics. Prerequisite: ECON 110

Passing the quantitative studies exam or the equivalent is a prerequisite for both classes. Both are suitable for non-majors. Electives numbered 200-299 will require one or both as prerequisites.

Core courses

- Economics 251 Price and Allocation Theory. Prerequisites: MATH 103 and ECON 110
- Economics 252 Macroeconomics. Prerequisites: MATH 103, ECON 110 and ECON 120
- Economics 255 Econometrics. Prerequisites: MATH 103 plus either STAT 101 or 201. The combination of STAT 201 and 346 will satisfy the ECON 255 requirement.

The three core classes may be taken in any order. All of the 300- and 400-level electives will require at least one of the core classes, and most of the 400-level seminars require Econ 255. Students are therefore strongly encouraged to complete the core courses by the end of junior year. Note that since both Stat 101 or 201 is required for Econ 255, students should plan to satisfy the statistics prerequisite early in their college careers.

Electives

Students must complete at least four economics electives in addition to the introductory and core classes listed above. At least two must be advanced electives numbered 350 to 395. At least one must be a seminar numbered 450-475, and a second seminar may be taken in lieu of a 300-level elective. Enrollment preference for 400-level classes is given to those who have not already taken a seminar. Note that some of the advanced electives may have specific requirements beyond the core economics courses and MATH 130. Juniors and seniors majoring in Economics or Political Economy may, with the permission of the instructor, enroll in 500-level graduate courses given by the Center for Development Economics. These courses can substitute for advanced electives numbered 350-395.

Credit for AP, IB and A-level exams

- The Econ 110 requirement will be waived for students who earned a 5 on the microeconomics AP exam, and the Econ 120 requirement will be waived for those who received a 5 on the macroeconomics AP exam, and the Econ 120 requirement will be waived for those who received a 5 on the microeconomics AP exam, and the Econ 120 requirement will be waived for those who received a 5 on the macroeconomics AP exam.
- The Econ 110 requirement will be waived for students who earned a 5 on the microeconomics AP exam, and the Econ 120 requirement will be waived for those who received a 5 on the macroeconomics AP exam.

Students who received an A on the A-level exam in economics or earned a 6 or 7 in the higher economics IB exam will receive credit for both Econ 110 and 120, and may complete the major with only seven additional courses. These would include the introductory course for which no advanced placement was granted, the three core classes, and the four required electives.

- A score of 5 on the statistics AP exam, a 6 or 7 on the statistics IB exam, or an A on the A-level statistics exam will satisfy the statistics prerequisites for Econ 255.

STUDY ABROAD AND TRANSFER CREDIT

Students may receive credit for college courses taken at other institutions, including those taken as part of a study abroad program. Most economics courses taken elsewhere will qualify for 200-level elective credit. Some may be able to count towards a specific departmental requirement, or qualify as a 300-level elective. In order to receive the appropriate credit, courses must be approved ahead of time by the Department’s Coordinator for Transfer/Study Abroad Credit. (The Department’s web site will indicate which faculty member is serving as the Coordinator.)

THE DEGREE WITH HONORS IN ECONOMICS

Graduating with Honors requires the completion of a substantial piece of independent research. Those with an economics GPA of at least 3.5 are encouraged to apply. In addition, because theses typically make use of empirical methods, those considering writing a thesis are strongly advised to complete Econ 255 before the end of junior year.

The honors program involves working closely with a faculty adviser on a subject related to the faculty member’s area of expertise. The first step in pursuing honors is therefore to develop a thesis proposal in consultation with a faculty adviser. The proposal is then submitted to the Department for approval.

The Department offers both a half-year and a full-year honors program:

- The half-year program entails enrolling in a one-semester seminar plus a WSP class. Students may either enroll in Econ 491 in the fall semester and Econ 31 during winter study, or they may take Econ 31 during winter study and Econ 492 in the spring. Proposals for a fall semester thesis are due in May of the junior year, while those doing a spring thesis will submit their proposals in December of the senior year. Those choosing the half-year often base their projects on research that had been initiated in an advanced elective or a seminar, although this is not a requirement.
- The full-year program involves taking Econ 493 in the fall, Econ 31 during winter study, and Econ 494 in the spring. Proposals are due in May of the junior year.

Both programs require students to remain on campus during winter study.

Prospective honors students considering studying abroad during their junior year should plan to complete the core courses and at least one 300-level elective by the end of their sophomore year. They are also urged to begin their collaboration with their intended adviser prior to departure, and to consult with the Director of Research on the options for pursuing honors. (The Department’s web site will indicate which faculty member is serving as the Director of Research.)

Further details on the two routes, the application procedure and deadlines are contained in memos sent to economics majors in the spring and fall semesters. The information is also available on the Department’s web site.

In addition to completing the research project, the College Bulletin states that in order to graduate with honors, students must take at least one course in addition to the minimum number required for the major. Students in the full-year program may substitute Econ 493 for an upper-level elective (excluding those numbered 400-490). Students
enrolled in the half-year program may not substitute Econ 491 or 492 for one of their electives.

**ECON 110(FS) Principles of Microeconomics (Q)**
This course is an introduction to the study of the forces of supply and demand that determine prices and the allocation of resources in markets for goods and services, markets for labor, and markets for natural resources. The focus is on how and why markets work, why they may fail to work, and the policy implications of both their successes and failures. We will concern ourselves with developing the basic tools of microeconomic analysis and then applying those tools to topics of popular or policy interest such as minimum wage legislation, pollution control, competition policy, international trade policy, discrimination, tax policy, and the role of government in a market economy. This course is required of Economics and Political Economy majors and highly recommended for those non-majors interested in Environmental Studies and Women’s, Gender and Sexuality Studies. The department recommends that students follow this course with Principles of Macroeconomics or with a lower-level elective that has ECON 110 as its prerequisite. Students may alternatively proceed to Intermediate Microeconomics after taking this introductory course.

Prerequisites: ECON 110.

**ECON 111 Introduction to Economics and Its Applications (Not offered 2013-2014) (Q)**
This course is intended for students who do not wish to major in economics but who would like to learn something about the discipline and to develop a greater understanding of the ways in which economics can be used to explain behavior and to inform policy. Our focus will be on providing some very basic tools of economic analysis and important institutional background regarding the US and international economies, and then using those tools to identify and integrate into economic analysis current policy issues. Format: lecture/discussion. Requirements: problem sets, short papers, at least one quiz, and midterm and final exam.

Prerequisites: ECON 110. (Note: ECON 111 cannot substitute for ECON 110 or ECON 120 as a prerequisite for admission to ECON 251 or ECON 252, respectively.) Enrollment limit: 30 (expected: 30).

**ECON 120(FS) Principles of Macroeconomics (Q)**
This course provides an introduction to the study of the aggregate national economy. Develops the basic theories of macroeconomics and applies them to topics of current interest. Explores issues such as: the causes of inflation, unemployment, recessions, and depressions; the role of government fiscal and monetary policy in stabilizing the economy; the determinants of long-run economic growth; the long- and short-run effects of taxes, budget deficits, and other government policies on the national economy; and the workings of exchange rates and international finance.
Format: lecture/discussion. Requirements: problem sets, short essays, midterm(s), final exam. (Samson’s section in the spring will have 2 one-hour exams and a final.)

Prerequisites: ECON 110. Enrollment limit: 40 (expected: 40).

**ECON 203(S) Gender and Economics (Same as WGS 205)**
This course uses economic analysis to explore how gender differences can lead to differences in economic outcomes, in both households and the labor market. Questions to be covered include: How does the family function as an economic unit? How do individuals allocate time between the labor market and the household? How have changes in family structure affected women’s employment, and vice-versa? What are possible explanations for gender differences in labor force participation, occupational choice, and earnings? What is the role of government in addressing gender issues in the home and the workplace? How successful are government policies that primarily affect women (e.g., comparable worth policies, AFDC/TANF, subsidization of child care)? The course will focus on the current experience of women in the United States, but will place these gender differences in a historical and cross-cultural context.

Format: lecture/discussion. Requirements: weekly discussion papers, two midterms, and a final paper and presentation.

Prerequisites: ECON 110. Enrollment limit: 40 (expected: 25).

Enrollment limit: 12:15 MWF

**ECON 204(S) Economics of Developing Countries (Same as ENVI 234)**
This course is an introduction to the microeconomics of development. The central question is: why are some people and nations poor? And what can governments (or donors) do to reduce poverty? Topics include agricultural productivity, health, education, microfinance, child labor, corruption, and intellectual property rights. We shall also discuss the extent to which market-friendly reforms (such as trade liberalization) can reduce poverty.


Prerequisites: ECON 110. Enrollment limit: 40 (expected: 35). If overenrolled, preference to sophomores.

