

Econ 491. Advanced Macroeconomics

Spring 2011

Lewis and Clark College

Department of Economics

Time: MWF: 11:30A-12:30P

Location: John R. Howard Hall Room 258

Prerequisite: ECON 291

Credits: 4

Website: Log on Moodle

Instructor: Dr. Éric Tymoigne

Office Hours: MWF 1PM-2:30PM or by appt.

Office: John R. Howard Hall Room 324

Email: etymoigne@csufresno.edu

Phone: 503-768-7629

Required Textbook: *The General Theory of Employment, Interest and Money* by John M. Keynes, Harcourt Brace, 1936. You must purchase the Harcourt Brace edition (usually published in 1964). Do not buy recent reprints because the pagination is different and it will be hard to get all on the same page. (You may be able to find a cheap second-hand copy at www.bookfinder.com or www.addall.com or other similar websites).

Course Description: The course provides a rigorous and meticulous analysis of some of the important works and debates that have existed in macroeconomics. It is organized as a seminar in which many macroeconomic topics are addressed within the theme of Real Exchange Economy vs. Monetary Production Economy. Macroeconomic issues of economic growth, distribution, employment, financial instability and inflation are addressed in a rigorous fashion, and major macroeconomic debates such as the Cambridge capital controversy are studied carefully.

Course Goals: The course has several goals: 1) to develop critical thinking 2) to help students understand different interpretations of how the economic system works 3) to broaden students' understanding of macroeconomic theories and their limits 4) to help them understand that economic premises have a major influence of economic analysis.

Students Learning Outcomes: At the end of this class, you should be able 1) to have a good understanding of the debate that exists in macroeconomics in terms of both policy and theory. 2) to compare and contrast different schools of thought, 3) to develop a critical view of the theories that are presented in class 4) to develop a reasoning that coherently links economic variables.

Expectations: You are expected to participate and to focus on the lecture (turn off your cellular phone, have the appropriate material, do not chat, arrive on time, etc.). Moreover, students are expected to read the assigned material before the lecture. Do not hesitate to ask questions, to make pertinent remarks, or to give your opinion about a concept presented in class; this may lead to a fruitful discussion. If you have any problems regarding the class, you can come to my office or you can send an email to me. In the latter case, if appropriate, I will reply by sending the answer to all the students of the class. You are given a large amount of freedom in this class; naturally I expect you be diligent about meeting the goals of the class.

Grade: Grades will be determined in the following way:

<i>Numeric Score</i>	<i>Letter Grade</i>
95 – 100	A
90 – 94	A-
87 – 89	B+
84 – 86	B
80 – 83	B-
77 – 79	C+
74 – 76	C
70 – 73	C-
67 – 69	D+
64 – 66	D
60 – 63	D-
0 – 59	F

Your overall grade average will not be rounded; thus if you get an overall average of 94.99999... you will get A-.

The following weights will be applied (all elements are worth 100 points):

Participation: 30%

Presentation/Discussion leadership: 25%

Reflection Papers: 20%

Final Paper: 25%

It is your responsibility to keep all records of work done, emailed correspondences, and grades obtained. This will come handy if you think your grade is not accurate.

Presentations and leadership role: Each week, each of you will be in charge of presenting one or two paper(s) per topic and of leading the discussion regarding the paper. Your individual presentation should last about 10 minutes and you should have a list of three to five questions prepared in order to generate a discussion. Your questions should be sent to me 24 hours before your presentation. I may modify them slightly without notice before I send them to the rest of the class. As a discussion leader, you are also in charge of answering any question me and other students may have regarding the paper.

Reflection papers: You must write three short (about 1500 words) papers about the discussions that occurred in class regarding a specific topic. You can choose any discussion. You have four days to write a reflection paper once a topic ended. Late reflection papers are not accepted. Your reflection paper should 1- present the topic of discussion 2- discuss the different viewpoints 3- provide a personal reflection on the topic by referring to the two authors you prefer and explaining why you find their position more relevant/interesting.

Final paper: You are required to write a 5000-word paper on any macroeconomic topic you like, covered or not in class. Your paper should: 1- ask a question 2- review the literature on that question 3- use a methodology to answer the question 4- answer the question. Final paper is due May 4th. Writing such a paper is demanding, you should start to think about a topic immediately and come to see me frequently during office hours. Two exceptions:

- If you are writing an honors thesis related to macroeconomics I allow you to use it to complete this assignment.

- If you plan to use this paper as a basis for your senior thesis I allow you to spend more time on stage 1 and 2 of the paper.

Participation: Participation is extremely important in this class. You should be engaged in the discussion by asking questions, answering questions, advancing ideas, relating to existing economic events, and any other means that help to promote a more thorough understanding of the demanding material discussed in class. Of course, in order for you to participate, you must read all assigned material in advance. While you should spend more time on the paper you will present, you should have a good understanding of other papers. You will be evaluated informally every week by me and others on your participation. You will be judged based on the quantity and quality of your participation.

Attendance: Attendance is mandatory. I will take roll at the beginning of every lecture, and, if you miss more than two sessions, I will discount your participation grade by 20% for each day missed.

Make-up exams: Make-up exams will not be granted unless you can provide a written justification from the relevant person (doctor, coach, etc.) that explains why you could not take the scheduled exam.

