**Macroeconomics of the US, EU and Asia**

**Goal**

This course is intended to provide students basic macro-economic understandings about the **US, EU and Asian economies**, focusing on **diverse current policy issues** such as economic stability, growth and income redistribution **from global and comparative perspective.**

**Requirements and Readings**

Basic Text: Blanchard and Johnson*, Macroeconomics* (6th edition)

Supplementary Texts:

For the issue of economic growth, see Aghion et al. (2021) *The Power of Creative Destruction: Economic Upheaval and the Wealth of Nations.*

For the issue of income distribution, see Piketty (2014), *Capital in the 21st century.*

In addition, some papers from the portal site on European economic policies, voxeu.org, will be discussed during the course.

**Grading**

Weights for the course grade will be as follows:

Mid Exam 40%

Final Exam: 40%

Participation: 20%

**Course Organization**

This course is covering three policy issues of economic stabilization, growth and income distribution.

**1. Introduction**

**Part I: Reviewing Basic Macroeconomic model**

2. Introduction to Basic IS-LM Model

\* Blanchard, ch 3-5

3. Extension to AS-AD Model.

\* Blanchard, ch 6-7

4. Expectation and extension of model

\*Blanchard, ch. 14-17

5. New models on the determination of interest rate and money stock

\*Woosik Moon (2022) Monetary Policy and Central Banking in Korea, chap. 8

**Part II: Understanding Unemployment, Inflation and Financial Crisis and Stability Policy**

6. Unemployment and Phillips Curve

\* Blanchard, ch. 8

IMF, “Chronic Unemployment in the Euro Area”, World Economic Outlook

7. Inflation and Deflation

\*Blanchard, ch. 24

\*Shirakawa (2012) “Demographic Changes and Macroeconomic Performance: Japanese Experiences” Opening Remark at 2012 BOJ Conference hosted by the Bank of Japan May 30.

**8. Mid-term exam.**

(Students are required to read Blanchard et al., and solve the questions indicated during the course)

9. Monetary and Fiscal Policies

\*Blanchard, ch. 23-4

10. Financial crisis

\*Blanchard, ch. 9

\*Woosik Moon (2011), Two crises, two remedies and two consequences, Indian Journal of Industrial Economics

**Part III: Understanding Long Run Growth**

11. Development as a long-term economic growth

\*Blanchard, ch 10-11

\* Aghion et al. (2021) Can we bypass industrialization? in The Power of Creative Destruction, chap. 8

12: Growth Models

\*Blanchard, ch 12

Sala-i-Martin, “Regional cohesion: Evidence and theories of regional growth and convergence”, European Economic Review 40, 1996

13. Technical Progress and East Asian model

\*Blanchard, ch. 13

\*Krugman: Paper tiger

**Part IV: Understanding Income Distribution**

14. Distribution of Income and European social model

\*Alesina, A. et al. (2004), *Fighting Poverty in the US and Europe*, Oxford

\* T Piketty (2014), Capital in the 21st century

\* Alesina, A. et al. (2020) Persistence through revolution, NBER working paper 27053

**15. Final exam**