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**Econ 3540-070**  
**Current Economic Problems**  
**Syllabus**

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Spring 2013

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Classroom  
Sandy 121  
M 6:00-9:00

Office Hours:  
Before and after class and by  
Appointment: Email or talk to me  
after class to set up a time  
convenient for you.

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*"Only a capitalism that is critical of capitalism can be a guide to successful policy for capitalism."*  
Hyman Minsky

*"The purpose of studying economics is not to acquire a set of ready-made answers to economic questions, but to learn how to avoid being deceived by economist."*

Joan Robinson & Jeannette Mitchell

### Course Outline

The purpose of this course is to discuss current economic events that characterize the world economy with a particular emphasis on US issues. Topics will attempt to encompass differing economic views of lingering theoretical questions as well as new and future economic problems. Knowledge of principles courses will be useful but is not required. A basic outline and reading list will be presented within the first week but in order to keep "current" with economic events, some readings for the course will be added throughout the semester.

Solutions to many of these economic issues will shape the world's future, but they are also politically polarizing. The economic performance over the last few years of the American economy resulted in a great deal of "new" legislation. Yet most of economic backing for these policies has had a long theoretical and practical history. This course will focus on policies recently passed and those being discussed as solutions or betterments to many economic topics facing Americans and the world community today.

### Course Objectives

Upon completion of this course students should be able to:

- Critically compare claims and evidence put forward from various schools of thought
- Analyze and understand the reason behind varying policy solutions to key economic issues. (Even if students do not agree with those policy issues or economic thinking)
- Develop and analyze views of the current world and US economies from a macro perspective.
- Understand and recognize the role of institutions and culture in shaping the economy.

### Textbook:

The required readings will be posted on the course website in Canvas. A basic reading list will be posted, but in an attempt to keep the class current, periodic updates will be made throughout the course. However if you are new to economics or seeking additional insight I strongly recommend:

- *From Financial Crisis to Stagnation* Thomas Palley, ISBN: 9781107016620

This will give an overview of course topics and will be referred to often in class.

### Prerequisites:

There are no specific requirements for this class; however, students should be familiar with basic algebra, graphs, and college-level writing.

### Assessment:

Final Grades are based on the following criteria

-Exams

Midterm	(25%)	75 Points
Final	(30%)	90 Points
-Term Policy Paper and Presentation	(20%)	60 Points
-Current Event/Blog/Debate papers (4)	(15%)	45 Points
-Reading, Attendance and Class Participation	(10%)	30 Points

### Exams:

Exams will be closed book, and will be held during our scheduled class periods, February 25, and April 15. The exam will be made up from essay questions primarily from our class readings and discussions of Current Economic Problems. The exam will be closed book/notes but I will provide a study guide for each exam 2 weeks prior when it is given.

### Term Policy Paper and Presentation:

Students will be expected to provide a short term paper (8-12 pages, double spaced) on any current economic problem including those which we have discussed in class. As you choose your topic please feel free to talk to me. The purpose of the paper will be to explore a policy issue from an economic framework and to analyze the effects of the proposed solutions. After your research has begun, pick a solution based upon the best available evidence and propose. This will be due on the final day of class April 30 8PM. This will likely be turned in via turnitin.com.

Policy Paper presentations will be given during the last two weeks of class. This assignment will demonstrate effective presentation and analytical skills, and will allow students feedback from their classmates. Presentations should achieve the following:

- Present the background and history of the issue
- Explain the economic effects associated with the issue (emphasis on evidence)
- Present the proposed solutions from both sides of the issue, including which arguments are the most persuasive (in your opinion)
- Organization will also be graded, as will visual aids to clarify your position.
- Open up the topic for questions and facilitate ensuing discussion (5 minutes)

Unfortunately presentation length will be dictated by time available but these should be professional in nature. After the class size has stabilized following the first 2-3 weeks into the course, time length and whether presentations can be in groups will be evaluated. I estimate these being 8-10 minutes per student.

## Current Events Articles (4)

For the first 3 of these papers you are required to find an economic blog or National Newspaper, Journal which concerns an issue we have or will discuss in class. Outline the economist' perspective, (if it is a blog, explain the authors earlier ideas) or main points of the article. Often with blog articles you will need to follow the author for multiple weeks to fully understand their full viewpoint. If using a blog, cite 4-5 entries. If using a journals or newspapers find 2 articles on the same subject to get various perspectives. I anticipate these to be 3-4 pages in length. These will also likely be turned in via turnitin.com.

Examples of Blogs I follow:

<http://krugman.blogs.nytimes.com/>

<http://economistsview.typepad.com/economistsview/>

<http://nakedkeynesianism.blogspot.com/>

Issues to consider when writing these papers:

How credible are the authors/evidence? What is the policy implication? What are the strengths/weaknesses to the argument? How does this fit into the economic framework we've discussed in class or what you've learned from other theoretical or principles courses? What evidence is brought up to strengthen the authors point? Finally do you agree with this article? If you agree with the author, then outline what someone who disagrees with the article may believe, or vice versa.

The fourth of these papers will be a reaction to two presentations given by your class mates, one from each day of presentations. Therefore if you are not in attendance you will not be able to react to the papers. For each presentation outline strengths and weaknesses of the policy. These will be due 2 days after the final and will roughly be 2 pages.

