

39th Class

5/4/11

review of class

take any procedural questions re final

let's talk about what lessons you hopefully take away from this course

Let's review the four stated goals for the course:

“One goal of this course is to provide you with an overview of the topics with which modern neoclassical economics is concerned. Another goal of the course is to enable you to read and critically analyze economic events and policies as described in the news. A third goal is to explore what the terms “economics” and “theory” mean. A fourth goal is to provide a solid foundation for economics and related majors’ future work in this area.”

1) and 4):

You can of course look through the topics on the course webpage to recall what topics we covered and in what order.

many of the lectures I gave could have been easily expanded out into a full semester (or longer) course. Topics in economics often divide into microeconomic vs. macroeconomic (including comparing economic systems), and courses generally have a mix of theory and empiricism, but sometimes concentrate on one or the other side

Some commonly-found courses in economics departments (including ours):

[show list]

can you think of other courses that exist, or that you would like to see?

2) I also stated on the course outline: “You are also expected to be aware of current economic events and should plan on reading relevant material regularly...you may be tested on your knowledge of them.”

A number of you do seem to be doing this already, and hopefully have developed the habit of paying attention to the economic situation in the world

let's review the current U.S. macroeconomic situation briefly (most recent numbers as of today):

March unemployment rate: 8.8%

March CPI (inflation rate): 2.7% annual rate

first quarter of 2011 real GDP annualized growth rate: 1.8%

(down from 3.1% in fourth quarter of 2010)

fiscal policy: still stimulatory (deficit spending)

monetary policy: still stimulatory (low nominal interest rates)

3) methodological lessons

the challenge is to convey ideas from one person to another using communication mechanisms
words are one method, but mathematical statements are another way, as are graphs and pictures
it is important to realize that some methods force more precision, some methods are more
efficient in conveying information, etc.

mathematics is a useful tool for forcing people to clarify what they mean while words tend to be
less exact

but some ideas can also be hard to translate into mathematics

formal modeling is hard if not impossible to do without mathematical tools (including graphs),
but some people reject the whole idea of modeling the economy—but then how do they
understand the world around them in an internally consistent way?

basic idea that theory is a belief statement about how the world works that we hold until faced
with sufficient evidence (and an alternative theory) that leads to our refuting it

hopefully you have learned something about how to do and analyze theory and how theory
underpins both arguments that people make for and against policies, and how different
theoretical underpinnings can lead to people making different arguments

note that rhetorically speaking, if you want to win arguments, you should present balanced
perspectives to convince people of your position

see <http://www.spring.org.uk/2010/11/balanced-arguments-are-more-persuasive.php>
for an empirical argument about this point

hopefully as you go on to study other topics you will also learn to marshal empirical evidence to support your positions (e.g., take Econ 300)

on the essay questions I handed out I gave you a couple to think about that we haven't talked about directly in class, but you can think about on your own. (Japan; volunteer army)

I will load up a few links to help you think about them but feel free to use other sources or just to think about the topics on your own

http://oll.libertyfund.org/index.php?option=com_content&task=view&id=1258&Itemid=290

http://www.ehow.com/facts_5200265_advantages-military-draft.html

<http://www.economist.com/node/18387016>

http://www.newyorker.com/talk/financial/2011/03/28/110328ta_talk_surowiecki

ECON209 Economics of Race and Ethnicity
ECON210 Economics of the Environment
ECON211 Behavioral Economics
ECON212 Economics of Sustainable Development
ECON213 Economics of Wealth and Poverty
ECON215 Labor Economics
ECON217 Economics of Gender
ECON220 Alliances, Commons, and Shared Resources
ECON222 Public Economics
ECON224 Regulation and Antitrust
ECON225 Economic Analysis and the Law
ECON227 Introduction to Financial Analysis
ECON241 Money, Banking, and Financial Markets
ECON256 Order and Planning in the History of Economic Thought
ECON261 Latin American Economic Development
ECON265 Economies in Transition
ECON266 Economics of Developing Countries
ECON267 Economies of East Asia
ECON270 International Economics
ECON308 Healthcare Economics
ECON310 Environmental and Resource Economics
ECON311 Experiments and Strategic Behavior
ECON313 Economics of Child Policy
ECON315 Economics of Work and Pay
ECON316 Urban Economics
ECON318 Economics of Science and Technology
ECON321 Industrial Organization
ECON322 Public Finance
ECON328 Investment Finance
ECON329 Corporate Finance
ECON330 The Multinational Enterprise
ECON331 Open-Economy Macroeconomics
ECON348 Equilibrium Macroeconomics
ECON349 Economic Growth
ECON352 Political Economy
ECON353 American Economic History
ECON354 Institutions
ECON355 Financial History
ECON357 European Economic History
ECON358 History of Economic Thought
ECON362 Economy of Japan
ECON366 Economics of Developing Countries
ECON371 International Trade
ECON380 Mathematical Economics
ECON385 Econometrics