

Economics 3540 001: Current Economic Problems.

Spring 2014, Class number 4746

Catalog Class Description: A focus on central problems in the domestic and world economy, with an emphasis on continuing problems, such as the budget and trade deficits, up-to-the-minute issues and the health of the current economy.

Course description:

This course is meant to survey the large problems of the US economy as well as the international economy. Most of this course centers on problem for the US economy but there will be a detailed discussion of the Euro-zone problems as well. Special emphasis will be placed on three broad topics (Debt, unemployment, Environment), these mega-topics will then be broken down so the student will be able to discuss and debate the more intricate details of these broad topics. A lot of time will be spent on making connections between the mega topics and the available economic tools for policy makers (monetary and fiscal policy). The student by the end of this course will not only know what option a policy maker has but also have a clearer information based opinion on the best course of action in addressing an economic problem.

Course Objectives:

There are two main lines of progression in this course.

1. **Information:** This objective begins with a student being able to find economic information needed to answer a question about the economy. It then progresses into the student being able to evaluate the quality of the information and determining how much information one needs to answer the original question. Mastery of this objective comes when the student is able to find reliable and timely information about the economy. This course is called current economic problem, however current problems are always shifting it would do little good for the instructor to teach only factual information about this semesters economic problems and leave the student unable to find economic information on their own.
2. **Economic theory:** This objective is related to the first but different. This objective is how we can use our knowledge of economics to enlighten us further than others in the public about economic problems. This objective begins with the student understanding what economic problems are and how they relate to our basic economic theory. How should we as economic students view economic problems? Once we are able to see how a current economic problem relates to our economic theory, then use that theory to understand what is the underlying cause of the economic problem. Mastery of this objective is not only using economic theory to understand the root cause of an economic problem but also use economic theory to devise solution to the problem using monetary and fiscal policy.

The instructor is responsible for providing materials and lectures to guide a student through both of the objective progression through the course of the semester. The student is responsible for putting in the time and effort into completing all assignments, reviewing all assigned materials and

being present in class for group work, debate and general class participation. Mastery of these objectives is not expected the first week of class, but by the end of the semester.

Prerequisites: There are no prerequisites for this class. This class will rely on basic macroeconomic tools such as an IS-LM framework and an Aggregate Supply/Aggregate Demand graphs. No prior knowledge of these tools or their theories is necessary. The instructor will provide video presentations on the most vital economic concepts required for the student to successfully have success in progressing through both course objectives. The instructor can also recommend other resources (such as some Khan Academy videos) about economic concepts and will also be available during office hours to explain and review anything a student might need for this class.

Logistics

Class Location: OSH 113

Class Hours: Monday and Wednesday 11:50 am – 1:10 pm

Instructor: Jason Whittle

Email: Whittleschool1@gmail.com (most available email); jmw22@utah.edu (less available email). **Do not email me via canvas unless you are not expecting a prompt response.**

Office: OSH 213

Office Hours: Monday and Wednesday 10:00 am – 11:40 am. Students can also schedule meetings on canvas.

Mandatory student instructor meeting:

Each student will be expected to meet with the instructor at least once during the semester. This is meant to elicit feedback from all students in the class, address problems the student has with the course, material and group work. This is not something to worry but more of an information gathering and relationship building exercise.

ADA statement: 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 Union Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

Grading:

Graded assignments for this course are meant to evaluate not only the factual knowledge attained from the lectures and assigned materials but also the students achievement of the course objectives. If a student is able to master the ultimate objectives of this course they will have no problem succeeding academically in this class. A student who does not show success with the foundational objective in this course will struggle with this class academically.

4 homework essays: 30 %

4 group tests: 30%

Group/class participation: 20%

Individual presentation and response: 20%

Homework essays:

There will be 4 homework essays given this semester. These essays will ask questions of the lecture material and the in class discussion. Student notes will be very important for these essays because the material will come from the unassigned reading the instructor goes over in class lectures. There will be group activities done through out the semester to help student prepare for these essays.

In-class group work and tests:

1. Group work:

There will be some sort of graded group work done almost every class. These will be shorter collaborative assignments meant to help students understand the concepts recently covered and foster debate with peers.

