

# ECON-A4000: Economics of Global Challenges

Lecture: Course project

Matti Liski

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## Plan for this lecture

### **Directions for the course project:**

- Replaces the exam
- How to choose a topic?
- What is the format?
- How is it graded?

### **Review of the course material:**

- Typically the review lecture helps to see what is expected in the exam
- Now that we have a course project the review helps in finding a topic

# Directions for course project

## The course project: description

Individually written 4-6 pages report on a topic related to the course material. Ideally, the report is a policy proposal that helps decision makers. It can range from a specific policy in one country or location to a wide-ranging global policy challenges encompassing many countries and regions. The project should be clearly structured, have an economic evaluation, and a clear discussion of the arguments in favor and against its implementation. Your arguments can be based on relevant data and theory. Thus, the project allows you to choose different approaches for analysis: some might want to do quantitative work building on data while others could prefer using models from the class or perhaps using more descriptive analysis. In general, it helps to be specific.

# The course project: policies

- **Deadline:** April 15 by midnight. Submission through mycourses
- **Length:** The target length is 4-6 pages, depending on illustrations. One page is about 500 words, so the report should be about 2000 words. I will not count words, however.
- **Evaluation:** Organization and exposition, consistency of reasoning, conceptual clarity. A successful project should demonstrate maturity in the use of concepts that you have seen during your first year of studies (recall that we have taken as given in this global challenges course the concepts from parts I-III).
- **Topic:** Propose a topic for my approval by the end of April 3. You can do this through email. I'm also available for private Zoom sessions: send me an email, and I will propose a time for a session. The links in the review of topics below can give you further ideas on how to get started but it is not expected that you expand beyond the course material. The analysis can build on the basic concepts that you have seen.
- **Warning:** Do not copy paste! Read the relevant material, digest the content, and write from your own stock.
- **Citations:** This is not yet a thesis seminar where you learn the use of citations. You can summarize the main sources for your work in a separate section, or perhaps in footnotes. If you build on the course material (or core textbook material) on general principles, it is not necessarily to provide citations. It is more important that you provide consistent reasoning supporting your conclusions.

# Review of topics

## Review topic: Environment

What types of environmental concerns are real?

- Fossil fuels and minerals are private goods so their finiteness does not lead to a market failure
- Open-access or common-pool resources present a source of market failure
- Topics for projects:
  - ▶ The collapse of global fisheries
  - ▶ Data sources: *link to a report*, and *link to data*
- How much people are willing to pay for emissions reductions?
  - ▶ *Here* is an excellent empirical project on the issue

## Review topic: Environment

### The basic climate science facts

- emissions temperature response
- safe carbon budget
- Topics for projects:
  - ▶ Material on Nordhaus' work: *link*
  - ▶ Data source on carbon deposits: *link*

### Policy options for achieving the targets

- cap-and-trade
- carbon taxes
- Topics for projects:
  - ▶ Policy options for reforming EU ETS *link*
  - ▶ Data on policies in place globally: *link*

## Review topic: Inequality

### Types of inequality:

- between countries, group inequality, inherited inequality.
- savings and growth as determinants of the capital and income ratio
- earnings gap
- Topics for projects:
  - ▶ Data source for easily conducting analysis: *link*
  - ▶ Robots and labor markets: *link*
  - ▶ Minimum wages and inequality: *link*

# Review topic: Technology

## Policies concerning innovation

- intellectual property rights
- Government-funded research
- Topics for projects:
  - ▶ Challenge the patent system! *link*

## The winner-takes-all technologies

- Economies of scale: production, demand, in two-sided platforms
- Topics for projects:
  - ▶ The value of privacy *link*

# Review topic: Global Economy

## Economic epochs

- Great depression → demand-side crisis
- Golden age → supply-side crisis
- Corona virus → both demand- and supply-side crises
- Topics for projects:
  - ▶ Is Covid19 the end of globalization? Does specialization and trade make the world economy vulnerable to shocks such as Covid19? Plenty of material available by googling but not many answers.

## Global financial system

- Compare characteristics of banking systems around the world and across time
  - ▶ Find empirical project *in this link*

# Review topic: Migration

## Summary

- Returns to migration
- Labor market impacts and integration
- Fiscal impacts
- Topics for projects:
  - ▶ What are the attitudes on migration? Data from world value survey:*link*

## Review topic: Politics and public policy

To be added, lecture 11