## Reading, Attendance and Class Participation

As a major purpose of the class is to discuss Current Problems, it is very important that you are present for these discussions. This is an easy 10% of your grade for the course and will be important for whether or not you get anything from it. The readings are to be read before class. Reading the material before class allows you to think, digest, and analyze the material; this prepares you for class and allows a discussion and examination of the concepts instead of a lecture where the author's facts and figures are just restated. This class is about thinking and analyzing issues, not just describing them. As such, our discussions are going to analyze and build on the ideas of the authors, not just restate them. Also groups of 3-4 will be organized with the purpose being to have groups present the main points of some papers. These papers will be assigned a week before presented. Periodically role will also be taken.

**Class Policies:** Students should speak with instructor in advance to request special consideration in the case of some extenuating circumstance that prevents their taking an exam or submitting an assignment at the scheduled time. Exams may only be taken the day indicated in the course schedule. Extra credit may be a possibility, and its availability will be announced in the middle of the semester. As a courtesy to everyone present, please arrive on time to class. Consistent attendance is recommended, but attendance is not taken. This syllabus is not a binding

legal contract, and the instructor may modify it when the student is given reasonable notice of the modification.

**Disabilities:** The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Olpin Union Building, 5815020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations. All information in this course can be made available in alternative format with prior notification to the Center for Disability Services." ([www.hr.utah.edu/oeo/ada/guide/faculty/](http://www.hr.utah.edu/oeo/ada/guide/faculty/))

**Faculty and Student Responsibilities:** All students are expected to maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook. Students have specific rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to Faculty Rules and Regulations, it is the faculty responsibility to enforce responsible classroom behaviors, beginning with verbal warnings and progressing to dismissal from class and a failing grade. Students have the right to appeal such action to the Student Behavior Committee.

Faculty...must strive in the classroom to maintain a climate conducive to thinking and learning. PPM 6-316. Students have a right to support and assistance from the University in maintaining a climate conducive to thinking and learning. PPM 6-400.

The instructor will convene class at the scheduled time, ensure that the environment is conducive to learning, enforce the student code, grade and return assignments and exams in a timely manner, and inform students at the beginning of class of course content, requirements, evaluation methods, grading scale, schedule, and due dates. Please contact the instructor soon with any concerns regarding the way he facilitates learning this term. Should the instructor be late for class or unable to arrive due to weather, sickness, or other reasons, the department will be notified and its representative will inform students of the situation. Students may inquire by calling the economics department at 581-7481. In the event of an absence by the instructor or any other circumstance that prevents class meetings, messages via Canvas and email will inform students of out-of-class online readings, discussions, and writing assignments that will substitute for in-class learning.

Readings	Posted on Canvas
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1. Environment

Rezai 2009, Herring 2006, Hardin 1968. Ros 2011  
Estimated Discussion- 1/7 and 1/14

2. The U S since 1980

Palley 2012 Ch. 1 and 3 Baker 2007 Ch. 1 and appendix,  
Estimated Discussion- 1/14 and 1/28

### 3. The Crisis now and Then

Hannsgen & Papadimitriou 2009, Eichengreen & O'Rourke 2010 and 2012.

No Class Discussion, Martin Luther King Jr. day- 1/21 No class discussion, read and answer questions on your own during this week.

### 4. Inequality, debt and the current crisis

Palley 2012 Ch. 4 Piketty & Saez 2003, Barba & Pivetti 2009.

Estimated Discussion- 1/28 and 2/4

### 5 The Unemployment crisis

Mishel 2011, Schitt and Jones 2012

Estimated Discussion-2/4 and 2/11

Additional: Bernstein & Romer 2009, Schmitt & Conroy 2010, Hansgen, Papadimitriou & Zizza 2011.

### 6. Fiscal policy and Recovery Length

Romer 2011, Reinhart and Rogoff 2012

Estimated Discussion- 2/11

Additional: Seidman & Lewis 2009, Perez 2010

### 7. Debt, Growth, and Fiscal Cliffs

Baker 2012, Reinhart & Rogoff 2009, Nerisyan & Wray 2010,

Estimated Discussion- 3/04

Additional: Vernengo 2011, Davidson 2010,

### 8. Monetary policy, the zero bound problem, and asset bubbles

Bernanke & Reinhart 2004, Posen 2010,

Estimated Discussion- 3/18

Additional: Hannsgen & Papadimitriou 2010, Eichengreen 2010. Palley 2012 Ch. 8

### 9. Eurocrisis

Vernengo 2011, Wolfe 2011, Hannsgen and Papadimitriou 2012

Estimated Discussion-3/25

Additional- Holland 2011, Stuart 2011

### 10. Financialization and Financial Regulation

Krippner 2005, Crotty & Epstein 2008, Palley 2012 Ch. 5

Estimated Discussion: 4/1

Additional: Palley 2007, Kregel 2009, Baker 2010.

### 11. Global Imbalances, Banking Gluts, and Globalized Finance

Estimated Discussion: 4/8

Shin 2012, Caruana 2012

Additional: Borio and Disyatat 2011, Baldwin 2012, Eichengreen 2007, Marchetti et al 2012

### Movies

Movies will be available to stream via Canvas. These are additional resources to grasping the current economic issues.

- a) Inside Job 2010 – Charles Ferguson
- b) Money, Power, and Wallstreet-2012- PBS Frontline
- c) The Warning-2010- PBS Frontline