

Topics in Global Economy

Lecturer: Byeongju Jeong

Contact: byeongju.jeong@cerge-ei.cz

Course Description

This course explores several global economic topics that currently interest economists and policy makers. The course will cover the following topics. We will first study the evolution of the European monetary and fiscal policies and the current issues. We will then study the rising economic inequality in the US and worldwide, focusing how to measure inequality and the proximate explanations. We will then study the interrelated issues of the rising firm market power and the falling worker union power, again focusing on the measurement and explanations. Finally, we will study macroeconomic development focusing on the set of policies known as Washington Consensus and evaluating economic outcomes of those policies around the world.

The main text is the relevant articles in the Journal of Economic Perspectives. The articles are listed below. The articles will be supplemented by other materials as needed. I encourage you to read the relevant article in advance of each class and prepare questions. The class will consist of my instruction and discussion based on your questions.

Course Objectives

You will gain knowledge of several global economic topics of current interest, and learn how economists address economic questions. You will practice learning by reading articles.

Course Requirements

You should have taken an introductory economics course prior to taking this course. You are expected to read articles and ask questions, and not to entirely rely on my class instruction.

Grading Policy

The grade is based on the midterm exam (one-third), the final exam (one-third), and occasional homework (one-third).

Mandatory Completion Policy

Note that all mandatory assignments and exams must be completed to the best of your ability in order for your final grade to be issued. Failure to complete a mandatory assignment or exam may result in a failing grade.

Letter Grade	Percentage	Description
A	93-100	Outstanding work
A-	90-92	
B+	87-89	Good work
B	83-86	
B-	80-82	
C+	77-79	Acceptable Work
C	73-76	
C-	70-72	
D+	67-69	Work that is significantly below average
D	63-66	
D-	60-62	
F	0-59	Work that does not meet the minimum standards for passing the course

UPCES Academic Integrity Policy

Plagiarism and other forms of academic dishonesty are not tolerated. The use of Artificial Intelligence (AI) for the development of knowledge and learning is encouraged at many stages of the learning process. While we value technology for educational purposes, we also value originality and the retainment of knowledge, and thus using AI for assignments and examinations, even if rephrased, is strictly prohibited and considered an academic integrity violation, unless the instructor explicitly allows for it in the context of evaluated work

UPCES Non-Discrimination/Harassment Policy

The UPCES program in Prague promotes a diverse learning environment where the dignity, worth, and differences of each individual are valued and respected. Discrimination and harassment, whether based on a person's race, gender, sexual orientation, color, religion, national origin, age, disability, or other legally protected characteristic, are repugnant and completely inconsistent with our objectives. Retaliation against individuals for raising good faith claims of harassment and/or discrimination is prohibited.

UPCES Diversity Policy

UPCES fully embraces diversity and strives to create a safe and welcoming environment for students from all backgrounds. Prague is a wonderfully diverse community and UPCES is no different. All students should feel at home while studying abroad and UPCES will do its utmost to make sure that becomes a reality. Although unique challenges may arise, we believe that students from all walks of life will encounter wonderful opportunities for enrichment as they explore a new culture while studying abroad.

Weekly Schedule:

Week 1

CEE Introductory Lecture Series

UPCES Orientation and CEE Introductory Lecture Series

Weeks 2 and 3

European Union

Lane, Philip R. 2021. "The Resilience of the Euro"; *Journal of Economic Perspectives*, 35 (2): 3-22.

Bilbiie, Florin, Tommaso Monacelli, and Roberto Perotti. 2021. "Fiscal Policy in Europe: Controversies over Rules, Mutual Insurance, and Centralization."; *Journal of Economic Perspectives*, 35 (2): 77-100.

Weeks 4 and 5

Income and Wealth Inequality

Saez, Emmanuel, and Gabriel Zucman. 2020. "The Rise of Income and Wealth Inequality in America: Evidence from Distributional Macroeconomic Accounts"; *Journal of Economic Perspectives*, 34 (4): 3-26.

Hoffmann, Florian, David S. Lee, and Thomas Lemieux. 2020. "Growing Income Inequality in the United States and Other Advanced Economies."; *Journal of Economic Perspectives*, 34 (4): 52-78.

Week 6

Firm Market Power

Basu, Susanto. 2019. "Are Price-Cost Markups Rising in the United States? A Discussion of the Evidence."; *Journal of Economic Perspectives*, 33 (3): 3-22.

Week 7

Midterm Exam

Week 8

Firm Market Power

Berry, Steven, Martin Gaynor, and Fiona Scott Morton. 2019. "Do Increasing Markups Matter? Lessons from Empirical Industrial Organization." *Journal of Economic Perspectives*, 33 (3): 44-68.

Weeks 9 and 10

Labor Union

Naidu, Suresh. 2022. "Is There Any Future for a US Labor Movement?" *Journal of Economic Perspectives*, 36 (4): 3-28.

Bhuller, Manudeep, Karl Ove Moene, Magne Mogstad, and Ola L. Vestad. 2022. "Facts and Fantasies about Wage Setting and Collective Bargaining" *Journal of Economic Perspectives*, 36 (4): 29-52.

Weeks 11 and 12

Development Policy

Spence, Michael. 2021. "Some Thoughts on the Washington Consensus and Subsequent Global Development Experience" *Journal of Economic Perspectives*, 35 (3): 67-82.

Goldfajn, Ilan, Lorenza Martínez, and Rodrigo O. Valdés. 2021. "Washington Consensus in Latin America: From Raw Model to Straw Man" *Journal of Economic Perspectives*, 35 (3): 109-32.

Archibong, Belinda, Brahim Coulibaly, and Ngozi Okonjo-Iweala. 2021. "Washington Consensus Reforms and Lessons for Economic Performance in Sub-Saharan Africa" *Journal of Economic Perspectives*, 35 (3): 133-56.

Week 13

Final Exam