

Master Seminar “International Economic Policy”

General Information and Prerequisites

The seminar is intended for students of the Master Programme in Economic Policy (MEPS). Students are *strongly* advised to successfully pass the courses on “Economic Policy” before participating, however this is not a prerequisite.

To successfully pass the seminar, participants must write a seminar thesis and prepare and give a presentation of their thesis and participate actively in the discussions during the seminar. Complete attendance throughout the seminar is mandatory, including all presentations and the introductory meeting. Grading will be based on the individual grades for the thesis, the presentation and the discussions. You can find hints for how to write a good seminar thesis, how to cite properly and formal requirements on the chair’s homepage. **Strict adherence to these rules is expected, violation will result in a lower grade or failure.**

Application and Registration

Students who would like to participate in the seminar write an e-mail with the subject “*Seminar: International Economic Policy*” to LSHefeker@uni-siegen.de. The application must include the following:

1. Matriculation number
2. A set of your **five most preferred topics**, ranked highest to lowest preference. Alternatively, you may also suggest a topic on your own from the field of “Economic Policy”.
3. A list of all successfully attended courses thus far, including your grades. Please send a PDF-File.

The seminar topics will be assigned according to urgency (e.g. if the seminar is the last remaining requirement for the Master’s degree) and indicated preferences. If several applicants choose the same topic, the topic is assigned by lot. Each topic will be assigned only once. The maximum number of participants is 12. Applicants who do not receive a topic are put on a waiting list and can join the seminar if slots become vacant.

Application deadline is August 30, 2018. Applications are accepted beginning now. Applicants will be notified whether or not their application was successful by September 15, 2018 and in case of success will also receive their assigned topic.

Successful applicants must register for the seminar in unisono until September 29, 2018. De-registration is also possible until that date. Only registration in unisono guarantees the seminar slot, failure to do so until September 29, 2018 will result in the loss of the seminar slot. Registration for the seminar without an assigned topic will result in failure, so **do not register for the seminar without having been assigned a topic!**

Please note the guidelines for application, registration and examination regarding seminars (in German only) :

http://www.wiwi.uni-siegen.de/pruefungsamt/pruefungen/anmeldung_seminare/anmeldung_vwl_seminare.html

Procedure of the Seminar

The seminar begins on October 16, 2018, 19h s.t. (room tba) with a compulsory introductory meeting. In this meeting, all necessary information regarding supervision, writing the thesis, and plagiarism will be discussed. Failure to participate in the introductory meeting will result in immediate failure of the whole seminar, i.e. absent participants will receive the grade 5.0 for the whole of the seminar.

The seminar thesis must be submitted no later than December 21, 2018.

Each participant must submit two printed copies of the seminar thesis at our chair (offices of Ms Arndt, Mr Schäfer, or Mr Röhlig/Mr Klamka) or in our postbox near the Dean’s office on the ground floor of Unteres Schloß. Participants must also send a **single** PDF-file containing the thesis to LSHefeker@uni-siegen.de. The PDF-file must be identical to the submitted printed copies.

The seminar will take place on January 18-19, 2019, 9h-18h (room tba).

Please note also the information on the seminar homepage:

https://www.wiwi.uni-siegen.de/ewp/readings/ws_2018_19/seminar_advanced_economic_policy_ws201819.html?lang=de

Deadlines and due dates

As of now	Begin of the application period
August 30, 2018	End of the application period
September 15, 2018	Assignment of topics
September 29, 2018	End of the (de-) registration period in unisono (Do not register if you do not have a topic!)
October 16, 2018	Compulsory introductory meeting (19h s.t. – 20h, room tba)
December 21, 2018	Submission deadline for the thesis, both printed and electronic copies
January 18-19, 2019	Seminar (9h – 18h, room tba)

Topics

These sources are only a starting point. We expect you to identify and use further literature relevant to your topic!

Advanced Economic Policy

1. Cyclicalities of fiscal policies

Alesina, A., G. Tabellini, and F. Campante (2008) "Why is fiscal policy often procyclical?", *Journal of the European Economic Association*, Vol. 6 (5), pages: 1006-1036, <https://doi.org/10.1162/JEEA.2008.6.5.1006>.

2. The Taylor-Rule

Henderson, D. W. and W. J. McKibbin (1993) "A comparison of some basic monetary policy regimes for open economies: Implications of different degrees of instrument adjustment and wage persistence", *Carnegie-Rochester Conference Series on Public Policy*, Vol. 39, pages: 221-318, [https://doi.org/10.1016/0167-2231\(93\)90011-K](https://doi.org/10.1016/0167-2231(93)90011-K).

Taylor, J. B. (1993) "Discretion versus policy rules in practice", *Carnegie-Rochester Conference Series on Public Policy*, Vol. 39, pages: 195-214, [https://doi.org/10.1016/0167-2231\(93\)90009-L](https://doi.org/10.1016/0167-2231(93)90009-L).

3. Promotion of renewable energies

Menanteau, P., D. Finon and M.-L. Lamy (2003) "Prices versus quantities: choosing policies for promoting the development of renewable energy", *Energy Policy*, Vol. 31 (8), pages: 799-812, [https://doi.org/10.1016/S0301-4215\(02\)00133-7](https://doi.org/10.1016/S0301-4215(02)00133-7).

Advanced International Economic Policy

4. Quantitative easing and currency wars I

Fratzcher, M., M. Lo Duca and R. Straub (2018) "On the international spillovers of US quantitative easing", *The Economic Journal*, pages: 128: 330-377, <https://doi.org/10.1111/econj.12435>.

5. Quantitative easing and currency wars II

Blanchard, O. (2017) "Currency wars, coordination, and capital controls", *International Journal of Central Banking*, Vol. 13 (2), pages: 283-308, <http://www.ijcb.org/journal/ijcb17q2a8.pdf>.

6. Optimal tariffs, retaliation, and the welfare loss from tariff wars

Felbermayr, G., B. Jung and M. Larch (2013) "Optimal tariffs, retaliation, and the welfare loss from tariff wars in the Melitz model", *Journal of International Economics*, Vol. 89 (1), pages: 13-25, <https://doi.org/10.1016/j.jinteco.2012.06.001>.

7. International Trade Balances

Dekle, R., J. Eaton and S. Kortum (2007) "Unbalanced trade", *American Economic Review*, Vol. 97 (2), pages: 351-355, <https://doi.org/10.1257/aer.97.2.351>.

8. Exchange Rates: Trilemma or Dilemma?

Anaya, P. and M. Hachula (2016) “The dilemma or trilemma debate: Empirical evidence”, *DIW Roundup 95*.

Georgiadis, G. and A. Mehl (2015) “Trilemma, not dilemma: Financial globalisation and monetary policy effectiveness”, *Globalization and Monetary Policy Institute Working Paper No. 222*, <https://doi.org/10.24149/gwp222>.

Rey, H. (2015) “Dilemma not trilemma: The global financial cycle and monetary policy independence”, *CEPR Discussion Papers 10591*, https://www.cepr.org/active/publications/discussion_papers/dp.php?dpno=10591.

9. Capital controls

Benigno, G., H. Chen, C. Otrok, A. Rebucci and E. R. Young (2016) “Optimal capital controls and real exchange rate policies: A pecuniary externality perspective”, *Journal of Monetary Economics*, Vol. 84 (C), pages: 147-165, <https://doi.org/10.1016/j.jmoneco.2016.10.004>.

Heathcote, J. and F. Perri (2016) “On the desirability of capital controls”, *IMF Economic Review*, Vol. 64 (1), pages: 75-102, <https://doi.org/10.1057/imfer.2016.7>.

10. Global Imbalances

Blanchard, O. and G. M. Milesi-Ferretti (2012) “(Why) should current account balances be reduced?”, *IMF Economic Review*, Vol. 60 (1), pages: 139-150, <https://www.jstor.org/stable/pdf/41427965.pdf>.

Advanced Methods

11. The HP-Filter: Advantages, shortcomings and applications

Bruchez, P. A. (2003) “A modification of the HP-filter: Aiming at reducing the end-point bias”, *Swiss Federal Finance Administration Working Paper*.

Hamilton, J. D. (2017) “Why you should never use the Hodrick-Prescott filter”, *NBER Working Paper 23429*, <https://doi.org/10.3386/w23429>.

Hodrick, R. J. and E. Prescott (1981) “Post-war U.S. business cycles: An empirical investigation”, *Journal of Money, Credit and Banking*, Vol. 29 (1).

12. State-Space-Models: Advantages, shortcomings and applications

Harvey, A. (1989) “*Forecasting, structural time series models and the Kalman filter*”, Cambridge University Press.

Petris, G. and S. Petrone (2011) “State space models in R”, *Journal of Statistical Software*, Vol. 41 (4), pages: 1-25.

13. Vector Autoregression Models: Advantages, shortcomings and applications

Breitung, J., R. Brüggemann and H. Lütkepohl (2004) “Structural vector autoregressive modelling and impulse responses”, *Applied Time Series Econometrics*, pages: 159-196, <https://doi.org/10.1017/CBO9780511606885.005>.

Hyndman, R. J. and G. Athanasopoulos (2018) *"Forecasting: Principles and practice"*, OTexts (Ed. 2).

Pfaff, B. (2008) "VAR, SVAR and SVEC models: Implementation within R package vars", *Journal of Statistical Software*, Vol. 27 (4).