Hour: 2:35-3:50 MR

**ECON 205 Public Economics (Not offered 2013-2014)**
This course examines the role of the government in a market economy. Three broad issues are considered: when is government intervention in the economy appropriate? What is the most effective form of intervention? What effects do government policies have on individual incentives? The course will cover issues in both taxation and spending. Specific programs will be considered such as Social Security, Medicare, education, and public assistance for the poor. We will also discuss rationales and strategies for reforming the U.S. tax system.


Prerequisites: ECON 110. Enrollment limit: 40 (expected: 30).

LALUMIA

**ECON 211 Gender in the Global Economy (Same as WGS 211) (Not offered 2013-2014)**
(See under WGST 211 for full description.)

**ECON 213 Introduction to Environmental and Natural Resources Economics (Same as ENVI 213) (Not offered 2013-2014) (Q)**
Economists love free markets, but many people fear that market-driven economic growth and consumption are endangering the natural environment. In fact, core economic theories predict that people and firms, left to their own devices, will often tend to pollute too much, conserve too little, overfish common waters, and cut down too many trees. These predictions seem to be borne out by the world’s environmental problems. Fortunately, economics offers tools to address these issues, and these tools are increasingly gaining attention in the policy world. In this course, we will survey environmental and natural resource economics, fields that work to inform policy with attention to both natural assets and human needs. We will focus on real-world problems, mostly from a microeconomic perspective. Underlying issues in these fields include: why markets might be inefficient, where the environment and natural resources are concerned; whether and how to value the benefits we receive from the environment; and how to carefully evaluate policies. We will study the economists’ perspective on sustainability and we’ll discuss how sustainability, growth, and human wellbeing relate to each other. We will study the use of non-renewable resources (like oil) and renewable resources (like trees and fish), and we will spend some time talking about energy and energy policy. We will examine issues related to pollution, looking at traditional “command and control” regulations and at market-based pollution control policies. Climate change is a pressing global problem, and we will study current and potential climate policies and the role economics can play. We may cover other topics, including international development, food, agriculture, and water.

Format: lecture. Requirements: problem sets, short papers, a midterm, and a final exam.

Prerequisites: ECON 110. Enrollment limit: 40 (expected: 30). Preference to sophomores if course is overenrolled.

**ECON 215 International Trade, Globalization and Its Effects (Same as INST 315) (Not offered 2013-2014)**
This course is an introduction to international trade and finance with an emphasis on issues of current interest. Topics to be discussed may include: the gains from trade; why nations trade; different theories of the pattern of trade; the effects of tariffs and other trade barriers on national welfare and income distribution; the balance of payments, the determination of foreign exchange rates, and alternative exchange rate regimes.

Format: lecture/discussion. Requirements will include problem sets, a midterm, and a final exam.

Prerequisites: ECON 110. Students who have completed ECON 251 must have permission of the instructor. Enrollment limit: 35 (expected: 35).

**ECON 217(F) Economics of East Asia (Same as ASST 220 and INST 217)**
This course will provide students with an understanding of economic growth in East Asia and the region’s current macroeconomic policy issues. For the purpose of this course, we will focus on China, Japan, and a few Southeast Asian countries. Those interested in economic development and applied macroeconomic policies will find this course useful. We first examine the process of economic growth. Cross country comparisons will help draw similarities but also differences in the development processes. The second part of the course will focus on specific economic issues such as, privatization in China, education and inequality in South Korea, demographic challenges in Japan, health care in Indonesia, etc. The course will involve readings from various texts, policy reports, academic journals, and case studies. Throughout the course students
GENTRY

ECON 220 American Economic History (Not offered 2013-2014)

This course examines the growth and development of the American economy from the colonial era to the modern period. The emphasis will be on the use of economic theory and quantitative evidence to address key questions in U.S. history. Topics may include some or all of the following: the development of colonial markets, the economic origins of the U.S. Constitution, the role of agriculture, immigration, and the impact of the Civil War on the economy. Through the lens of economic analysis, we will explore debates surrounding issues such as the distribution of wealth, the Great Depression, and women’s roles in the economy. The course will also cover the economics of legal systems; for example, what are the incentives for plaintiffs to initiate lawsuits and what role do lawyers play in determining outcomes. The course will also consider potential reforms of the legal system.

Format: tutorial. Requirements: midterm, final exam, two policy memoranda.
Prerequisites: ECON 110 and 120. Enrollment limit: 35 (expected: 35).
NACZIGER

ECON 222 Economics of the Arts and Culture (Not offered 2013-2014)

What economic forces influence the creation, presentation, preservation and ownership of art and culture? Should support for the arts be provided through private patronage, public philanthropy, or public sector support? How does the mechanism of support for art affect the productivity and creativity of the artist? Does art make a good investment for an individual or a community? How do art markets function and what are their economic implications? Why do some art museums and performing arts organizations require donations and public support and operate as nonprofit enterprises, while other types of culture production and consumption operate as for-profit enterprises? What are the impacts on economic vitality and local economic development of cultural and arts organizations? When these impacts arise, how can (or should) they be used for public policy? This course will use the tools of economic analysis to present a framework for discussion and analysis of these and related questions.

Format: lecture/discussion. Requirements: midterm, short problem sets, final, and a research paper.
Prerequisites: ECON 110 and ECON 120. Enrollment limit: 35 (expected: 35).
SHEPPARD

ECON 225 Global Financial Crisis and African Economic Development (Not offered 2013-2014)

Will the global financial crunch create a development crisis for Africa? Just two years ago the International Monetary Fund published the most optimistic growth projections for Africa in decades, predicting rapid growth driven by higher commodity prices, stronger agricultural output and the dividends of years of difficult economic reforms. Today, economic analysts are downgrading African growth forecasts in the face of growing poverty and macroeconomic challenges. Food prices have more than doubled in some countries—increasing hunger for the most vulnerable groups. Fuel costs—and subsidy policies in some countries—are creating macroeconomic imbalances, and the global financial crisis is depressing demand for Africa’s exports. Private capital flows, which reached record levels until 2007, are expected to decline by $300-400 billion over the next two years, with bank lending falling, portfolio investment declining, and foreign direct investment decreasing. This triple-F crisis—food, fuel and financial—is posing renewed challenges to African leaders trying to tackle the imperatives of economic development and pro-poor and inclusive economic growth. This crisis is raising the costs of reforms in countries reliant on exports and international capital for growth. Successful strategies must combine policies more efficiently than ever—to balance the necessary reforms with initiatives that offset the costs for the most vulnerable. This tutorial will analyze critical questions posed by the emerging crisis: Which countries will be hit the hardest, and how deeply and for how long? Will the contagion affect neighboring economies? And perhaps most importantly, what coordinated strategies can African nations develop in order to foster effective responses? This tutorial will explore how policymakers in Africa are working to build successful inclusive growth strategies, with fiscal, monetary, industrial, trade and labor market policies reinforcing each other rather than working at cross purposes.

Format: tutorial. will meet weekly for one hour in groups of two. Evaluation will be based on five short papers and on the quality of the student’s oral presentations and commentary on the work of his/her colleagues.
Prerequisites: ECON 252 (or concurrently) or permission of the instructor. Enrollment limit: 10 (expected 10).
SAMSON

ECON 228T(S) Water as a Scarce Resource (Same as ENVI 228T) (W)

This course satisfies the “Environmental Policy” requirement for the Environmental Studies concentration.

For a variety of reasons including environmental pollution, urbanization, changing agricultural techniques, resource mismanagement, and the consequences of climate change, water is becoming a scarce resource even in places where it was relatively plentiful in the past, and it is likely to become an increasingly scarce resource over the coming decades. In this course we will use basic economic models to consider policy issues relating to water: Is access to water a basic human right, and if so, what market and non-market mechanisms should play a role in water allocation? Does public ownership of water improve the way it is provided and used? Why do societies differ in their approaches to allocating water, and are some systems better than others? What does it mean to have a property right to water? Could private property rights to water help address the water pollution problem? How can societies change their water-related property rights, regulations and social institutions when individuals have implicit or explicit rights to the institutional status quo? Who has the right to water that crosses international boundaries? How should societies allocate water across generations?

Format: tutorial. Students will meet with the instructor in pairs for an hour each week. Requirements: write a 5- to 7-page paper every other week (five in all), prepare and present a written critique of their partners’ papers in alternate weeks, and revise and re-write one of their five papers. Evaluation will be based on the quality of the papers and on the quality of the student’s oral presentations and commentary on the work of his/her colleagues.
Prerequisites: ECON 110 or equivalent. Enrollment limit: 10 (expected: 10). Preference will be given to first-year students and sophomores intending to major in Economics and/or to major or concentrate in Environmental Policy, Environmental Science, or Environmental Studies, and to students who are already major or concentrators in these subjects.

Tutorial meetings to be arranged.

