AEC 199: The pandemic and the economy (1 credit)

Instructor: Dr. Jennifer Alix-Garcia, jennifer.alix-garcia@oregonstate.edu

Office Hours: by appointment

Class Meeting Place: Zoom

Course Description:

Students will examine the impact of the COVID-19 pandemic on the economy and society, and also what the pandemic has revealed about the economic architecture within which we operate. Topics covered will include: historical pandemics and their impacts; unemployment and business collapse; food and medical supply chains; differentiated impacts across race and income levels; impacts on the environment; government response from Congress; government response from the Federal Reserve; emerging from the pandemic with tailored policies and a green new stimulus package. These may be adjusted as the current situation evolves.

Pre-requisites: none

Expectations:
This is a one credit course. That means you should expect to do 3 hours of work on it per week. One hour of that should be participating in class discussion. I expect you to attend class and be prepared to discuss the materials that you are assigned to examine before class. There will be weekly quizzes and a final, two to three page essay required for this class. Students should respect classroom as a place for exchange of ideas and critical thinking.

Student Learning Outcomes:
Students successfully completing this course will be able to:

1. Describe how the COVID-19 pandemic emerged and spread, and how this relates to basic economic concepts, including externalities, markets, and public goods.
2. Describe how the pandemic affected employment, food systems, and other consumer and producer behavior, including supply and demand.
3. Describe how the effects of the pandemic differed across income groups, races, and gender and
4. Examine the tradeoffs between public health and economic outcomes, both historically and in the present.
5. Explain how different governmental approaches to support the economy during the pandemic might lead to different long term economic, social, and environmental outcomes.
6. Apply basic economic concepts to current events related to the pandemic.

Topics and materials

Week	Topic	Economic concepts
1	*Where did it come from?* Required: • The Atlantic (2020) The Case Against Wet Markets • Dobson et al. (2020) "Ecology and Economics for Pandemic Prevention" Science, 369 (6502) Supplemental interesting things: • The Wire (2020): How do scientists model the spread of an infectious disease? Class activity: brief lecture on externalities, models, and class discussion on externalities: http://economicsondemand.weebly.com/uploads/4/0/5/0/40509201/lesson_plan_10_-_externalities!_externalities_read_all_about_it_-_duke.pdf	Externalities, benefit-cost
2	*Who can work from home? Who are essential workers?* Required: • Episode 2: Pandemic economics, "Who can work from home?" • Planet money March 25, 2020 "Food and Farmworkers" • Mongey and Weinberg (2020) Characteristics of workers in low work-from-home and high personal-proximity occupations, University of Chicago White Paper Supplemental interesting things: • Dingel and Neiman (2020) How many jobs can be done at home?, University of Chicago White Paper • Meier (2020) In Epidemics, the Wealthy Have Always Fled JStor Daily • The gender burden of COVID: https://bfi.uchicago.edu/podcast/episode-5-jobs-lost-and-the-child-care-conundrum/ Class activity: employment in America, a look at the statistics: https://www.bls.gov/ces/ ; https://www.bls.gov/web/empsit/cpsee_e16.htm	Labor markets, inequality
3	*Opportunities, choices, and inequality* Required: • Gould and Wilson (2020) Black workers face two of the most lethal pre-existing conditions for coronavirus -- racism and economic inequality • New York Times July 5, 2020 "The fullest look yet at the racial inequity of the coronavirus." • As a complement or alternative, you can look at this CDC report on the incidence of COVID among Native Americans. Supplemental interesting things: • A very long interview by Ezra Klein of David R. Williams: Why the coronavirus is	Choice theory, opportunity costs

