

Economics 196: Special Topics in Economic Research

Fall 2011
Wednesdays, 6:00 - 9:00 p.m.
390 Hearst Mining

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Course website: http://emlab.berkeley.edu/users/webfac/eichengreen/e196_fall1/e196.shtml

Syllabus and Reading List

This course discusses recent research and policy developments. The core objective is to expose students to different aspects of research in economics and how it influences policy. The course is taught jointly by a number of faculty members in the Economics Department and by two acting instructors. This fall the course discusses developments in international economics, behavioral economics, labor economics, finance, and the economics of education. The course consists of 42 hours of lectures, 2 short papers (12-15 pages), and required weekly readings.

Learning Goals. Each student, depending on their interests and approach, will hit a number of learning goals, as set forth by the undergraduate Student Learning Initiative (USLI). For instance, some students might decide to write empirical papers that require use of data and use it appropriately (QT3-4, LL2) while other papers will be more theoretical and concentrate more on PS1-2. At the very least, through the writing assignment, students will get exposed to CS1-2, CT3-4, QT1-2. For details on learning goals see http://emlab.berkeley.edu/econ/ugrad/ugrad_goals.shtml.

Announcements. All announcements about the course (changes in schedule, availability of posted material, links to additional readings, deadlines for assignments) will be sent by Twitter. It is students' responsibility to sign up for the course Twitter feed: [Economics196@twitter.com](https://twitter.com/Economics196).

Office Hours. The instructor's office hours are on Wednesday 1:00-3:00 PM, in 603 Evans Hall. Please make an appointment by emailing Cheryl Applewood at capplewood@berkeley.edu or calling 643-9044.

Acting Instructors.

Vladimir Asriyan: vasriyan@gmail.com
Office hours: Wednesdays 2-4 p.m., 608-5 Evans.

John Mondragon: jnm@econ.berkeley.edu
Office hours: Tuesdays 2-4 p.m., 608-1 Evans

Admission. The instructor and GSIs do not have the power to admit students (or to readmit you if you are dropped). Students seeking admission should consult the following website for instructions: <http://emlab.berkeley.edu/econ/ugrad/enrollmentproc.shtml>. Economics Department policies and not your instructor and GSIs determine admissions priorities. Please don't ask your instructor and GSIs to admit you, as this is not in their power. Ask the Economics Department's undergraduate advisor, Christina Yasi (cyasi@econ.berkeley.edu), or head GSI.

Course Materials and Readings. This syllabus is the only material that will be distributed in class. All other materials will be available exclusively on the Economics 196 web page: http://emlab.berkeley.edu/users/webfac/eichengreen/e196_fall1/e196.shtml

All readings in this syllabus have web links that should be accessible by linking to the UC Library. If you link through another computer that does not recognize your Calnet ID, you may not be able to access the material.

Term Papers. Each student will write two term papers (12-15 pages), each on a topic of their choice from the list of topics below. The first paper is due by Wednesday October 26, 2011 before 5pm. The second paper is due by Wednesday December 7, 2011 before 5:00 p.m. Each paper should meet the following guidelines:

- 12-15 pages
- 12-point Times New Roman or Arial
- 1-inch margins
- Double spacing

You will need to (a) drop a hard copy in the mailbox of the acting instructors, and (b) email an electronic copy to each of them.

Here are two important resources to help you write your paper. Both can be found on the course web site (http://emlab.berkeley.edu/users/webfac/eichengreen/e196_fall1/e196.shtml) under "Lecture Notes, Handouts and Readings":

- Guidelines for writing an economics research paper
- Data sources for empirical work.

READING LIST

August 31: Introductory Meeting

Course mechanics. Jim Church, International Documents Librarian with Doe Library's Research and Collections unit, describes library resources. Background review for September 7.

September 7: Barry Eichengreen, "The Chinese Economy: Growth and Slowdown"

Gregory C. Chow, "How and Why China Succeeded in Her Economic Reform," *China Economic Review* (1993), pp. 117-128.

<http://ideas.repec.org/a/eee/chieco/v4y1993i2p117-128.html>

Yiping Huang and Bijun Wang, "Rebalancing China's Economic Structure," in Ross Garnaut, Jane Golley and Ligang Song (eds), *China: The Next 20 Years of Reform and Development* (Brookings Institution Press for Australian National University 2010), pp. 293-312.

http://epress.anu.edu.au/china_update2010/pdf/whole.pdf

Barry Eichengreen, Donghyun Park and Kwanho Shin, "When Fast Growing Economies Slow Down: International Evidence and Implications for China," NBER Working Paper w16919 (2011).

<http://www.nber.org/papers/w16919>

September 14: Tutorial on writing research papers. Background review for September 21.

September 21: Emmanuel Saez, "Income Inequality and Tax Policy"

Atkinson, Anthony, Thomas Piketty and Emmanuel Saez, "Top Incomes in the Long Run of History," *Journal of Economic Literature* 49(1), 2011, 3-71.

<http://elsa.berkeley.edu/~saez/atkinson-piketty-saezJEL10.pdf>

Alvaredo, Facundo, Anthony Atkinson, Thomas Piketty and Emmanuel Saez, "The World Top Incomes Database." <http://g-mond.parisschoolofeconomics.eu/topincomes>

Diamond, Peter and Emmanuel Saez, "The Case for a Progressive Tax: From Basic Research to Policy Recommendations," August 2011, forthcoming in *Journal of Economic Perspectives*.