BRADBURD

ECON 229 Law and Economics (Not offered 2013-2014) (Q)

This course applies the tools of microeconomic analysis to both private (i.e., civil) and criminal law. This analysis has both positive and normative aspects. The positive aspects deal with how individuals respond to the incentives created by the legal system. Examples include: how intellectual property law encourages the creation of knowledge while simultaneously protecting the discretion of intellectual property; how tort law motivates doctors to avoid malpractice suits; and how criminal law deters criminal activity. The normative aspects of the analysis ask whether legal rules enhance economic efficiency (or, more broadly, social welfare). Examples include: what legal rules are most appropriate for mitigating pollution, ensuring safe driving, and guaranteeing workplace safety? This course will also cover the legal systems of several countries; for example, what are the incentives for plaintiffs to initiate lawsuits and what role do lawyers play in determining outcomes. The course will also consider potential reforms of the legal system.

Format: instructor-led discussion. Evaluation will be based on class participation, problem sets, short papers based on actual court cases and possible legal reforms, a midterm exam, and a final exam.
Prerequisite: ECON 110. Enrollment limit: 35 (expected: 25). Preference given to majors and sophomores if overenrolled.

GENTRY

ECON 230(S) The Economics of Health and Health Care (W)

In recent decades the demand for health care and the provision of health care has increased in importance. The costs of health care have been rising, seemingly inexorably. A substantial fraction of the United States population lacks health insurance, while the rising number of elderly is putting increasing pressure on health spending. Globally, the HIV/AIDS pandemic is causing severe economic hardship, and many people lack access to basic health care. More positively, advances in health care have widened the scope of possible treatments. Given the importance of good health for individual well-being, it is not surprising that health care and how to pay for it are of concern to individuals and policymakers worldwide. This course will analyze the economic foundations of standard microeconomic techniques. The course focuses on three broad issues: the inputs to health and the demand for health care, the structure and consequences of public and private health insurance, and the supply of health care. Special attention will be devoted to topics of current public policy, including the problems of rising costs and cost containment, health insurance reform, the changing nature of health care provision, changing public policies in the Medicare and Medicaid programs, hospital competition, and the determinants and consequences of technological change
in medicine.

Format: lecture/discussion. Requirements: several short papers and a final research paper and presentation.


Hour: 9:55-11:10 TR

ECON 235 Urban Centers and Urban Systems (Not offered 2013-2014) (Q)

Cities, systems of cities, and the interactions between cities are the outcome of human decisions and reflect their social structure and desire for interaction. The form of these urban areas is determined by the choices made by the people who reside in, work in, and travel between cities. Economic forces influence and constrain these choices, and economic models of decision-making can help us to explain and predict the patterns that result. These models help us to comprehend the structure of urban areas. This course will introduce the ideas and some of the analytic tools that assist in understanding the economic foundations of urban centers and urban systems. Topics addressed in the course will include the determinants of land use, location of firms, choice of transportation mode, flows of capital investment into real estate, housing prices and housing availability and regulation of housing markets, movement of population from one city to another, and public policies designed to deal with urban problems.

Format: lecture/discussion. Requirements: two “policy memoranda” on assigned topics, midterm, and final exam.

Prerequisites: ECON 110. Enrollment limit: 40.

S. SHEPPARD

ECON 240T Colonialism and Underdevelopment in South Asia (Not offered 2013-2014) (D) (W)

British colonial rule in South Asia shaped economy and society in fundamental ways. As resistance to colonial rule emerged in the late nineteenth century, “nationalist” writers developed a critique of its economic impact via taxation, fiscal policy, trade, and many other policies. In their turn, supporters of British rule, “apologists,” argued that British rule had laid the foundations for economic growth by securing property rights, enforcing contracts, and developing infrastructure. The debate between “nationalists” and “apologists” has never quite ended, but after the recent growth of the Indian economy it has lost some of its emotional charge. We will use this opportunity to not only examine the economic questions, but also how power and its contestations have shaped the answers provided. Therefore, the course part of the college’s Exploring Diversity Initiative.


Prerequisites: ECON 110, 120. Enrollment limit: 10 (expected: 10). Preference given to students with a prior class on South Asia.

May not be taken on a pass/fail basis; not available for the Gaudino option.

SWAMY

ECON 251(FS) Price and Allocation Theory (Q)

A study of the determination of prices and their importance in shaping the allocation of resources and the distribution of income. Subjects include: behavior of households in a variety of settings, such as buying goods and services, saving, and labor supply; behavior of firms in various kinds of markets; results of competitive and noncompetitive markets in goods, labor, land, and capital; market failure; government policies as sources of and responses to market failure; welfare criteria; limitations of mainstream analysis.

Format: lecture. Requirements: weekly problem sets, one or more quizzes, one or two midterms, one or two short essays, and a final exam.

Prerequisites: ECON 110 and 120 and MATH 130 (formerly 103) or its equivalent. Enrollment limit: 25 (expected: 25).


First Semester: BRADBURD, RAL S. SHEPPARD

Second Semester: RAL S. SHEPPARD

ECON 252(S) Macroeconomics (Q)

A study of aggregate economic activity: output, employment, inflation, and interest rates. The class will develop a theoretical framework for analyzing economic growth and business cycles, and use this theory to evaluate policies designed to promote growth and stability, and to understand economic developments in the U.S. and abroad. Instructors may use elementary calculus in assigned readings, exams and lectures.

Format: lecture. Requirements: problem sets and/or written assignments, midterm(s), and a final exam.

Prerequisites: ECON 110 and 120 and MATH 130 (formerly 103) or its equivalent. Enrollment limit: 30 (expected: 25).


First Semester: MONTIEL

Second Semester: LOVE, P. PEDRONI

ECON 255FS Econometrics (Q)

An introduction to the theory and practice of applied quantitative economic analysis. This course familiarizes students with the strengths and weaknesses of the basic empirical methods used to analyze economic data, and applies these methods to the study of major economic issues. The course emphasizes both the statistical foundations of regression techniques and the practical application of those techniques in empirical research. Computer exercises will provide experience in using the empirical methods, but no previous computer experience is expected. Highly recommended for students considering graduate training in economics or public policy. Students may substitute the combination of Statistics 201 and 346 for ECON 253 or 255.

Format: lecture. Requirements: problem sets, two midterms, and group presentations and possible additional assignments.

Prerequisites: MATH 130 (formerly 103) and STAT 101 or STAT 201 or equivalent plus one course in ECON. (A score of 5 on the Statistics AP satisfies the prerequisite for ECON 255.) Enrollment limit: 30 (expected: 30).

Hour: 8:30-9:45 TR, 9:55-11:10 TR, 11:30-12:45 TR, 11:10-12:15 TF

First Semester: SWAMY, ZIMMERMANN

Second Semester: WATSON, ZIMMERMANN

ECON 299(F) Economic Liberalism and Its Critics (Same as POEC 250 and PSCI 238)

(See under POEC 250 for full description.)

BAKIA and MAHON

ADVANCED ELECTIVES

ECON 351 Tax Policy (Not offered 2013-2014) (Q) (W)

The tax system is a major element of public policy. In addition to raising revenue for government expenditure programs, policymakers use the tax system to redistribute resources and to promote a variety of economic policies. For example, the United States tax system has specific rules to encourage savings, education, and investment. Inherently, many tax policy choices involve trade-offs between equity and efficiency. The purpose of this course is to clarify the goals and possibilities of tax policy, mainly through an examination of federal and state tax systems. Emphasis will be placed on understanding the economic and political forces that influence tax policy decisions, and the implications of those tax policies for economic behavior and economic outcomes. Students will learn to use economic theories and models to analyze tax policy proposals, and to promote a variety of economic policies. For example, the United States tax system has specific rules to encourage savings, education, and investment.

Prerequisites: ECON 251 and preferably some familiarity with statistical analysis. Enrollment limit: 19 (expected: 19). Preference given to senior Economics majors.

LALUMIA

ECON 357TS The Economics of Higher Education

This tutorial will utilize economic theory and econometric methods to understand a variety of issues pertaining to the economics of colleges and universities. In particular, we’ll discuss the allocation of human and non-human resources, the financial structure of a college or university, competition in the market for higher education, policies impacting tuition and financial aid, the individual and societal returns from investments in higher education, and the distinctive features of academic labor markets. Particular attention will be paid to selective liberal arts colleges.

Format: tutorial; will meet weekly for one hour in groups of two. Evaluation will be based on six 5- to 7-page papers and on the quality of the student’s oral presentations and commentary on the work of his/her colleagues.

Prerequisites: ECON 251 and 253 or 255 or STAT 346 or permission of the instructor. Enrollment limit: 10 (expected: 10). Preference will be given to majors if overenrolled. Tutorial meetings to be arranged.

ECON 358 International Trade and Economic Policy (Not offered 2013-2014)

Advances in transportation and communication have led to an increasingly integrated global economy where goods, services, people, capital, and ideas flow across borders. In this course we will examine the causes and consequences of globalization, using theoretical models and empirical evidence. Topics discussed in class will include: models of international trade; immigration; multinational corporations; offshoring; trade policies such as tariffs, quotas, and export subsidies; international trade agreements and organizations; and the implications of trade for the environment.


