

Meets Spring quarter M, W at 9:30
and satisfies GEC Social Science Category 3.

Current Economic Issues in Historical Perspective
Economics 110
Spring 1998

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Hours: M, W 11:15 - 12:00
& by appointment

Motivation

This course builds upon student interest in current economic issues appearing in the media. A serious following of the news (such as reading the NY Times, the Wall Street Journal, listening to PBS news programs, etc.) often gives the impression that current topics arise from vacuums, appearing spontaneously due to political forces, current fashion, etc. This impression is clearly misguided. Nearly all current economic events have a background--a history or story of evolution--that conditions our thinking and/or constrains our approach to problems. Journalists, who often cover a wide range of subjects, usually lack the knowledge or background needed to provide historical perspective to specific current events. Such background may also be tedious or boring to the general public, and complicated beyond easy compression into convenient, marketable "news bites." A course that provides historical context for current economic events will (a) educate potential voters; (b) provide a forum for discussion of economic policy; and (c) elicit interest in more extensive study of economics.

Rather than pursue a formal, deductive approach often taken in advanced courses (where theory is sometimes followed by illustrative evidence), this course begins with a discussion of problems or issues, provides historical background, introduces elementary tools for measurement and analysis, draws some conclusions, and suggests topics for further study.

Readings (all books are available in paperback)

Roger LeRoy Miller and Daniel Benjamin, The Economics of Macro Issues. (M&B)

Readings on Current Economic Issues in Historical Perspective (approximately 200 pages: purchase from Bricker Hall Copez Center).

Every student is expected to subscribe to and read the Wall Street Journal. Current economic events discussed in this paper will be considered in class. Students are invited to bring topics treated here (and in other publications) to the attention of the class for discussion. A portion of class time each week will be set aside for this purpose.

Topics

Each topic will be discussed for approximately one week, depending upon student interest. In the absence of an expression of preference, unemployment (#3) and regulation (#4) will be discussed for one half week each.

1. The standard of living and long term economic growth. Are the rich getting richer, the poor poorer? Are we all, on average, getting worse or better off? Is the U.S. in economic decline?

Readings, section 1; M&B, chaps. 7-10

2. Inflation.

Readings, section 2; M&B, chaps. 17-21

3. Unemployment.

Readings, section 3; M&B, chaps. 11-12

4. Regulation.

Readings, section 7

5. The federal government debt.

Readings, section 4; M&B, chaps. 15-16

6. Globalization: America in the international economy

Readings, section 5; M&B, chaps. 28-31

7. Pollution and the environment.

Readings, section 6

8. Tax reform: from flat to VAT.

Readings, section 8; M&B, chaps. 3-5.

9. Social security and social programs: promises and prospects.

Readings, section 9

10. Natural resources: Are we running out of basic raw materials?

Readings, section 10

11. Immigration.

Readings, section 11

Exams and Grading

Course grades will be based on two mid-terms (25% each), and a final exam (50%) given according to the University schedule. Midterms will be scheduled following coverage of topics 4 and 9. The final exam will be comprehensive, with a slight emphasis on material covered since the second midterm.