<http://elsa.berkeley.edu/~saez/diamond-saezJEP11opttax.pdf>

Piketty, Thomas and Emmanuel Saez, "How Progressive is the U.S. Federal Tax System? A Historical and International Perspective," *Journal of Economic Perspectives*, 21(1), Winter 2007, 3-24.

<http://elsa.berkeley.edu/~saez/piketty-saezJEP07taxprog.pdf>

September 28: Background review for October 5.

October 5: Jesse Rothstein, “The Economics of Education: Teacher Quality and Pay for Performance”

Hanushek, Eric and Steven G. Rivkin, "Teacher Quality," chapter 18 in *Handbook of the Economics of Education*, v. 2 (E. Hanushek and F. Welch, editors), 2006. Elsevier Press: pp. 1051-1078.
[http://dx.doi.org/10.1016/S1574-0692\(06\)02018-6](http://dx.doi.org/10.1016/S1574-0692(06)02018-6)

Rockoff, Jonah and Douglas Staiger, "Searching for Effective Teachers with Imperfect Information," *Journal of Economic Perspectives* 24(3), Summer 2010: pp. 97-118.
<http://www.aeaweb.org/issue.php?journal=JEP&volume=24&issue=3>

Measures of Effective Teaching Project, "Learning about Teaching: Initial Findings from the Measures of Effective Teaching Project." MET Project Research Paper. Seattle, Washington: Bill & Melinda Gates Foundation. http://www.metproject.org/downloads/Preliminary_Findings-Research_Paper.pdf.

Rothstein, Jesse, "Review of *Learning about Teaching: Initial Findings from the Measures of Effective Teaching Project*. 2011. Boulder, CO: National Education Policy Center.
<http://nepc.colorado.edu/files/TTR-MET-Rothstein.pdf>

October 12: First research advisory meeting. Background review for October 19.

October 19: Atif Mian, “The Great Recession: Causes and Consequences”

Author handout: http://emlab.berkeley.edu/users/webfac/eichengreen/e196_fall1/e196_fall1.shtml

Mian, Atif R. and Sufi, Amir, “The Consequences of Mortgage Credit Expansion: Evidence from the U.S. Mortgage Default Crisis” (December 12, 2008). Available at SSRN:
<http://ssrn.com/abstract=1072304>

Mian, Atif R. and Amir Sufi, “Consumers and the Economy, Part II: Household Debt and the Weak U.S. Recovery,” *FRBSF Economic Letter*, January 18, 2011.
<http://www.frbsf.org/publications/economics/letter/2011/el2011-02.html>

Mian, Atif R. and Sufi, Amir, “House Prices, Home Equity-Based Borrowing, and the U.S. Household Leverage Crisis” (May 21, 2010). Chicago Booth Research Paper No. 09-20. Available at SSRN:
<http://ssrn.com/abstract=1397607>

Mian, Atif R., Sufi, Amir and Trebbi, Francesco, “Foreclosures, House Prices, and the Real Economy” (May 15, 2011). Available at SSRN: <http://ssrn.com/abstract=1722195>

October 26: First research paper due before 5:00 p.m. Review for November 2

November 2: Enrico Moretti, “Jobs”

Moretti, Enrico, “Local Labor Markets,” *Handbook of Labor Economics*, Vol. 4, Part 2, 2011, Chap. 14, pp. 1237-1313. <http://emlab.berkeley.edu/~moretti/handbook.pdf>

Card, David, Kevin F. Hallock and Enrico Moretti, “The Geography of Giving: The Effect of Corporate Headquarters on Local Charities,” *Journal of Public Economics* 94:3-4, pp. 222-234, April 2010. <http://emlab.berkeley.edu/~moretti/hq.pdf>

Moretti, Enrico, “Local Multipliers,” *American Economic Review: Papers & Proceedings* 100 (May 2010): 1–7. <http://emlab.berkeley.edu/~moretti/multipliers.pdf>

November 9: Second research advisory meeting. Background review for November 16

November 16: Ulrike Malmendier, “Managerial Overconfidence”

Malmendier, Ulrike, Geoffrey Tate and Jon Yen, “Overconfidence and Early-life Experiences: The Effect of Managerial Traits on Corporate Financial Policies,” *Journal of Finance*, October 2011, vol. 66(5). http://www.econ.berkeley.edu/~ulrike/Papers/OCCapital_Final.pdf

Malmendier, Ulrike, and Stefan Nagel, “Depression Babies: Do Macroeconomic Experiences Affect Risk Taking?” *Quarterly Journal of Economics*, February 2011, vol. 126(1), pp. 373-416. http://www.econ.berkeley.edu/~ulrike/Papers/DepressionBabies_59.pdf

Malmendier, Ulrike, and Young Han Lee, “Bidder’s Curse,” 2011.
[link to come]

November 23: Thanksgiving Holiday—no meeting

November 30: Barry Eichengreen: Review of semester’s themes

December 7: Second research paper due before 5:00 p.m.