Prerequisites: ECON 251, 252, and some familiarity with statistical analysis. Enrollment limit 20, expected 20.

Preference given to senior economics majors.

OLNEY

ECON 360 International Monetary Economics (Not offered 2013-2014)

This course studies the macroeconomic behavior of economies that trade both goods and assets with other economies: international financial transactions, especially the buying and selling of foreign money, the role of central banks and private speculators in determining exchange rates and interest rates, and the effects of international transactions on the overall performance of an open economy. Additional topics may include the “asset market approach” to exchange rate determination, the nature and purpose of certain interna-
Enrollment limit: 20 (expected: 20) Preference given to senior Economics majors.


Prerequisites: ECON 110 and 255 or permission of the instructor. Enrollment limit: 25. Preference given to senior majors and CDE Students.

Hour: 8:30-9:45 TR LEIGHT

ECON 362(F) Global Competitive Strategies
This course examines the ways in which a country’s factor endowments, domestic market characteristics, and government policies promote or impede the global expansion of its industries and corporations. First, actual trade and investment decisions of multinational corporations are analyzed and compared to the predictions of international trade theory. Second, competitive strategies of indigenous and foreign rivals in U.S., Pacific rim, and European markets are explored. Third, the efficacy of government policies in promoting the competitiveness of industries in global markets is discussed: Case studies of firms, industries, and countries will be utilized.

Format: lecture/discussion. Requirements: a research paper and exam(s).


Hour: 7:00-9:40 p.m. M FORTUNATO

ECON 363(F) Money and Banking
This course first explores the role of the financial system and financial markets, and how they interact with the economy. What does finance do? How are asset prices determined, and how are these prices related to interest rates? Are financial markets efficient, and are the implications of their efficiency or lack thereof? How does the financial system help with the management of risks faced by society? Second, it analyzes the role of the central bank and the conduct of monetary policy. How do central banks set monetary policy and how do those policies affect the economy? How does monetary policy change when interest rates are (virtually) zero? Third, it studies the complexities associated with managing and regulating modern financial instruments and markets. Why are financial crises so common, and why has regulation not succeeded in preventing them? Through-out the impact of incentives on the shape and evolution of the financial system will be stressed.


Hour: 11:00-12:15 MWF CAPRIO

ECON 374T Poverty and Public Policy (Not offered 2013-2014) (W)
Since 1965, the annual poverty rate in the United States has hovered between 10 and 15 percent, though far more than 15 percent of Americans experience poverty at some point in their lives. In this course, we will study public policies that, explicitly or implicitly, have as a goal improving the well-being of the poor in this country. These policies include safety net programs (e.g. Social Security, Medicare, Medicaid), education programs (Head Start and public primary and secondary education), and parts of the tax code (the Earned Income Tax Credit). We will explore the design and functioning of these programs, focusing on questions economists typically ask when evaluating public policy: Does the policy achieve its goals? Does the design of the policy lead to unintended effects (either good or bad)? Could it be redesigned to achieve its goals in a more cost-effective manner? Through in-depth study of these programs, students will learn how economists bring theoretical models and empirical evidence to bear on important questions of public policy.

Format: tutorial. Evaluation will be based on six 5- to 7-page papers and on the quality of the student’s oral presentations and commentary on the work of his/her colleagues.

ECON 253 or 255 or STAT 346 or permission of the instructor. Enrollment limit: 10 (expected: 10). Preference given to majors if enrolled.

Hour: 7:00-9:00 p.m. M FORTUNATO

ECON 375Q Long-Run Perspectives on Economic Growth (Not offered 2013-2014) (Q)
The world today is marked by vast inequalities, with about a 30-fold difference in per capita incomes between the poorest country and the most affluent. What explanations do long-run growth economists have to offer for these differences in levels of prosperity? Are the explanations to be found in underlying differences between countries during the past few decades? Or the past few centuries? Or the past few millennia? If contemporary differences in living standards have origins that are hundreds or even thousands of years in the past, what scope exists for policies to reduce global inequality? Can we expect these inequalities to be reduced gradually over time through natural economic processes, or are they likely to persist unless action is taken to reduce them? This course will present a unified theory of economic growth for thinking about these and related questions. Examples of issues to be covered include, amongst others, Malian stagnation in pre-industrial societies, the importance of the demographic transition and human capital formation in the process of industrialization, the role of colonialism, slavery and ethnic fragmentation in shaping modern institutions, and the long-lasting effect of geography through its impact on the emergence of agriculture in early human societies.

Hour: 7:00-9:40 p.m. M FORTUNATO

ECON 380T Population Economics (Same as Economics 519)
This course provides an introduction to the economic analysis of demographic behavior and the economic consequences of demographic change. An important aim is to familiarize students with historical and contemporary trends in fertility, mortality, migration, and family composition, and the implications of these trends for the economy. The course demonstrates the application of microeconomic theory to demographic behavior, including fertility, marriage, and migration. Theoretical and empirical techniques of demographic measurement and mathematical demography, and selected topics include the economic consequences of population growth in developed countries, the economics of fertility and female labor force participation, the effects of an older age structure on the social security system, and the relationship between population growth and natural resource depletion.

Format: lecture. Requirements: problem sets, midterms, and a research paper.

Prerequisites: ECON 251 and 252 or permission of the instructor, familiarity with econometrics (ECON 255) will be helpful but not essential. Enrollment limit: 25 (expected: 25). Preference given to junior and senior Economics majors.

May not be taken on a pass/fail basis; not available for the Gaudino option.

Hour: 1:10-2:25 MR ASHRAF

ECON 383 Cities, Regions, and the Economy (Not offered 2013-2014)Cities and urbanization can have significant impacts on the economy. In many developed economies, a process of regional decline is associated with older, industrial cities. In developing countries, the process of economic growth is generally associated with increasing urbanization. Urbanization, with its increasing concentration of population and productive assets, puts particular pressure on markets to allocate resources for provision of land, housing, transportation, labor and goods. Urbanization can alter the productivity of land, labor, and capital in ways that can improve the welfare of residents and the performance of the broader economy. In this course we will examine these conflicting economic forces and examine some recent evidence of relations between regional development and climate change, and the role of the urban structure plays in these processes. We will examine the function of land, housing, transportation, and labor markets in the urban context, and the scope for public policies to improve the performance of the regional economy.

Format: lecture/discussion. Requirements: two midterms and a research paper.


S. SHEPPARD

ECON 384F Corporate Finance (Q)
This course analyzes the major financial decisions facing firms. The course takes the perspective of a manager making decisions about both what investments to undertake and how to finance these investments. Topics include capital budgeting, links between real and financial investments, capital structure choices, dividend policy, and firm valuation. Additional topics may include issues in corporate governance and corporate restructuring, such as mergers and acquisitions. The course will emphasize the underlying economic models that are relevant for these decisions.

Format: lecture/discussion. Requirements: class participation, problem sets, short quizzes, short projects such as case write ups, a midterm exam, and a final exam.

Prerequisites: ECON 251, 252, and some familiarity with statistics (e.g., ECON 253 or 255).

Enrollment limit: 20 (expected: 20) Preference given to senior economics majors.

Hour: 8:30-9:45 MWF GENTRY
ECON 385  Games and Information (Not offered 2013-2014) (Q)
This course is a mathematical introduction to strategic thinking and its applications. Ideas such as Nash equilibrium, commitment, credibility, repeated games, incentives and signaling are discussed. Examples are drawn from economics, politics, history and everyday campus life. Applications include auctions, labor contracts, debt relief, and corruption.
Format: lecture/discussion. Requirements: exams, problem sets and a substantial final project that involves modeling a real world situation as a game.
Prerequisites: ECON 251; MATH 150 (formerly 105) (or permission of the instructor). Enrollment limit: 25 (expected: 25).

RAI

ECON 386  Environmental Policy and Natural Resource Management (Same as ECON 518 and ENVI 386) (Not offered 2013-2014) (Q)
Policymakers in the US and developing countries struggle to manage natural resources and to protect the environment from excessive degradation while attending to pressing human needs. Economics has a rich body of advice to help achieve these goals. In this course, we will study environmental policy and natural resource management from a microeconomic (and, to a lesser extent, macroeconomic) perspective. We will explore relevant economic theory, look for empirical evidence in scholarly studies, and study actual policies as they have been implemented. The course is undergirded by concepts like sustainability, welfare within and across generations, market failure, and valuation of environmental goods. Topics include: the environmental Kuznets curve, the tragedy of the commons, technology transfer, environmental taxes, and market-based approaches to pollution control.
Format: seminar. Requirements: problem sets, paper, brief presentation, a midterm, and a final exam.
Prerequisites: ECON 251, familiarity with statistics. Enrollment limit: 23 (expected: 20). Preference given to senior majors and CDE fellows.

ECON 388(S) Urbanization and Development (Same as ECON 517 and ENVI 388)
At current rates of growth, the combined population of urban areas in developing countries will double in the next 30 years. The land area devoted to urban use is expected to double even more quickly. The costs of providing housing and infrastructure to accommodate this growth are enormous, but the costs of failing to accommodate urban development may be even larger. The decisions made in response to these challenges will affect the economic performance of these countries and the health and welfare of the urban residents. By affecting global patterns of energy use, these decisions will have broader impacts on the entire planet. This course will focus on these challenges. What are the economic forces that drive the process of urbanization, and how does the process of urbanization affect economic development? How do policies towards housing, transportation, public finance and development affect urbanization? What policy choices are available, and which are most likely to succeed in dealing with the challenges of urban growth?
Format: lecture/discussion. Requirements: a midterm and a final exam, plus a paper that evaluates specific problems, policy alternatives, and provides some analysis of relevant data.
Prerequisites: ECON 251 plus 253, 255, 502 or 503. Expected enrollment: 20. Undergraduate enrollment limited and requires instructor's permission.
Hour: 7:00-9:40 p.m. M

S. SHEPPARD

ECON 390T  Financial Crises: Causes and Cures (Not offered 2013-2014) (W)
Financial crises have been with us for as long as banking has existed. Why are crises such a regular fixture of societies, and what can be done to prevent them, or at least reduce their cost? Topics examined include bubbles and swindles, especially when these spill over to the broader macroeconomy; the role of information in banking in normal times and in bank runs; crises in asset markets; international contagion; crisis resolution techniques; and the extensive history of attempts to improve regulation so as to reduce the frequency and cost of crises. Crises in developing and developed economies in the 19th, 20th and 21st centuries will be examined, and the role of political economy factors in their run-up and resolution will be featured.
Format: tutorial. Requirements: students will write 5-6 papers during the term, and will prepare and deliver formal comments on 5-6 papers written by other students.
Prerequisites: ECON 252, and 253/255. Enrollment limit: 10 (expected: 10). Preference given to senior Economics majors. May not be taken on a pass/fail basis; not available for the Gaudino option.

CAPRIO

ECON 391T  Economic Analysis of Housing Markets (Not offered 2013-2014) (W)
Housing is one of the most basic of human needs and the housing market is one of the largest, most important and most heavily regulated markets in national economies around the world. At various times, economists, policymakers and residents in the developed world have advocated for changes to the structure of the housing market as irrational and malfunctioning in a variety of ways. Why? In this tutorial we will explore and analyze the workings of the housing market. In what ways do housing markets differ from other markets? Why (and how often) do house price “bubbles” occur? How do mortgage markets function and influence housing markets in countries around the world? In what ways can housing and housing conditions serve as an indicator of quality of life? How do housing markets affect the sustainability of cities? These and other questions will be the focus of reading and discussion for the course.
Format: each student will write a paper every other week, and comment on his/her partner’s work in the other week.
Prerequisites: ECON 251 and 255 or permission of the instructor. Enrollment limit: 10 (expected: 10). Preference given to Economics majors.
S. SHEPPARD

ECON 392  Finance and Capital Markets (Not offered 2013-2014) (Q)
This course gives a survey of financial markets and currency trading. We begin by exploring the role of capital markets in the flow-of-funds between savers and investors, their role in a risk-averse world and the 1998 Asian financial crisis. This course will cover these and other questions related to the economic development of Europe from the early modern period until today. We will investigate how institutional change, technology, industrialization, social welfare policies, trade policies, currency and trade unions such as the EEC and NAFTA, and international policy coordination issues among the G7 and members of the International Monetary Fund more broadly.
Format: lecture/discussion. Evaluation will be based on problem sets, midterms, final, a project and class participation.
Prerequisites: ECON 251 and either STAT 101 or 201 or ECON 253 or ECON 255. Enrollment limit: 25 (expected: 25). Preference given to Economics majors.

ECON 393  International Macroeconomics (Not offered 2013-2014)
This course examines the workings and interactions among national economies in the global arena and the implications for macroeconomic policy analysis. Topics include analysis of international financial systems, monetary and fiscal policies, international capital flows and the transmission of business cycles internationally. A series of both factual and counterfactual case studies are developed in class and used to study the implications for central bank exchange rate policies, monetary policies, trade policies, currency and trade unions such as the EEC and NAFTA, and international policy coordination issues among the G7 and members of the International Monetary Fund more broadly.
Format: lecture/discussion. Requirements: two midterm exams and one final term paper focused on an international macro policy topic of the student's choice.
Prerequisites: ECON 252 (Intermediate Macro). Enrollment limit: 20 (expected: 15). Preference given to Economics majors, and particularly to those wishing to write an honors thesis in related areas of interest.

P. PEDRONI

ECON 394(F) European Economic History
Why did modern economic growth first occur in Europe, and not in China or the Middle East? Why did the Industrial Revolution occur in Britain and not France? Why did the economy of the Soviet Union collapse in the 1980s? What drove European economic integration? This course will explore these and other questions related to the economic development of Europe from the early modern period until today. We will investigate how institutional change, technology, industrialization, social welfare policies, trade and globalization, and government intervention have affected the process of economic growth. Drawing on a wide variety of empirical and theoretical readings, the perspective of the course will be comparative, both across Europe and to the experiences of developing countries today.
Format: lecture/discussion, and a final research paper.
Prerequisites: ECON 251 or 252 AND either 253, 255, or equivalent. Enrollment limit: 25 (expected: 25).
Hour: 11:20-12:35 TR

NAZFIZER

ECON 397(F), 398(S) Independent Study
Students are invited to apply to undertake independent study on subjects of their own choosing. Interested students should consult with a faculty member about designing an appropriate project well in advance of spring registration.
With permission of the department, an approved project may count as one of the two advanced electives required for the major.
Prerequisites: consent of an instructor and of the department chair.
Hour: TBA

Members of the Department

ECON 451  Topics in Macroeconomics (Not offered 2013-2014)
This seminar explores different topics in macroeconomics, including economic growth, saving and investment, business cycle fluctuations, monetary policy, and financial crises. The first part of the course focuses on long-run economic growth. Using economic theory and evidence, we will attempt to answer some of the most important questions in all of economics: What are the growth consequences of sustained budget deficits? Understanding the behavior of the economy in the long run is one of the key tasks of macroeconomics.
But as we have seen during the 2008-2009 financial crisis, the short run matters as well. In the second part of the class, we will turn our attention to economic downturns and financial crises. Using historical work on past crises and the accumulating evidence on the current one, we will study a host of short-run topics, including financial markets, the effectiveness of fiscal and monetary policies, consumer expectations, asset prices, employment, and productivity. Because this is an advanced class in macroeconomics, we will approach these topics by training economists working with the best possible models and empirical techniques. Students will have an opportunity to apply these methods in a required end-of-term research paper.

Format: seminar. Requirements: midterm, final, class participation and research paper.

Prerequisites: ECON 251, 252, and 255.

LOVE

ECON 453 Research in Labor Economics (Not offered 2013-2014) (Q)

The labor market plays a crucial role in people’s lives worldwide. In industrialized countries, most households contain at least one wage earner, and income from work represents the largest component of total income. Thus analyses of the labor market are fundamentally relevant to both public policy and private decision-making. This seminar will explore the structure and functioning of the labor market using theoretical and empirical tools. Topics to be covered include labor supply and demand, minimum wages, labor market effects of social insurance and welfare programs, the collective bargaining relationship, discrimination in labor markets, poverty, labor mobility, public sector labor and unemployment. As labor economics is an intensely empirical subject, students will be expected to analyze data as well as study the empirical work of others.

Format: seminar. Requirements: a series of short papers and exercises, constructive contributions to class discussion, class presentations, and a 15- to 20-page research paper (written in stages).

Prerequisites: ECON 251 and 255 or ECON/POEC 253. Enrollment limit: 19 (expected: 19). Preference given to senior Economics majors.

May not be taken on a pass/fail basis; not available for the Gaudino option.

SHORE-SHEPPARD

ECON 455 Research in Economic History (Not offered 2013-2014)

Historical approaches to understanding current economic issues are increasingly in vogue. History not only offers laboratories for investigating economic phenomena, but it often provides the empirical material for testing economic theories and analyzing policy decisions. This seminar will explore recent works in economic history, all of which speak to a current debate in the broader economics profession. Topics to be covered include the role of political change in economic development, education and human capital accumulation, technology and innovation policies, and the evolution and workings of global factor markets. The focus of the seminar will be on how economic historians marshal evidence and utilize empirical tools of economics to investigate questions of a historical nature that have modern implications. Students will be expected to not only analyze recent scholarship in economic history, but they will produce and present their own original research over the semester.

Format: seminar. Requirements: short reading responses and empirical exercises, constructive contributions to class discussion, class presentations, and a 15- to 20-page research paper (written in stages).