2. Group tests:

There will be 4 group tests this semester given on the 4 main topics of the class (public debt, private debt, unemployment, and environment). These tests will be open note and open for students to discuss test questions amongst their group. These tests will cover assigned reading material, assigned videos, assigned video presentations. Each group will turn in one test and all group members will receive the same grade.

*** If you are not present for group work you will not receive credit for the group work! Attendance is very important for your grade as this is largely a discussion oriented class. ***

Student Presentation and response:

Students will give a presentation on a topic they select to their group at the end of the semester. This presentation will have to layout what economic problem they are addressing, what are the different perspectives on the problem, and what a potential solution would look like. Presenters will also have to answer questions from their group. When not presenting, student will have to answer a work sheet based on the presentation they have just seen. A student grade for this section will be weighted 75% on the individual presentation and 25% on the responses to others presentations. (For the class it will be 15% individual presentation and 5% response to others)

Student conduct:

Students are expected to conduct themselves in a manner consistent with the University of Utah's student code (<http://regulations.utah.edu/academics/6-400.php>). This includes academic misconduct, such as plagiarism, cheating or misrepresenting ones self. All infractions will be enforced and pursued at the instructor's discretion.

Topics:

1. (Introduction) The Crisis then and now: Eichengreen & O'Rourke 2010.

A. Private Debt:

2. The US since 1980: Baker 2007 Ch. 1, **Palley 2012 Ch. 1-3.**
3. Inequality: Piketty & Saez 2003.
4. What is private debt & how much has it grown: Barba & Pivetti 2009, **Schmitt 2009, Palley 2012 Ch. 4.**
 - a. Schmitt & Augier 2012(Characteristics of the unionized workforce in US).
 - b. Schmitt & Mitukiewicz 2011 (unionization in developed countries)
 - c. **Video: Need to know "Living on the Financial edge".**
5. Financialization: Krippner 2005, **Palley 2012 Ch. 5.**
 - a. **Video: Need to know "economic lesson: the student-debt dilemma".**
 - b. **Video: Need to know "living on the financial edge".**
 - c. **Video: Frontline: "the Retirement Gamble".**
6. Review/take home test.

B. Public Debt

7. Too big to fail and potential solutions: Crotty and Epstein 2008,
8. What is public debt & US's history with debt: **Davidson 2010**, Baker 2012.
9. The monetary system's relationship to public debt: Nerisyan & Wray 2010.
10. The Euro Crisis: Kregel 2009, Baker & MacArthur 2009, Holland 2011.
11. The Euro Crisis: **Palley 2012 Ch. 7.**
12. Review/take home test.

B. Unemployment:

13. Unemployment following the financial crisis: Papadimitriou, Hannsgen & Zezza 2011, Bernstein & Romer 2009,
 - a. **Video: Need to know; "Help Wanted: Ohio".**
14. Long-term unemployment and under-employment: Schmitt and Jones 2012, Schmitt and Jones 2013, Movie: "a place at the table" 2012 Streaming from the Marriot Library.
 - a. **Video: Need to know "Retraining America"**
15. Fiscal Policy: Seidman & Lewis 2009, Perez & Vernengo 2010a.
 - a. **Video: "Main street: Findlay, Ohio"**

16. Monetary Policy and the zero bound problem: Hannsge & Papadimitiou 2010 Bernanke and Reinhart 2004, Posen 2010, **Palley 2012 Ch 8**.

a. **Video: Frontline: "Two American Families"**.

17. Review/take home test.

C. Environment

18. Climate Change: **Nordhaus 2010**, Hansen 2009

19. The Rebound Effect: Herring 2006

20. The tragedy of the commons: **Hardin 1968**.

21. Review/take home test.

D. Immigration

22. A discussion on the economics of immigration (both legal and illegal).

E. Presentations

Assigned Videos:

Moyers & Company: "Going to Jail for Justice". (5/24/2013)

Frontline: "Two American Families". (7/9/2013)

Frontline: "The Retirement Gamble". (4/23/2013)

Need to know: "Help wanted; Ohio". (3/2/2012)

Need to know: "Living on the Financial Edge". (7/27/2012)

Need to know: "Retraining America". (5/3/2013)

Need to know: "Main Street: Findlay, Ohio". (6/7/2013)

Need to know: "Economics Lesson: The student-debt dilemma". (2/10/2012)

Other videos:

Room at the table (2012) (84 mins) Stream from the Marriot library.

