

Contemporary economic challenges

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The most important decisions a scholar makes are what problems to work on (Tobin)

1 Introduction

This module introduces students to contemporary economic challenges.

It does this in two steps. In the first semester, I will lead in presenting some recent debates.

In the second semester, you will work in groups to present issues that you deem to be important. These presentations will take the form of debates, with two groups arguing opposite sides of an issue.

Throughout the first semester, we will also examine the quality of the arguments deployed. The topics addressed in that semester will be somewhat more generic or historical to keep the decks clear for your topic, in the second semester, to be more contemporary.

The module is inspired by a classical view about the importance of being able to argue one's case.¹ Thus, this module aims to improve your understanding of arguments about contemporary economic challenges, your ability to effectively argue your case, and to make talking about economic issues part of your 'real life', rather than just pen-and-paper exercises.

Situations in which these skills might be directly useful include: economists are often expert witnesses in competition cases; economists in policy units and think tanks will seek to sway policymakers.

2 Lectures, classes and office hours

2.1 Lectures

See my timetables for the lecture schedule. Note that I will be away on 21, 22 and 28 October: the first two of those lectures will count as a reading week; the final lecture will be replaced by a second lecture on 19 November from 5pm – 6pm.

2.2 Classes

See my timetables for the class schedule. There will only be three classes per group, as listed in Table 1.

Throughout the first semester, classes will be used primarily to discuss the set readings that the lectures build upon. To prepare for them, read these in advance, and have questions for the class teacher. (Some of the classes will be taken by Dr Maria Psyllou, m.psyllou@bham.ac.uk.)

As the year progresses, the classes will be used increasingly to make progress with the group projects.

¹Less classically, I always liked Dewatripont and Tirole (1999), so am pleased that this module allows us to engage with it.

1	2	3	4	5	6	7	8	9	10	11	12
04/11	11/11	04/11	11/11	04/11	11/11	05/11	12/11	05/11	12/11	05/11	12/11
18/11	25/11	18/11	25/11	18/11	25/11	19/11	26/11	19/11	26/11	19/11	26/11
02/12	09/12	02/12	09/12	02/12	09/12	03/12	10/12	03/12	10/12	03/12	10/12
	MUIR 429			JGSM 210		UNIH G05			UNIH G06	UNIH 106	

Table 1: Classes

2.3 Office hours

During term time, I have office hours on Mondays from 4:00 – 5:00pm and on Tuesdays from 9:00 – 10:00am and 4:00 – 5:00pm. In emergencies, I can arrange by e-mail to see you outside these hours. My office hours from 4pm on Tue 15 Oct through to 28 Oct are cancelled, and replaced by: 11–12 on 29 Oct, 9–10am, 11–1pm and 2–3pm on 30 Oct. I am always happy to correspond by e-mail.

3 Module outline

3.1 Autumn

The topics in Table 2 are provisional and may shift. They follow a tic-toc approach. The ‘tic’ lecture will debate for and against a proposition. Dr Sultan Salem (s.salem@bham.ac.uk) will help with some of these.

In the corresponding ‘toc’ lecture, we will:

1. explore and discuss the arguments raised in the ‘tic’ lecture; you will be invited to find papers or facts extending, refuting or qualifying the arguments presented in the tic lecture;
2. identify contemporary questions for the Spring semester on which you, as a class, are evenly divided.

tic	toc	topic	readings
30/09, 01/10			introduction to the module; discussion of Spring topics
07/10	08/10	Is your degree worth its price?	Webber (2014), Spence (1973), Lambert (2019)
14/10	15/10	Do assumptions matter (or just predictions)?	Friedman (1953, ch.1), H. A. Simon (1963), Samuelson (1963)
29/10	04/11	Does the market for health insurance work?	Arrow (1963), Pauly (1968)
05/11	11/11	Are we running out of natural resources?	Ehrlich (1981), J. L. Simon (1981), Ehrlich (1981-3)
12/11	18/11	Are markets efficient?	Malkiel (2003), Shiller (2003)
19/11	19/11	Should governments spend out of slumps?	Reinhart and Rogoff (2010), Herndon, Ash, and Pollin (2014), Rogoff (2013)
25/11	26/11	Should governments ‘nudge’ us?	Thaler and Sunstein (2003), Sugden (2008)
02/12	03/12	Do ‘fat tails’ invalidate standard cost-benefit analyses?	Weitzman (2011), Nordhaus (2011), Pindyck (2011)
09/12, 10/12			discussion on Spring topics; test on 10/12

Table 2: Autumn topics and readings

Friedman (1953, ch.1) is reprinted as Chapter 7 [here](#). Rogoff (2013) is available [here](#).

3.2 Spring

Please check my.timetables in January for updates to the lecture schedule. The specific topics debated, and groups involved, will be determined by the end of the Autumn semester. We will try to formulate questions that evenly divide the class.

4 Assessment

Assessment is as shown in Table 3.

Item	Value	Notes
class test	25%	1 hour; 10 December
briefing note	25%	1 page individual written submission week before debate
debate	50%	dates announced at end of Autumn semester

Table 3: Assessment for Mathematical Modelling

Class test The class test will run from 5–6pm on 10 December. It will consist of 50 multiple choice questions; an example test will be circulated in advance.

Briefing note Each group member will submit via Canvas, one week before their debate, a one page briefing note. This will introduce the evidence that their group intend to rely upon in the following week's debate. Evidence may be drawn from any source desired (e.g. academic articles, newspaper articles, etc.): it will be assessed on its credibility and the clarity of its presentation.

Each briefing note must introduce unique evidence: group members cannot submit common notes, nor can they submit notes that are reworded versions of other notes in the group. Group members should work together to coordinate the set of notes that they collectively submit, ensuring that they cover all of the evidence the group intends to rely upon. The left header of the page must indicate the motion that the submission address; its right header must indicate whether it supports the government or opposition position; the left footer must paginate the note in the group's briefing pack (e.g. '1 of 5', '2 of 5', etc.)

element	duration	description
government position	10 min	government speaker presents their arguments
opposition cross-examination	10 min	opposition speaker questions the government speaker
opposition position	10 min	opposite speaker presents their arguments
government cross-examination	10 min	government speaker questions the opposition speaker
open cross-examination	10 min	questions from class for government, opposition

Table 4: Debate format

Debate See Table 4 for the format of each debate. As with the briefing notes, debates will be assessed on the credibility and clarity of arguments presented; the incisiveness of cross-examination, and ability to answer questions under cross-examination will also be valued.

Groups can decide how they will allocate their roles (introducing arguments, cross-examining, answering questions) among members.

5 Reading material

Your interests will largely determine the relevant readings in the second semester of this module. This should include articles published in academic journals. I usually first search with www.scholar.google.com.

If trying to read published articles off-campus, go to universityofbirmingham.service-now.com, log-in, and search for 'proxy'.²

Material I hand out in class I will also post on my website. I will also post important announcements that I might make during a lecture there.³

References

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²If you have IT difficulties, including finding articles online, the University's IT support can be reached [here](#).

³Thus, if you miss a lecture, please catch up by first speaking to a classmate.