Prerequisites: ECON 251 and ECON 255 or ECON/POEC 253. Enrollment limit: 19 (expected: 19). Preference given to senior Economics majors.

May not be taken on a pass/fail basis; not available for the Gaudino option.

NAFFZIGER

ECON 456(F) Income Distribution

This course examines the distribution of income in the U.S., with particular emphasis on how it is affected by taxes, transfers, and other government programs. Most of the course will focus on the income distribution, where the role for policy is greatest. Questions to be addressed may include the following: What are the causes and consequences of poverty? How do welfare, the minimum wage, and the EITC affect those in poverty? How does discrimination affect the incomes of various demographic groups? What are the effects of affirmative action? How much mobility is there across the income distribution? What explains the recent growth in income at the top of the distribution, and the resulting increase in inequality?

Format: seminar/discussion. Requirements: short writing assignments, computer lab exercises, oral presentations, and a final research paper.

Prerequisites: ECON 251 and 253 or 255 or equivalent. Enrollment limit: 19 (expected: 19). Preference: senior Economics majors.

Hour: 11:20-12:35 TR

ECON 457 Public Economics Research Seminar (Not offered 2013-2014)

In this class, students will learn how to read, critically evaluate, and begin to produce empirical research on important and interesting public policy questions. Topics will be selected from across the spectrum of public economics issues and may vary from year to year. Examples of specific topics that may be covered include education, environmental policy, taxation, income inequality, anti-poverty policy, health care policy, the economics of crime and corruption, and the implications of behavioral economics and psychology for public policy (we will typically only cover a subset of these topics). Applications will be drawn mostly from the United States but we will also consider some issues and evidence from other industrialized and developing countries. The course will especially emphasize the critical analysis of empirical evidence on public policy questions.

Format: a mix of lecture, seminar discussion, and time in a computer lab learning to work with data and estimate econometric models. Requirements will include a 15- to 20-page research paper (written in stages) that is a combination of a research proposal and an original empirical analysis of data, a series of short papers and empirical exercises, and regular constructive contributions to class discussion.

Prerequisites: ECON 255, ECON 251, and ECON 120. Enrollment limit: 19 (expected: 19). Preference will be given to senior Economics majors.

BAKDA

ECON 458(S) Economics of Risk

Risk and uncertainty are pervasive features of economic decisions and outcomes. Individuals face risk about health status and future job prospects. For a firm, developing new products is risky; furthermore, once a product has been developed, the firm faces product liability risk if it turns out to be unsafe. Investment decisions—from managing a portfolio to starting a business—are also fraught with uncertainty. Some risks are environmental—both manmade problems and natural disasters; other risks include the possibility of terrorist attack and, more locally, issues of campus safety. This tutorial explores both the specific market responses to risk (e.g., financial markets, insurance markets, private contracting, and precautionary investments and saving) and government policies towards risk (e.g., regulation, taxation, and the legal system). From a theoretical standpoint, the course will build on expected utility theory, diversification, options valuation, principal-agent models, contract theory, and cost-benefit analysis. We will apply these tools to a wide variety of issues such as those listed above. One of the main themes across the disparate topics will be the role of information and asymmetry. Students will be expected to read and synthesize a variety of approaches to risk and uncertainty and apply them to various issues.

Format: tutorial; will meet with the instructor in pairs in each week. Requirements: each student will write a paper (or do a short project) every other week, and comment on his or her partner’s work in the other weeks. The final two weeks will be reserved for applied projects of the student’s choice. One of the papers during the term will be revised to reflect feedback from the instructor and the student’s peers.

Prerequisites: ECON 251, 252, and ECON 253 or 255. Enrollment limit: 10 (expected: 10). Preference to senior majors.

May not be taken on a pass/fail basis.

Tutorial meetings to be arranged.

GENTRY

ECON 459 Economics of Institutions (Not offered 2013-2014)

Why are some countries rich and others poor? There are numerous candidate explanations emphasizing factors ranging from demography to technological innovation to unequal international relations. However, some economists like Douglass North and Mancur Olson have argued that beneath the profusion of proximate causes the quality of a country’s “institutions” fundamentally determines its economic prospects. The word “institutions” is used broadly; it can refer to micro-structures like households or macro-structures like the state. The course will survey the literature on institutions and economic development, discussing both developed and developing countries. Readings will largely consist of published journal articles and unpublished work of similar quality. Students should expect to use microeconomic theory and econometrics learned in previous courses.

Format: seminar. Evaluation will be based on four short papers of 7-10 pages each.

Prerequisites: ECON 251, ECON 253 or 255 or the equivalent; students who have already taken ECON 502 will not be admitted. Enrollment limit: 19 (expected: 19). Preference will be given to senior Economics majors.

SWAMY

ECON 460(S) Economic Development of China

This course is an introduction to the economic development of China in the post-1978 period. It seeks to provide an overview of the process by which China grew from an economic backwater to the second largest economy in the world, with a particular focus on rural development and the growing gap between rural and urban incomes; human capital and economic growth; and gender in the Chinese context. In addition, the course has the goal of familiarizing students with current economic research on Chinese topics and enabling them to be informed consumers of this research.

Format: seminar. Requirements: in-class quizzes, literature critique, individual project comprising a presentation and final paper.

Prerequisites: ECON 251 and 255. Enrollment limit: 19 (expected: 19). Preference given to senior majors.

Hour: 11:20-12:35 TR

LEIGHT

ECON 461(S) Computable General Equilibrium (CGE) Modeling (Same as ECON 526)

The Computable General Equilibrium (CGE) model is an important tool for applied policy work. CGE models are the primary tool for many government agencies when evaluating policy alternatives and are also used extensively by various NGO’s when deciding aid and policy recommendations. The great advantage of these models is that they capture the general equilibrium feedback effects of policy proposals on various sectors of the economy. This is of great importance to applied work, as this allows the identifica-
tion of the winners and losers from potential policies. The class will begin with a general overview of CGE models. This overview will be rigorous and mathematical. This course will analyze the role of government and donors in equalizing financial access through subsidies or targeting. Finally, we shall explore how microfinance can empower women within the household. Readings include current empirical and theoretical research in development economics. This course is an EDH course because it critically analyzes how microfinance interventions can reduce inequality both within and across households. Format: seminar. Requirements: periodic homework assignments, midterm exam, term paper. Prerequisites: ECON 252 and ECON 255 (or equivalent). Enrollment limit: 10 (expected: 10). Preference: registration to students with strong math backgrounds, and to students intending to write an honors thesis. May not be taken on a pass/fail basis; not available for the Gouldino option. P. PEDRONI

ECON 473 Microfinance (Same as ECON 520) (Not offered 2013-2014) (Q) (D)

Unequal access to finance (loans, savings, insurance) contributes to the persistence of poverty in developing countries. We review evidence that the entrepreneurial poor lack access to finance and that access to credit is tied to income. We discuss how repayments can be enforced even when borrowers do not have collateral. We discuss how recent innovations in micro-insurance can reduce vulnerability. We will study the role of governments and donors in equalizing financial access through subsidies or targeting. Finally, we shall explore how microfinance can empower women within the household. Readings include current empirical and theoretical research in development economics. This course is an EDH course because it critically analyzes how microfinance interventions can reduce inequality both within and across households. Format: seminar. Requirements: problem sets, midterm, final project and presentation. Prerequisites: MATH 150 (formerly 105) or equivalent, ECON 251. Enrollment limit: 19 (expected: 19). Preference given to senior Economics majors. Hour: 2:35-3:30 MR

ROLLEIGH

ECON 475(S) Development Successes (Same as ECON 531T) (Not offered 2013-2014) (W)

Although living standards in most of the world’s poor countries have increasingly fallen behind those of the rich industrial countries, a relatively small number of countries that were quite poor in the middle of the last century have achieved dramatic improvements in their incomes since then. These development successes include countries such as Japan, the four dragons (Hong Kong, Korea, Singapore, and Taiwan), the MIT economies (Malaysia, Indonesia, and Thailand), the Asian giants of China and India, as well as non-Asian economies as diverse as Botswana, Chile, and Turkey. This tutorial will explore why these countries have apparently succeeded where many other poor countries have failed. A particular focus of the course will be on examining the experiences of these success cases about the broad development strategies that have been advocated over the past 50 years by scholars as well as by the international financial institutions. Format: tutorial. Methods of evaluation: students will write five papers during the term, and will prepare and deliver formal comments on five papers written by other students. Prerequisites: ECON 204 or 501. Enrollment limit: 10 (expected: 10). Preference given to senior Economics majors. Admission requires permission of the Instructor: MONTIEL

ECON 476(S) Your Money or Your Life: Health Disparities in the United States

A 25-year-old man living in a high-income household can expect to live 10 years longer than his low-income counterpart. There are also stark differences in mortality and health by education, employment status, race, immigrant status, region, and gender. This course will explore many of the potential explanations for health disparities, including access to insurance and health care, health behaviors, stress, environmental exposure, and intergenerational transmission of health. We will emphasize causal inference and focus on assessment of evidence. We will also attempt to locate how to ameliorate disparities in the U.S. Format: seminar. Course will include frequent small group meetings, a computer lab, and a poverty simulation. Evaluation includes class discussion, oral presentations, 4 short response papers, two 5-page critiques of published articles, and one 15-page original empirical research paper. Prerequisites: ECON 251 and ECON 255 or equivalent, or permission of instructor. Enrollment limit: 19 (expected: 19). Preference given to senior Economics majors. Hour: 1:10-2:25 MR

CAPRIO
GRADUATE COURSES IN DEVELOPMENT ECONOMICS

Juniors and seniors majoring in Economics or Political Economy may, with the permission of the instructor, enroll in graduate courses given by the Center for Development Economics (described below). These courses can substitute for electives numbered 350-395 in the major.