<http://stream.lib.utah.edu/index.php?c=details&id=9567>

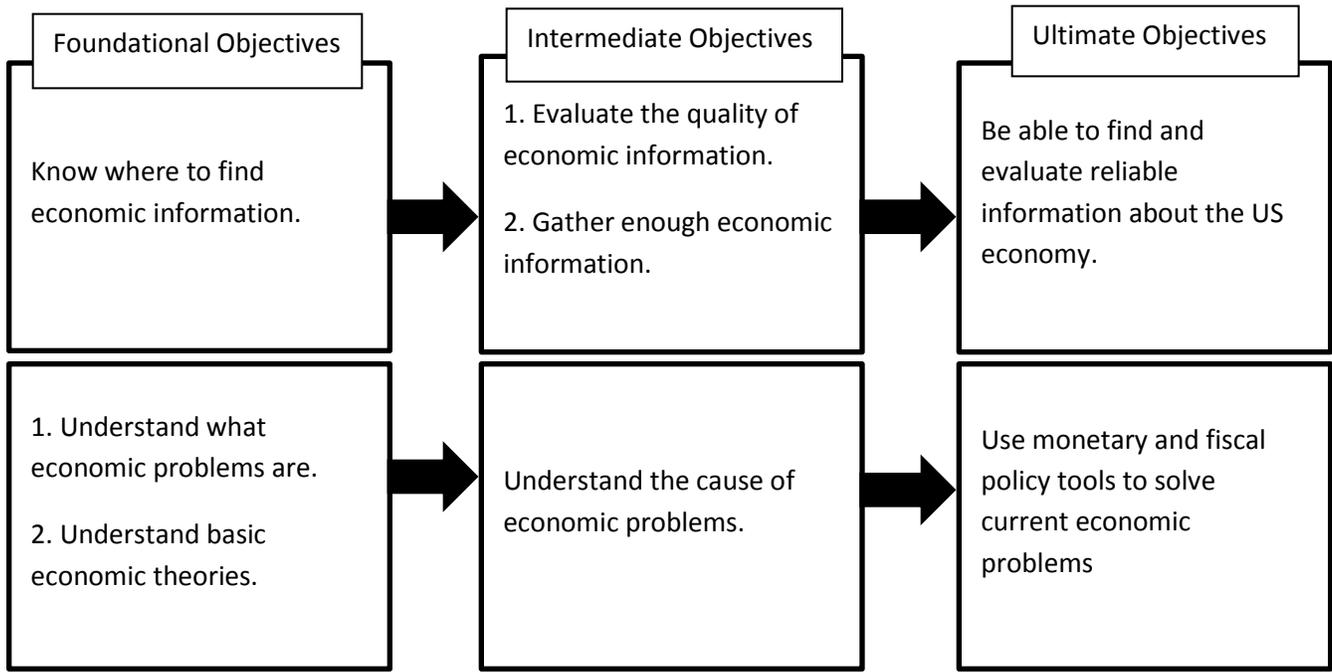
You must be signed in under your UNid to view video.

Assigned readings:

1. Palley chapters 1-8 (Required textbook): *From Financial Crisis to Stagnation; The destruction of shard prosperity and the role of economics*. (2012) Cambridge University Press.
2. Schmitt 2009
3. Davidson 2010
4. Nordhaus 2010
5. Hardin 1968

Important Dates:

Classes begin	Monday, January 6
Last day to add without a permission code	Sunday, January 12
Last day to drop (delete) classes	Wednesday, January 15
Last day to add, elect CR/NC, or audit classes	Tuesday, January 21
Last day to withdraw from classes	Friday, February 28
Last day to reverse CR/NC option	Friday, April 18
Classes end	Wednesday, April 23



Topics:

