Classes will be held in Emerson 210 from 10:07am to 11:00am every Monday, Wednesday, and Friday, except March 11.

Most likely sections will held on Wednesdays at 12 PM, Wednesdays at 1 PM, Wednesdays at 2 PM, Thursdays at 12 PM, Thursdays at 1 PM, and Fridays at 9 AM. Further details on section times will be made available at a later date.

Prerequisite: Economics 1010a or 1011a, API-101, or permission of one of the instructors. The course also assumes macroeconomics at the level of 1010b or 1011b.

Grades will be determined as follows:
- a midterm exam given in class on March 28 -- 25 percent
- two four-page memos due at the beginning of class on March 7 and April 27 -- 25 percent
- a final exam given in May -- 50 percent
- Paper Option: Students have the option of writing a 20-25 page research paper (due on May 1) in lieu of the two four-page memos. The paper will count for 25 percent of the grade. Students who choose this option can count Economics 1420 as one of the courses that fulfill the economics department writing requirement.

Discussion and the exchange of ideas are essential to academic work. For assignments in this course, you are encouraged to consult with your classmates on the choice of paper topics and to share sources. You may find it useful to discuss your chosen topic with your peers, particularly if you are working on the same topic as a classmate. However, you should ensure that any written work you submit for evaluation is the result of your own research and writing and that it reflects your own approach to the topic. You must also adhere to standard citation practices in this discipline and properly cite any books, articles, websites, lectures, etc. that have helped you with your work. If you received any help with your writing (feedback on drafts, etc), you must also acknowledge this assistance.

The course website can be accessed at [https://canvas.harvard.edu/courses/9571](https://canvas.harvard.edu/courses/9571)
# Draft Schedule

**American Economic Policy**  
**Spring 2016**

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<td>Introduction (Feldstein)</td>
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<td>Jan. 27</td>
<td>Where are we? How did we get here? What next? (Feldstein)</td>
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<td>Jan. 29</td>
<td>Keynesian Economics: Retreat and Return (Feldstein)</td>
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<td>National Savings and U.S. Fiscal Policy (Liebman)</td>
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<td>Monetary Policy: Business Cycles and Inflation (Feldstein)</td>
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<td>Monetary Policy: Business Cycles and Inflation (Feldstein)</td>
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<td>Budget Deficits and Surpluses (Liebman)</td>
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<td>Preventing and Responding to Financial Crises (Summers)</td>
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<td>Fundamental Tax Reform (Liebman)</td>
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<td>Trade Policy (Summers)</td>
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<td>Budget and Tax Discussion (Feldstein and Liebman)</td>
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<td>Disability Insurance and Unemployment Insurance (Liebman)</td>
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<td>Mar. 7</td>
<td>Trade Imbalances and the Dollar (Feldstein)</td>
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<td>Trade Imbalances and the Dollar (Feldstein)</td>
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<td>F</td>
<td>Mar. 11</td>
<td>No class</td>
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<td>M</td>
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<td>Spring Break</td>
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<td>Apr. 6</td>
<td>Social Insurance Reform (Feldstein and Liebman)</td>
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<td>F</td>
<td>Apr. 8</td>
<td>Immigration (Liebman)</td>
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<td>M</td>
<td>Apr. 11</td>
<td>Transfer Programs and Welfare Policy (Liebman)</td>
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</tbody>
</table>
**READING LIST**

**Introduction: Where are we? How did we get here? What next? (January 25, 27)**


**Keynesian Economics: Retreat and Return (Jan 29)**


NBER reporter, “Household Spending Response to the 2008 Tax Rebate,” March 2010,


_Growth, Productivity, and Distribution (Feb 1)_


_Monetary Policy: Business Cycles and Inflation and Financial Stability (Feb. 3, 8)_


Martin Feldstein, "Unconventional Monetary Policy: Comment on John C. Williams."


**Monetary Policy and Financial Stability (Feb. 10)**


Martin Feldstein. “A Federal Reserve Oblivious to its Effects on Financial Markets,”  


**National Savings and U.S. Fiscal Policy (Feb. 5)**


Alan Greenspan, “Remarks at the European Banking Congress,” November 19, 2004

**Budget Deficits and Surpluses (Feb. 12, 19)**


Additional optional resources:


*Preventing and Responding to Financial Crises (Feb 17)*


Jack and Suzy Welch, “GM: The Case Against a Bailout,” Bloomberg Businessweek, November 18, 2008, 12:01 AM.


Tax Policy (Feb 22, 24, 26, Mar 2)


U. Akcigit et al, “Taxation and the Mobility of Inventors and Scientists,” NBER Digest June
2015.


Additional optional resource:


Trade Policy (February 29)


July 2013.

**Disability and Unemployment Insurance (March 4)**


**Trade Imbalances and the Dollar (Mar 7, 9).**


**Health Care Policy (March 21, 23, 25)**


Katherine Baicker and Amitabh Chandra, “Myths and Misconceptions About Health Insurance,” Health Affairs, Vol. 27, no. 6, w533-w543, October 21, 2008.


Kaiser Family Foundation, “Summary of New Health Reform Law,”


David Cutler. "If Slow Rate of Health Care Spending Growth Persists, Projections May be Off by $770 billion." Health Affairs, 32:5 May 2013.


Additional optional resources:

Kaiser Family Foundation, “Primer on Medicare.”

Kaiser Family Foundation, “Primer on Medicaid.”

The Economics of National Security (March 30)


*Additional optional resource:*


**Social Security Reform (Apr 1, 4, 6)**


Jeffrey Liebman, “Redistribution in the Current U.S. Social Security System,” in *Distributional Aspects of Social Security and Social Security Reform*, Editors Martin Feldstein and Jeffrey Liebman, 2002, pp. 11-41. (A pdf will be provided for those who do not have access to the NBER’s working paper series.)


**Immigration (April 8)**


**Transfer Programs and Welfare Policy (Apr 11)**


**Inequality and Equitable Growth (Apr 13)**


**Energy and Climate Change (April 18)**


Globalization and Economic Policy (Apr 20)


Technological Change and Job Creation (Apr 22)

Keynes, John. 1930. "Economic Possibilities for our Grandchildren"