ECON 501(F) Development Economics I
The course examines concepts, tools, and models in contemporary economic theory that have proved relevant to development problems, and their application in economic policymaking. Topics include growth processes and structural change; investment and sources of saving; capital, labor, and technological progress; policies for public, private, and foreign investment; planning; fiscal policy; and the design of monetary and exchange rate policies for reducing poverty and inequality.
Prerequisites: ECON 251 and 252, Undergraduate enrollment limited and requires instructor's permission.
Hour: 9:35-11:10 TR

ECON 502(F) Statistics/Econometrics
This course provides a systematic introduction to basic econometric theory and data together to provide empirical guidance for policy formulation, including use of computers in econometric analysis. This course covers techniques of econometric analysis using a moderate level of mathematical exposition.
Admission to 502 depends on previous background in statistics and mathematics. Enrollment limited to CDE students.
Hour: 8:30-9:45 TR

ECON 503(F) Statistics/Econometrics: Advanced Section
This course focuses on basic methods of bringing economic theory and data together to provide empirical guidance for policy formulation, including use of computers in econometric analysis. This course covers techniques of econometric analysis using a more mathematical exposition.
Format: lecture/discussion. Requirements: problem sets, two mid-term exams, and a final project.
Prerequisites: admission depends on previous background in statistics and mathematics; enrollment limited to CDE students. Expected enrollment: 15.
Hour: 11:20-12:35 TR

ECON 504(F) Public Economics
This class is about microeconomic and empirical analysis of government expenditure programs in developing and transitional countries. It provides tools for understanding the effects of government policies, as well as a useful conceptual framework for analyzing normative questions such as "what role should government play in the economy" and "what is a good policy?" The course begins by considering the efficiency of market economies, and rationales for government intervention in the market, such as public goods, externalities, instability, imperfect competition, and equity. We also consider ways that human behavior might deviate from perfect rationality, and what that might imply for policy. Along the way, we apply these concepts to various examples of policy issues, including, among other things, the environment, education, health, infrastructure, security, social insurance, and aid to the poor. We then turn to the general question of how to make the government work better, addressing questions such as the following. When is it better to have the government own and produce things, and when is it better to privatize? What are the incentives of politicians and government employees, and how do the design of political and budgetary institutions affect the degree to which they serve the public interest? How should responsibilities be divided up between the central government and local governments, and what are the advantages and disadvantages of "decentralization?" What can be done to improve the delivery of basic services? For example, how might one address problems of corruption and absenteeism? Throughout the course, we consider examples of empirical research, and to facilitate this, we will occasionally introduce econometric tools that are particularly useful for microeconomic policy evaluation.
Format: lecture and discussion. Requirements: problem sets, one 10-page paper, mid-term, and a final exam.
Prerequisites: ECON 110; in addition, an empirical methods course (ECON 253, 255, 502 or 503, or STAT 346) must be taken before or concurrently with this class; undergraduate enrollment limited and requires instructor's permission. Students who have previously taken Econ 205 will not be enrolled. Enrollment limit: 30 (expected: 25-30). Undergraduate enrollment limited and requires instructor's permission.
Hour: 11:00-12:15 MWF

ECON 505(F) Developing Country Macroeconomics
This course focuses on the relationship between macroeconomic policies and economic growth in developing countries. After examining the links between macroeconomic stability and long-run growth, the rest of the course is divided into three parts. The first part is devoted to the construction of an analytical model that is suitable for analyzing a wide variety of macroeconomic issues in developing countries. This model provides the general framework for a more specific analysis of fiscal and monetary policies in the two remaining parts of the course. Understanding fiscal policy, the course will consider in particular the requirements of fiscal solvency and the contribution that fiscal policy can make to macroeconomic stability. It will also examine alternative methods for achieving fiscal credibility, including the design of fiscal institutions. The final part of the course will turn to an analysis of central banking, focusing on central bank independence, time consistency of monetary policy, and the design of monetary policy rules in small open economies.
Format: lecture. Requirements: two hour tests and a comprehensive final exam.
Prerequisites: ECON 251 and 252. Expected enrollment: 25-30. Undergraduate enrollment limited and requires instructor's permission.
Hour: 8:30-9:45 MWF

ECON 506 Fundamentals of Developing Country Macroeconomics (Not offered 2013-2014)
This class covers the basic principles of macroeconomics, with an emphasis on the issues facing for developing, transition, and emerging market economies. The course begins with an introduction to core macro concepts and definitions. It then looks at the sectors and institutions that play major roles in the economy: households, businesses, the external sector, the fiscal authority, and the central bank. It goes on to develop a simple analytical framework for thinking about economic performance and policies. The course concludes with a discussion of some of the macroeconomic problems encountered in developing economies, and some of the policies that can be used to deal with them. The class is offered as an alternative to Econ 505 for those not intending to specialize in macroeconomics. Consequently, it does not qualify as a prerequisite for Econ 515.
Format: lecture. Requirements: two hour tests and a comprehensive final exam.
No prerequisites; enrollment limited to CDE students. No enrollment limit (expected: 10).
May not be taken on a pass/fail basis; not available for the Gaudino option.

ECON 510(S) Finance and Development
This course focuses on the financial system and its role in economic development. The first part explores the functions of finance, how it contributes to growth, and reviews different models of financial sector development and their influence on how governments viewed the sector. It will examine experiences with financial sector repression and subsequent liberalization, and investigate the causes and impact of financial crises. Then it will study how to make finance effective and how to prevent or minimize crises, analyzing government’s role as regulator, supervisor, standard setter, contract enforcer, and owner. In this final part, attention will be devoted to the role of institutions (laws, norms, culture) and incentives in financial sector development.
Format: lecture and discussion. Requirements: midterm, group presentation, short critique, and a final exam.
Prerequisites: for undergraduates, POEC 253 or ECON 255; undergraduate enrollment limited and requires instructor’s permission. Enrollment limit: 30 (expected: 25-30). Undergraduate enrollment limited and requires instructor's permission.
Hour: 11:00-12:15 MWF

ECON 511 Institutions and Governance (Not offered 2013-2014)
Over the last two decades economists have become increasingly aware of the importance of the “social infrastructure” at various levels of economic activity: capable and honest government officials; efficient financial institutions; markets that provide reliable information for contract enforcement. Even the structure of the household, the smallest institution analyzed by economists, has been shown to have an important influence on economic development. This course will survey the growing literature on institutions and governance.
Format: lecture and discussion. Evaluation will be based on several short assignments, and a longer final paper.
Prerequisites: at least one among ECON 253, ECON 255, ECON 502, ECON 503, STAT 346; requires permission of instructor; students who have previously taken ECON 459 will not be enrolled. Enrollment limit: 19 (expected: 19).
ECON 513(S) Empirical Methods in Macroeconomics (Q)
Macroeconomics and related fields in international finance and development have evolved specialized empirical techniques, known generally as macroeconometrics, which are designed to meet the practical challenges that the data and the empirical questions pose in these fields. The course will introduce the theory and application of these techniques, and students will learn how to implement these techniques using real world data to address practical questions drawn from the fields of macro, international finance and development. Topics to which these techniques will be applied include business cycle analysis and forecasting, sources of exchange rate volatility and determinants of long run economic growth. Computer work and programming will be an important and integral part of the course, but no previous training is expected. Economists majors who are considering writing an honors thesis on related topics are encouraged to enroll in this course during the spring semester of their junior year. Students studying abroad during their junior year may nonetheless take this course during their senior year.
Format: Seminar. Requirements: Short empirical projects, midterm, term paper.
Prerequisites: ECON 252, ECON 255 or equivalent, and ECON 393 (360 may substitute for 393). Not open to students who have taken ECON 471. Enrollment limit: 19 (expected: 19). Preference will be given to senior Economics majors and CDE fellows.
Hour: 7:35-8:50 TR
P. PEDRONI

