Economics 191: Topics in Economic Research

Fall 2019   Professor Barry Eichengreen
Monday, 6:30-9:30 p.m.   Department of Economics
100 GPB   University of California, Berkeley

Economic 191 covers topics in economic research. Its objective is to expose students to different fields and approaches to economic research, and to help students to undertake research and write an original research paper of their own. The course is taught by faculty in the Department of Economics, two graduate student instructors (GSIs), and two graduate student readers. It consists of lectures, required readings, short weekly assignments, a replication exercise, a quiz, and a research paper in lieu of a final exam.

Primary Instructor
Professor Barry Eichengreen: (eichengr@econ.berkeley.edu)

Office hours: Monday 4:00-6:00PM, 603 Evans Hall. You can sign up for office hours with Professor Eichengreen by clicking on the Economics 191 sign-up link on his webpage.

Please sign up for only one current or future office hours slot/appointment. You may sign up for another slot/appointment after your current slot/appointment has passed. This policy is designed to permit the largest number of Economics 191 students access to office hours. Students abusing this policy by signing up for multiple slots will have all appointments cancelled.

Drop-ins are welcome and allocated in a first-come, first-served basis.

Students who double-book or do not show up for appointments will have a point docked for each such event.

Graduate Student Instructors

Joan Martinez (martinezp_jj@berkeley.edu)
Matthew Tauzer (mtauzer@berkeley.edu)

Readers

Joaquin Ignacio Fuenzalida Bello jfuenzalida@berkeley.edu
Todd Messer messertodd@berkeley.edu

Office hours for GSIs and Readers.

Office hours for GSIs and Readers are also by appointment. Prior to scheduling a meeting, send an email at least one day in advance with a one paragraph description of what you wish to discuss.

To sign up visit this GoogleDoc:
https://docs.google.com/spreadsheets/d/1PlOThuGs3XlLoFTF2is9arv2uo_axIOx3AeKUHyVuBU/edit#gid=0

Please remove your name from the Google Docs schedule if you are not able to keep your appointment; this is considerate of other students. Students who make more than one appointment at a time will have their appointments dropped. Drop-ins are welcome and allocated in a first-come, first-serve basis.

We try to respond to emails within one business day. If we haven't responded within two business days, send a follow-up email. Use email for small matters. If you have a lengthy question about an assignment or the content of your research paper, make an appointment to meet in person.

bCourses. All announcements will be sent through the bCourses website at https://bcourses.berkeley.edu/. A Calnet ID is required to access bCourses. Materials other than this syllabus will be available exclusively through bCourses. Readings have web links that should be accessible by following the link from bCourses to the UC Library. To link to the UC Library off-campus, you must configure your web browser to communicate with the UC Berkeley proxy server; instructions are located at: http://www.lib.berkeley.edu/Help/proxy.html.

Grading. The total number of points available is 100, so each point represents 1 percent of your grade. Course requirements with associated points are as follows:

Assignment	Total points	Deadline
Sign up for GSI meeting with a GSI	2.5	9/18
Email GSI and attend meeting	2.5	9/25
Research proposal	8	10/16
Replication exercise	8	11/6
Literature review	8	11/13
Description of model or data	8	11/20
Quiz on weekly presentations	10	11/25
Summary of paper results	8	12/4
Final Paper	40	12/18
Attendance	5	weekly

One point will be deducted for each day an assignment is late. The final paper will not be accepted after the due date (final papers turned in after this deadline will receive zero points).

Make up quizzes will not be given. If you have a conflict on November 25, we encourage you to consider a different course.

Attendance. Attendance will be taken during each class. Excused absences must be cleared by Professor Eichengreen in advance. Since we will be administering a quiz in which we will ask you to answer two or three questions regarding in-class presentations by faculty guest speakers, attendance has an additional payoff.

Research Paper. Each student will write a research paper (of 20-25 pages length) addressing an important, well-formulated research question. The format is:

- 12-point Times New Roman

- 1-inch margins (left and right, top and bottom)

- Double spaced

- Page limit includes text, tables, figures, references and appendices. (Part of learning to write up research findings for publication is learning how to write concisely.)

Data Analysis. Most students who do well in this class include some sort of data analysis as part of their final paper. That data analysis can make use of statistics and econometrics. But econometrics is not a requirement for the course. There are other valid forms of economic research (visual displays of data, structured case studies, descriptive statistics, etc.). But we caution you against writing a term paper that is primarily or entirely an exercise in economic theory: experience tells us that the result is often less-than-expected progress and a course grade that makes no one happy. If you plan on writing a theoretical paper, discuss it with the GSIs before proceeding.

For help with econometrics we recommend that students consult Adrian Colin Cameron and Pravin K. Trivedi, *Microeconomics Using Stata*, volume 5, College Station TX: Stata Press, 2009. You can look for copies on reserve at the Moffitt Library or buy the book from your favorite on-line bookseller.

Replication Exercise. Separately, you will complete an exercise in which you replicate the results from a published, peer-reviewed journal article using publically available data. The purpose is to familiarize you with statistical software such as Stata and R, and to familiarize you with empirical techniques. We urge you to use Stata for the replication, although we will also accept replication in R. We expect well-commented, clear and concise code, as well as clearly labeled and formatted tables in a separate output file in the format of your preference (Word, Excel, or Stata log file).

If you intend to write a research paper that does not include empirical analysis (subject to the caution above), you may complete an alternative assignment approved in advance by your GSI.

Electronic Devices. The use of laptops, tablets, cell phones and other electronic devices is *not* permitted during lecture unless pre-approved by the instructor. DSP note-takers should contact the Head GSI before the first day of class. We make an exception for September 16 (see below).

Food. Because, this course meets at the time when many students eat dinner, eating during class is permitted. We ask that you do this in a way this is respectful of the lecturer, your fellow students, and cleaning staff. Policy is subject to change if needed.

Academic Misconduct. According to UC Berkeley's honor code, "As a member of the UC Berkeley community, I act with honesty, integrity, and respect for others." Written work submitted via bCourses will be checked for originality using Turnitin. For more information about Turnitin, visit http://ets.berkeley.edu/academic-integrity. More information about academic integrity can be found at http://sa.berkeley.edu/conduct/integrity/definition.

Enrollment. Your professor and GSIs do not have the power to admit you or readmit you if you are dropped. Students seeking admission should go to http://emlab.berkeley.edu/econ/ugrad/enrollmentproc.shtml. and direct queries to the Department's lead undergraduate advisor

Special Accommodation. If you require disability-related accommodations for the quiz or lecture, if you have emergency medical information that you wish to share, or if you need special arrangements in case

the building must be evacuated, please email or speak with the Head GSI by September 16. Do so even if your DSP appointment is after September 16. You must also obtain a Letter of Accommodation (LOA) from Disabled Students' Program (http://dsp.berkeley.edu, 260 César Chávez Center) which they send electronically to the Economics Department Head GSI. DSP's Proctoring Service requires notice of participants at least two weeks in advance of a quiz. Request for quiz or exam accommodation must be received and acknowledged by Economics Department Head GSI at least two weeks before an exam, which is DSP's own internal deadline for scheduling the proctoring of exams. Accommodation cannot be offered retroactively.

Limits to Confidentiality. As UC employees, all course instructors and tutors are Responsible Employees and are required to report incidents of sexual violence, sexual harassment or other conduct prohibited by university policy to the Title IX officer. We cannot keep reports of sexual harassment or sexual violence confidential, but the Title IX officer will consider requests for confidentiality. There are confidential resources available to you, including the CARE Advocate Office (http://sa.berkeley.edu/dean/confidential-care-advocate), which serves survivors of sexual violence and sexual harassment.

Duplication. Your assignment for this course is to write an original research paper. You should <u>not</u> turn in a paper that duplicates or includes only a modest extension of a paper prepared for a previous course. (Substantial extensions may be OK but only with prior approval of your GSI.) You should not turn in a paper that contains material that is the same as that submitted for another UC Berkeley course or another course elsewhere, without prior permission of the instructors. Students who fail to obtain this permission will get a zero for their papers.

LECTURE CALENDAR

September 2. Administrative Holiday

September 9. Barry Eichengreen, "Introduction"

- Goals
- Approach
- Course mechanics

September 16. Joan Martinez and Matthew Tauzer, "Library Resources and Stata Tutorial"

- Jim Church, International Documents Librarian with Doe Library's Research and Collections unit, will describe library resources for economics research papers Tutorial on finding a research topic
- Stata Tutorial
- Bring your laptop to class (this is an exception to the policy on page 3).
- Note: the deadline for making an appointment to meet with your GSI is September 18.

September 23. Martha Olney, "The Rise of Services and the Length of Economic Recovery"

Olney, Martha L. and Aaron Pacitti, "The Rise of Services and the Lengthening of Economic Recovery." *Economic Inquiry* 55 (October 2017): 1625-47.
http://onlinelibrary.wiley.com/doi/10.1111/ecin.12467/full

Rowthorn, Robert and Ramana Ramaswamy. 1999. "Growth, Trade, and Deindustrialization." IMF Staff Papers 46 (1), March.
https://www.imf.org/external/Pubs/FT/staffp/1999/03-99/pdf/rowthorn.pdf

Owyang, Michael T., Jeremy Piger, and Howard J. Wall. 2005. "Business Cycle Phases in U.S. States." *Review of Economics and Statistics* 87 (4): 604-616.
http://www.mitpressjournals.org/doi/pdf/10.1162/003465305775098198

- Tutorial on framing a hypothesis.
- Note: the deadline for meeting with your GSI to discuss your research topic is Wednesday, September 25.

September 30. Joan Martinez and Matthew Tauzer, "Econometrics Tutorial"

- Tutorial on time series analysis and issues.
- Tutorial on panel-data analysis (fixed effects).

October 7. Barry Eichengreen, "The Geography of the Foreign Exchange Market"

Barry Eichengreen, Romain Lafarguette and Arnaud Mehl (2016), "Cables, Sharks and Servers: Technology and the Geography of the Foreign Exchange Market," NBER Working Paper no. 21884.
http://www.nber.org/papers/w21884

Barry Eichengreen, Romain Lafarguette and Arnaud Mehl (2016), "Thick vs. Thin-Skinned: Technology, News and Financial Market Reaction," IMF Working Paper no. WP/17/91,
http://www.imf.org/en/Publications/WP/Issues/2017/04/07/Thick-vs-44810.

- Tutorial on finding a research topic.

October 14. Joan Martinez and Matthew Tauzer, "Replication Exercise"

- Examples of replication exercises and where to find more.
- Tutorial on writing a literature review.
- Students will be informed to which GSI or reader they are assigned (and with whom they should schedule consultations) over the course of the following week.
- Note: Your research proposal is due on Wednesday, October 16.

October 21. Zachary Bleemer, "Affirmative Action and the Return to University Education"

Bleemer, Zachary (2019), "Affirmative Action, Percent Plans, and the Return to Postsecondary Selectivity," Manuscript.
https://berkeley.box.com/s/l1astv69e3vkqn08vwaposindh5cy4p3

Dale, Stacy and Alan Krueger (2002), "Estimating the Payoff to Attending a More Selective College: An Application of Selection on Observables and Unobservables," *Quarterly Journal of Economics* 117(4): 1491-1527.
https://pubs.aeaweb.org/doi/pdfplus/10.1257/app.6.4.251

Cohodes, Sarah R. and Joshua S. Goodman (2014), "Merit Aid, College Quality, and College Completion: Massachusetts' Adams Scholarship as an In-Kind Subsidy," *American Economic Journal: Applied Economics* 6(4): 251-285.
https://academic.oup.com/qje/article/117/4/1491/1876022

October 28. Petra Moser, "Immigration, Ethnicity, and Scientific Advance"

Moser, Petra (2019), "Immigration, Ethnicity, and American Science: Evidence from the Quota Acts."
https://www.dropbox.com/s/s4uykc3s4coasqn/MoserSan.pdf?dl=0

Moser, Petra (2016), "Patents and Innovation in Economic History," NBER Working Paper no.21964 https://www.nber.org/papers/w21964

- Tutorial on difference-in-difference analysis
- Note: the deadline for your replication exercise (submit your log file and write-up to your GSIs) is Wednesday, November 6.

November 4. Alain Naef, "Central Banks and the Foreign Exchange Market"

Fratzscher, Marcel, Oliver Gloede, Lukas Menkhoff, Lucio Sarno, and Tobias Stöhr (2019), "When Is Foreign Exchange Intervention Effective? Evidence from 33 Countries." *American Economic Journal: Macroeconomics*. https://doi.org/10.1257/mac.20150317.

Naef, Alain. (2017), "Dirty float or clean intervention? The Bank of England on the foreign exchange market, 1952-72," Working Papers 32, Department of Economic and Social History at the University of Cambridge.
http://www.econsoc.hist.cam.ac.uk/docs/CWPESHnumber32April2018.pdf

- Tutorial on building a model
- Tutorial on econometric techniques to address endogeneity issues (instrumental variables)
- Note: your literature review is due on Wednesday, November 13.

November 11. Administrative Holiday

November 18. Matthieu Pedemonte,

Pedemonte, M. (2019), "Fireside Chats: Communication and Consumers' Expectations in the Great Depression," on the Ec 191 bCourses site.

Romer, C. D. (1990): "The Great Crash and the Onset of the Great Depression," *Quarterly Journal of Economics*, 105(3), 597–624,
https://www.jstor.org/stable/2937892?seq=1#metadata_info_tab_contents.

Coibion, O., Y. Gorodnichenko, S. Kumar, and M. Pedemonte (2018), "Inflation Expectations as a Policy Tool?" NBER Working Paper no.24788. https://www.nber.org/papers/w24788

- Tutorial on obtaining and presenting results.

- Note: your description of model or data to be used in research paper is due on Wednesday November 20. To receive credit, your submission must include summary statistics (mean, median, minimum and maximum values for each variable, indication of number of observations) and a visual (a scatter plot, bar graph, pie chart, as appropriate for your project).

November 25 Quiz

- 90 minute quiz will pose a series of questions on presentations by faculty guest speakers.

December 2. Barry Eichengreen, "Final Research and Writing Advice"

- Summary of results due on Wednesday December 4.
- Several students whose research papers are well advanced will give short presentations.

December 18. Research paper due by 5:00 p.m.