Academic Integrity. According to the Lewis & Clark College's Academic Integrity Policy: "Acts of academic dishonesty involve the use or attempted use of any method or technique enabling a student to misrepresent the quality or integrity of his or her academic work. Academic dishonesty with respect to examinations includes but is not limited to copying from the work of another, allowing another student to copy from one's own work, using crib notes, arranging for another person to substitute in taking an examination, or giving or receiving unauthorized information prior to or during the examination. Academic dishonesty with respect to written or other types of assignments includes but is not limited to: failure to acknowledge the ideas or words of another that have consciously been taken from a source, published or unpublished; placing one's name on papers, reports, or other documents that are the work of another individual, whether published or unpublished; flagrant misuse of the assistance provided by another in the process of completing academic work; submission of the same paper or project for separate courses without prior authorization by faculty members; fabrication or alteration of data; or knowingly facilitating the academic dishonesty of another." During in-class exams, cheating will result in an immediate F for the exam and plagiarism will result in severe sanctions.

Students with Disabilities: If you have a disability that may impact your academic performance, you may request accommodations by submitting documentation to the Student Support Services Office in the Albany Quadrangle (x7156) (http://www.lclark.edu/offices/student_support_services/). After you have submitted documentation and filled out paperwork, staff in that office will notify me of the accommodations for which you are eligible.

Writing Center and Math Skills Center: If you would like to get some help to improve your English or your math skills do not hesitate to go to the Writing Center in the Albany Quadrangle (writenow@lclark.edu or x7505) and the Math Skills Center located underground in the Biology-Psychology Building (benowicz@lclark.edu or x7569).

NOTE: We will probably not cover all the topics. We can spend more time on topics you like. All papers are on Moodle.

<i>Tentative Class Schedule Spring 2011</i>				
Weeks	Days	Topics	Required Readings	Remarks, Suggested Readings
Week 1	17-Jan			MLK Day
	19-Jan	Quick refresher	Keynes 1, 2	
	21-Jan			
Week 2	24-Jan	The State of Macroeconomics	Caballero (2010) Blanchard (2008) Bernanke (2004) Skidelsky (2009) Bernanke (2010) Hume and Sentance (2009)	Galbraith (2009) Woodford (2009) Solow (2008) Solow (2010) Butler (2009)
	26-Jan			
	28-Jan			
Week 3	31-Jan	Point of Departure: Monetary Production Economy	Keynes (1939) Galbraith (1958) Dugger and Peach (2009) Hymer (1980) Davidson (1984) Kregel (1986)	Nell (1980)
	2-Feb			
	4-Feb			
Week 4	7-Feb	Point of departure: Real Exchange Economy	Friedman (1962) Robins (1945) McKenzie (2010) Backhouse and Medema (2009) Skidelsky (2009) Hahn (1982)	
	9-Feb			
	11-Feb			
Week 5	14-Feb	Investment and finance	Keynes 11 Crotty (1992) Minsky (1975) Fazzari (1993) Modigliani and Miller (1958) Gertler (1988)	
	16-Feb			
	18-Feb			
Week 6	21-Feb	Distribution	Keynes 24 Kaldor (1956) Pasinetti (1962) Kalecki (1971) Marx (1865) Kregel (1971)	
	23-Feb			
	25-Feb			
Week 7	28-Feb	Inflation	Keynes 21 Friedman (1956) Lavoie (1992) Rowthorn (1977) Friedman (1974) Kaldor (1982)	
	2-Mar			
	4-Mar			
Week 8	7-Mar	Employment and economic activity	Keynes 3, 5, 19 Keynes (1937)	

	9-Mar		Dillard (1983) Veblen (1901) Kenway (1980) Gordon (1990)	
	11-Mar			
Week 9	14-Mar	Unemployment	Friedman (1968) Lucas (1972) Gordon (1990) Staiger, Stock, and Watson (1997) Mitchell (2008) Sawyer (1997)	
	16-Mar			
	18-Mar			
Week 10	21-Mar			Spring Break
	23-Mar			
	25-Mar			
Week 11	28-Mar	Economic growth	Domar (1946) Solow (1957) Hamberg (1971) Romer (1990) Lavoie (1992) Harris (1980)	
	30-Mar			
	1-Apr			
Week 12	4-Apr	Cambridge capital controversy and interest rate theory	Keynes 17 Harcourt (1969) Ferguson (1969) Moss (1980) Fisher (1930) Rogers (1989)	Garegnani (1970)
	6-Apr			
	8-Apr			
Week 13	11-Apr	Monetary Policy and New NeoClassical Model	Keynes 15 Goodfriend (2000) King (2000) Weber, Lemke and Worms (2008) Lavoie (2009) Rochon and setterfield (2007)	Goodfriend and King (1997) Tillman (2008)
	13-Apr			
	15-Apr			
Week 14	18-Apr	Debt, deficit Accounting identities and macroeconomics	Bernheim (1997) Barro (1974) Kotlikoff (1984) Lerner (1943) Wray (2003) Galbraith Wray Mosler (2009a) Mitchell and Muysken (2008)	Kotlikoff (1989) Galbraith Wray and Mosler (2009b) Eisner (1995) Wray (2011)
	20-Apr			
	22-Apr			
Week 15	25-Apr	Financial instability, Business Cycle	Keynes 22 Minsky (1978) Fama (1970) Charles (2008) Bernanke and Gertler (1990) Kiyotaki and Moore (1997)	Ohanian (2010) Mishkin (1997)
	27-Apr			
EMAIL ME YOUR FINAL PAPER BY Wednesday, May 4th at 4PM				