Summer Semester 2010

Europe and the US: Comparative Economic Analyses

Lectures:
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Classes:
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Please write an email if you plan to come to the office hours.

Summer Semester 2010
Tue 10.15-11.45
Thu even weeks, 10.15-11.45
Room HoF 1.27

Course Description
This advanced course analyzes differences in the economic systems, preferences, and outcomes between Europe and the US. Topics include the welfare state, taxation, labor markets, demographics, preferences for redistribution, migration, monetary and fiscal policy, and the educational system. We study the origins of potential differences, as well as their consequences for the lives of people. We explore macro- as well as microeconomic studies of both theoretical and empirical nature. Certainly, there exists a lot of heterogeneity in economic systems and preferences within Europe itself. We will however focus on the contrast between Europe and the US, and not on these differences. Moreover, we concentrate on Western Europe.
The major goal of this course is to give students the opportunity to apply the knowledge and tools acquired in previous courses to a fascinating topic. Thus, the prerequisites are intermediate microeconomic and macroeconomic theory, statistics, and econometrics. When discussing the readings, we will focus not only on the content, but also on the methodology.
Requirements
There are two requirements for this course. First, you have to hand in three problem sets. These problem sets will not be graded and returned, but they are still part of the course requirements. Not handing in a problem set will lead to a reduction in the points awarded for the final exam by 3 percent (i.e. not handing in any of the problem sets will lead to a reduction of 9 percent in the points awarded on the final exam). Please make photocopies of your problem sets prior to submitting them. The problem set will comprise theoretical and computer exercises. Second, the grade for the course will be based on a final exam.

Readings
The required readings for each week are listed below in the schedule and are marked with an asterisk. The schedule also lists additional optional readings. Most of the readings come out of journals. You are not required to buy a book. One book that touches upon many of the topics discussed in this class is “The Future of Europe – Reform or Decline” by Alesina and Giavazzi.
Schedule

Introduction: Europe and the US, an Overview


Labor Supply


Regulations, Institutions, and their Role for Unemployment


Preferences for Redistribution


The Welfare State


Regional Labor Markets and Internal Migration


**Monetary and Fiscal Policy**


Blanchard, Olivier (2006): Portugal, Italy, Spain, and Germany. The Implications of a Suboptimal Currency Area, mimeo.


Female Labor Market Participation


Demographics


The Educational System and Intergenerational Mobility


The Scandinavian Model


