

Master's seminar
Topics in Macroeconomics

Macroeconomic analysis is a powerful tool to both reflect on and suggest answers to pressing issues and controversies in society. This seminar surveys the macroeconomic perspective on several current issues by replicating and discussing recently published articles and promising working papers.

Participants will have a chance to dig into the macroeconomics associated with climate change, currency competition, pandemics, inequality, debt sustainability, and technological progress. Our focus will lie on the *replication/validation* of the presented analyses and an *interactive discussion* of the results.

- Objectives: successful students have
 - tested numerical and analytical techniques of replication;
 - practiced presentation and discussion skills in the conference mode;
 - improved their scientific writing skills.
- ECTS/Requirements:
 - To obtain **6 ECTS**, participants must
 - * deliver a presentation on the selected article,
 - * perform as discussant for a second article,
 - * submit a final document of approx. 8-10 pages that can be a survey/policy brief/replication report/research proposal.
 - This class lives from *active participation* in class discussions which will be regarded in the final grade.
- Course meetings:
 - Kick-off meeting: **Friday, April 16th**.
 - Presentations and discussions: as agreed on in the kick-off meeting.
 - All meetings take place online via **ZOOM**.
- Important notes:
 - Successful participation in *Advanced Macroeconomics I/II* or *Methods in Dynamic Macroeconomics* is recommended but not required for participation.
 - To sign up for the seminar, send an email that contains your **full name**, your **matriculation ID** and your **top-three preferences** to
markus.epp@vwl.uni-freiburg.de
until **Wednesday, April 14th**.
 - The allocation of articles takes place once participants have signed up for the seminar.
 - The seminar is limited to 15 participants.
 - Literature and further material will be provided via ILIAS.

- Participants can suggest a published article or select a paper from the following list:

1. Currency competition:

- Andolfatto, David. “Assessing the impact of central bank digital currency on private banks.” *The Economic Journal* 131.634 (2021): 525-540.
- Fernández-Villaverde, Jesús, et al. “Central bank digital currency: Central banking for all?.” *Review of Economic Dynamics* (2020).
- Schilling, Linda, and Harald Uhlig. “Some simple bitcoin economics.” *Journal of Monetary Economics* 106 (2019): 16-26.

2. Macroeconomics of the COVID-19 pandemic:

- Eichenbaum, Martin S., Sergio Rebelo, and Mathias Trabandt. “The macroeconomics of epidemics.” No. w26882. *National Bureau of Economic Research*, 2020.
- Guerrieri, Veronica, et al. “Macroeconomic implications of COVID-19: Can negative supply shocks cause demand shortages?.” No. w26918. *National Bureau of Economic Research*, 2020.
- Armantier, Olivier, et al. “How Economic Crises Affect Inflation Beliefs: Evidence from the COVID-19 Pandemic.” *FRB of New York Staff Report* 949 (2020).

3. Macroeconomic models of climate change:

- Bretschger, Lucas, and Aimilia Pattakou. “As bad as it gets: how climate damage functions affect growth and the social cost of carbon.” *Environmental and resource economics* 72.1 (2019): 5-26.
- Kellett, Christopher M., et al. “Feedback, dynamics, and optimal control in climate economics.” *Annual Reviews in Control* 47 (2019): 7-20.
- Hillebrand, Elmar, and Marten Hillebrand. “Who Pays the Bill? Climate Change, Taxes, and Transfers in a Multi-Region Growth Model.” (2021), *working paper*.
- Gerlagh, Reyer, Roweno JRK Heijmans, and Knut Einar Rosendahl. “An Endogenous Emissions Cap Produces a Green Paradox.” *Economic Policy* (2020).

4. Sustainability of public debt:

- Blanchard, Olivier. “Public debt and low interest rates.” *American Economic Review* 109.4 (2019): 1197-1229.
- Summers, Lawrence H., and L. Rachel. “On falling neutral real rates, fiscal policy and the risk of secular stagnation.” *Brookings Papers on Economic Activity* BPEA Conference Drafts, March. 2019.
- Brunnermeier, Markus K., Sebastian A. Merkel, and Yuliy Sannikov. “The fiscal theory of price level with a bubble.” No. w27116. *National Bureau of Economic Research*, 2020.

5. Inequality, automation and macroeconomic policy:

- Wolcott, Erin L. “Employment inequality: Why do the low-skilled work less now?” *Journal of Monetary Economics* (2020).
- Moll, Benjamin, Lukasz Rachel, and Pascual Restrepo. “Uneven Growth: Automation’s Impact on Income and Wealth Inequality.” No. w28440. *National Bureau of Economic Research*, 2021.
- Rachel, Lukasz. “Leisure-enhancing technological change.” mimeo, 2019.

- Prettnner, Klaus, and Holger Strulik. “Innovation, automation, and inequality: Policy challenges in the race against the machine.” *Journal of Monetary Economics* 116 (2020): 249-265.
- Cantore, Cristiano, and Lukas B. Freund. “Workers, capitalists, and the government: Fiscal policy and income (re)distribution.” *Journal of Monetary Economics* (2021).
- Coibion, Olivier, et al. “Innocent Bystanders? Monetary policy and inequality.” *Journal of Monetary Economics* 88 (2017): 70-89.

Suggestions of further topics and articles are encouraged!

- All further details will be announced during the kick-off meeting.