ECON 200 - Anatomy of a Crisis: Macroeconomics, Political Economy, History

The last two hundred years have witnessed periodic downturns in economic activity of wide-ranging severity, lasting from a few months to whole decades, as reflected in GDP, income, and employment. Recessions are short-lived and linked to business-cycle fluctuations, in contrast to long-term crises, such as the Long Depression of the 1890s, the Great Depression of the 1930s, the Great Stagflation of the 1970s, and the 2008 Global Financial Crisis. The roots of such crises and their remedies are widely debated among economists. Some argue that crises are due to exogenous supply shocks and call for austerity, while others focus on the role of demand and advocate for substantial public investment.

This course introduces students to the foundations of macroeconomics with a focus on theories and policies related to economic fluctuations. It takes a three-tiered approach. The first is theoretical; it examines the debates in macroeconomic theory surrounding the causes, dynamics, and policy prescriptions for addressing crises. The second is historical; it offers a historical long-term view of crises that articulate major breakpoints between ruling macroeconomic regimes. Finally, it contemplates the major social, moral, and political implications of crisis, including persistent unemployment, the rise of populism, and authoritarian retrenchment.

ECON 300 - Macroeconomics in the Face of Climate Change

Leading ecological economist Kenneth Boulding famously stated that "anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist." Compounding climate disasters of ever-increasing frequency in the form of wildfires, droughts, deadly heat waves, and flash floods have reinforced such an idea among many, that is, that current standards of living, especially in the West, are not feasible within planetary boundaries, as they rely on a carbon-fueled economy that warms our world beyond sustainable limits. At the same time, our current global economy fails to guarantee adequate means of living to the whole of humanity, as poverty, homelessness, joblessness, and mass displacement are persistent and pervasive around the world. This class asks: how can we secure acceptable living standards for everyone within environmental bounds? Is GDP a good measure of societal well-being? If truly sustainable development is possible, what does it consist of and how can it be achieved?

These are the foundational questions guiding the emerging field of ecological macroeconomics, which sheds light on the interconnections between economic, ecological, and social crises in order to develop more sustainable and equitable policies. In this class, we will examine how macroeconomics confronts the grand challenge of climate change today. Students will be introduced to key debates on fiscal and monetary policies aimed at mitigating and adapting to climate change, including the social cost of carbon, carbon pricing, carbon inequality, directed technical change, and the financial risks of climate change.

ECON 431 - Simulating Macroeconomic Models

Macroeconomic models are tools used to understand, analyze, and predict the behavior of an economy. Models help economists and policymakers assess the complex interdependencies among key economic variables, such as output, employment, and interest rates. The results of these models, however, vary widely depending on their underlying assumptions about economic behavior, for instance whether economic agents are assumed to have perfect foresight or not, or whether a rise in the wage share increases or decreases output. Such assumptions reflect long-standing debates within the discipline of economics itself.

This senior seminar offers a computational approach to macroeconomics. It introduces students to coding R simulations of simple macroeconomic models that illustrate competing approaches in the history of macroeconomic thought. To start with, we tackle conventional static models featured in leading intermediate undergraduate textbooks, such as the old Keynesian IS-LM model as described in Blanchard, the neoclassical-Keynesian synthesis (IS-LM-AS-AD) in Froyen, and a prototype capturing key neoclassical features as in Garín, Lester and Sims. By studying static Robinson, Kaleckian, and Kaldorian models, students will be introduced later on to key elements of post-Keynesian macroeconomics, such as endogenous money creation, the role of capacity utilization, and the interaction between growth and distribution. Dynamic models can also be explored, including New Keynesian approaches, conflict inflation, the Sraffian supermultiplier, Ricardian growth, a Kaldorian model of trade, or the Lewis model of development.

This course pursues a hands-on, do-it-yourself approach that empowers students to familiarize themselves directly with different competing macroeconomic theories. Rather than simply learning about these techniques, students will play with them on the computer. Students will come away from this class with a solid foundation in the basics of simulating and visualizing in R.