ECON 514(S) Tax Policy in Emerging Markets (Q)
Taxes are half of what government does. So if you are interested in what government policy can do to promote efficiency, equity, and economic development, you should be interested in tax policy. Governments must raise tax revenue to finance critical public goods, address other market failures and distributional issues, and to avoid problems with debt and inflation. Taxes typically make up anywhere from ten to fifty percent of a country’s income, they profoundly affect the incentives to undertake all varieties of economic activity, and impact on a wide range of economic outcomes, including wealth, growth, and inequality, among others. The stakes involved in improving tax policy are quite large. All of these issues are of great importance in developing and transitional countries (also known as “emerging markets”), but in these nations taxation is especially challenging because of serious problems with tax evasion and administration, among other things. This class provides an in-depth exploration of tax policy, with an emphasis on the challenges and issues most relevant in emerging markets. Topics addressed in this class include: how basic economic principles can be applied to help one think about the efficiency and equity consequences of tax policies; how personal income taxes, corporate income taxes, and value-added taxes are designed and administered and how they influence the economy; ideas for fundamental reforms of these taxes; theory and evidence in the debate over progressive taxes versus “flat” taxes; how various elements of tax design affect incentives to save and invest; how market failures may influence the optimality of different tax policies; the implications of global capital flows and corporate tax avoidance for the design of tax policy; tax holidays and other special tax incentives for investment; empirical evidence on the impact of taxes on economic growth, foreign direct investment, labor supply, and tax evasion; case studies of efforts to reform tax administration and reduce tax evasion and corruption; taxes on land and property; prescriptive taxation; the “unofficial” economy and its implications for tax policy; tax policy towards natural resources such as minerals and oil; taxes on imports and exports; non-tax methods of raising revenue; and political economy considerations in tax policy.
Prerequisites: One public economics course or microeconomics course (ECON 304 or ECON 110), and one empirical methods course (POEC 253 or ECON 255, 510, or 511); students who have previously taken ECON 351 will not be enrolled. Enrollment limit: 19 (expected: 15-19). Preference given to CDE students, but undergraduates with the prerequisites are welcome.
Hour: 11:10-12:25

BAKIIJA

ECON 515(S) Developing Country Macroeconomics II
This lecture course is a continuation of ECON 505. The first part of the course extends the analysis of the first semester to several open-economy issues that arise in developing countries, especially with respect to the interactions among exchange rate regimes, monetary policy regimes, and policies directed at the financial account of the balance of payments. The second part of the course will apply these analytical tools, as well as those developed in ECON 505, to an examination of the various types of crises that have afflicted developing countries over the past three decades, considering in particular the implications of such crises for growth and development.
Format: Lecture. Requirements: Two midterms and a final project.
Prerequisites: ECON 505. Expected enrollment: 25-30. Undergraduate enrollment limited and requires instructor’s permission.
Hour: 8:30-9:45 MW

KUTTNER

ECON 516 International Trade and Development (Not offered 2013-2014)
This course will examine the causes and consequences of international trade and its implications for less developed countries. We will examine a few models of international trade and the empirical relevance of these theories. In addition, international economic issues of particular importance to developing countries will be covered, such as brain drain, remittances, foreign direct investment, trade policies, infant industry protection, trade and growth, the World Trade Organization, and the resource course.
Prerequisites: ECON 251, and familiarity with econometrics.
Undergraduate enrollment limited and requires instructor’s permission.

OLNEY

ECON 517(S) Urbanization and Development (Same as ECON 388 and ENVI 388)
(See under ECON388 for full description.)

ECON 518 Environmental Policy and Natural Resource Management (Same as ECON 386 and ENVI 386) (Not offered 2013-2014) (Q)
(See under ECON 386 for full description.)

ECON 519(S) Population Economics (Same as Economics 380)
(See under ECON 380 for full description.)

ECON 520 Microfinance (Same as ECON 473) (Not offered 2013-2014) (Q) (D)
(See under ECON 473 for full description.)

ECON 521(S) Incentives and Development Policy
Why isn’t a country using developed? This course (and instructor) is of the opinion that the difficulty of getting incentives right is the key source of inefficiency. The course therefore studies how limited enforcement and symmetric information constrain development, and about innovative development designs that attempt to overcome these constraints. The course readings will be a mix of field studies, empirical evidence and theoretical tools from game theory. Incentive and corruption problems in health, education, the regulation of banks and natural monopolies, privatization, budgeting, debt forgiveness, foreign aid, microfinance, climate treaties and ethnic violence will be studied using a unified framework.
Format: Seminar. Requirements: Two hour-long tests and a final project may be taken on a pass/fail basis; not available for the Gaudino option.
Hour: 11:20-12:35 TR

RAI

ECON 524(S) Political Economy and Economic Development (Same as ECON 361)
(See under ECON 361 for full description.)

ECON 526(S) Computable General Equilibrium (CGE) Modeling (Same as ECON 461)
(See under ECON 461 for full description.)

ECON 527(F) Topics in Urban Economics (Same as ECON 469)
(See under ECON 469 for full description.)

ECON 531(S) Development Successes (Same as ECON 467T) (Not offered 2013-2014) (W)

ECON 532(T) Inclusive Growth: The Role of Social Safety Nets
Designing and implementing effective national strategies to promote inclusive economic growth require difficult policy reforms, sometimes with adverse short-term impacts for vulnerable groups within society. Social safety nets provide a pro-poor policy instrument that can balance trade and labor market reform, fiscal adjustments (such as reduced general subsidies) and other economic policies aimed at enabling better market performance. In addition, social safety nets help the poor to cope with shocks to their livelihoods, promoting resilience, human capital development and sometimes high-return risk-taking. This tutorial will offer students the opportunity to explore the role of social safety nets in promoting inclusive economic growth, drawing on case studies from Africa, Asia, Latin America and Eastern Europe. The first part of the tutorial will define social safety nets within the broader context of social protection, examining the diversity of instruments and their linkages to economic growth. The second part will delve more deeply into the design and implementation of effective interventions, assessing program choice, affordability, targeting, incentives and other issues. The third part will analyze the role of social safety nets in supporting economic growth strategies, drawing on international lessons of experience.
Format: Tutorial. Methods of evaluation: Students will write five papers during the term, and will prepare and deliver formal commentaries on five papers written by other students. Enrollment limit: 10 (expected: 10).

LEIGHT

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LEE

MONTIEL

MONTIEL
May not be taken on a a pass/fail basis.

Tutorial meetings to be arranged.

ECON 534T(S)  Long Term Fiscal Challenges
This tutorial will address the conceptual and theoretical issues that confront policy makers when they face policy challenges that are likely to emerge only over the coming years and that have important budgetary implications. It will explore the strategies and approaches that a number of countries have attempted to develop to bring the long-term into their current policy and budgetary planning processes. Students will be exposed to different long-term challenges that have important budgetary implications, including aging populations, health care, climate change, energy and infrastructure, and water. The course will consider the specific policy challenges that arise for each and the ways in which different industrial and emerging market countries are addressing them.

Format: tutorial. Requirements: students will write five papers during the term, and will prepare and deliver formal comments on five papers written by other students. Prerequisites: permission of the instructor for undergraduates. Enrollment limit: 10 (expected: 10). Preference given to CDE students and undergraduates with permission of the instructor.

May not be taken on a pass/fail basis; not available for the Gaudino option.

Hour: TBA

HELLER

ECON 535T(S)  International Financial Institutions
This tutorial will explore the role of international financial institutions in the global economic and financial system, their relations with members, and proposals for how they might be reformed. The focus will be principally on the International Monetary Fund and to a lesser extent the World Bank, but consideration also may be given to the regional development banks, Bank for International Settlements, the Financial Stability Board, and the Paris Club used for official debt renegotiation. Topics and readings will focus on such issues as: the roles and governance reform of the IMF and World Bank; relations between the two institutions and their relations with other institutions of international finance and governance; lessons from their performance in international crises; and initiatives of the Fund and Bank in the global adjustment process, financial system stability, public and private sector governance, lending programs, the management of international reserves, and provision of advice to members. Participants will meet in pairs with the faculty member. Each week, one student will prepare a policy paper and submit the paper to the professor and to the other student in advance of the meeting. During the meeting, the student who has written the paper will present an argument, evidence, and conclusions. The other student will provide a detailed critique of the paper based on concepts and evidence from the readings. The professor will join the discussion after each participant has presented and ask questions that highlight or illustrate critical points.

Format: tutorial. Requirements: students will write five papers and deliver formal comments on 5 papers written by other students.

Open to CDE students and, with the permission of the instructor, undergraduates. Enrollment limit: 10 (expected: 10).

May not be taken on a a pass/fail basis.

TBA

TRUMAN

ECON 540(S)  Research Studies
In this course, each Fellow carries out an individual research study on a topic in which he or she has particular interest, usually related to one of the three seminars. The approach and results of the study are reported in a major paper. Research studies are analytical rather than descriptive and in nearly all cases include quantitative analyses. Often the topic is a specific policy problem in a Fellow’s own country.

Hour: TBA