	so deadly for Black America	
4	*Where's the pork?* Required: • Macias (2020) Is the Food Supply Chain Strong Enough to Weather COVID-19? June 25, 2020 in **Feeding a Growing Population** • The Indicator from Planet Money (April 8, 2020) Coronavirus and Trade Supplemental interesting things: • The Economist: COVID-19's blow to world trade is a heavy one Class activity: The supply chain for something of your choice (https://www.khanacademy.org/humanities/big-history-project/expansion-interconnection/commerce-collective-learning/a/activity-personal-supply-chain)	Supply chains; international trade; markets
5	*Buying food and oil* Required: • Anything but Dismal, Episode 4, starting around minute 3 and going to minute 10. • Planet Money, April 22, 2020 "Negative Oil" • Becker-Friedmann Institute at the University of Chicago, May 8, 2020: The Cost of the COVID-19 Crisis Supplemental: • A slightly different take and deeper dive on oil prices from the Daily: A Glut of Oil, April 27, 2020 Class activity: price trends of food and oil: https://www.ers.usda.gov/data-products/food-price-outlook/ ; https://fred.stlouisfed.org/series/DCOILWTICO	Demand and equilibrium
6	*Do shutdowns work?* • Summary of: Correia, Sergio and Luck, Stephan and Verner, Emil (2020) Pandemics Depress the Economy, Public Health Interventions Do Not: Evidence from the 1918 Flu SSRN Working Paper. Available at SSRN: https://ssrn.com/abstract=3561560 or http://dx.doi.org/10.2139/ssrn.3561560 , https://insights.princeton.edu/2020/08/pandemics-economy-1918-flu/ • Hsiang et al. (2020) "The Effects of Large Scale Anti-Contagion Policies on the COVID-19 Epidemic" Nature vol 584. Optional but interesting: • Pandemic Economics, Episode 12: The Virus is Boss Class activity: short lecture on counterfactuals; calculating impacts based on simple statistics	Understanding causality
7	*Was 2 trillion dollars the right number?* Required:	Fiscal versus monetary policy

	• *CORE ECONOMICS:* Fiscal policy: how governments can dampen and amplify fluctuations and Monetary policy • *University of Chicago:* Key Economic Facts about COVID-19: Stimulus checks increase household spending. • NPR Interview with Jerome Powell, Chairman of the Federal Reserve, September 4, 2020 • Freakonomics Episode, April 1, 2020: "Is $2 Trillion the Right Medicine for a Sick Economy?" Supplemental interesting stuff: • Planet Money: March 26, 2020: Where do we get $2,000,000,000?	
8	Why didn't carbon emissions go down more? Required: • Resources Radio: Air Quality Impacts of the COVID 19 epidemic • Read: Forester et al. (2020) Current and future global climate impacts of COVID 19, *Nature Climate Change* •	Externalities, climate change policy
9	How to distribute a vaccine? Required: • Pandemic economics episode 16: How to price a vaccine • Reading: TBA	Willingness to pay
10	Reopening and stimulus Required: • Listen: Planet Money, April 15, 2020: Lives vs the economy • Reading: World Bank (2020) No Urban Myth: Building Inclusive and Sustainable Cities in the Coronavirus Recovery • Read: International Energy Agency (IEA, 2020) Green stimulus after the 2008 crisis: learning from successes and failures Supplemental: • Read [tentative]: Determining the Optimal Duration of the COVID-19 Suppression Policy: A Cost-Benefit Analysis	Benefit-cost , value of a statistical life

Assignments:

Weekly quizzes: Each week you will have a quiz that is due prior to class time. Only 8 out of 10 of these quizzes will be graded. They are short, and intended to incentivize you to engage with the week's material.

Final news analysis: You will write a 3 page analysis of a current news item, preferably related to the pandemic. The purpose of this assignment is that you learn to apply economic thinking to your understanding of the evolving pandemic. You will be graded both on the application of concepts as well as the clarity of your writing.

Class participation: My expectation is that you will attend as many of the Zoom sessions as possible and engage in the activities. I will post abbreviated versions of these activities on the Canvas site for the cases in which you are not able to attend, with deliverables that can make up for days in which you are unable to participate. Like the quizzes, I will count 8 out of 10 sessions for your final grade.

Grading:

	Percent of final grade
Quizzes	40
News analysis assignment	40
Class participation	20
Total	100

Reach Out for Student Success

University students often encounter setbacks that can impact academic performance. If you encounter difficulties and need assistance it is important to reach out. Discuss your situation with me or an academic advisor. Learn about how you can plan for success at: http://success.oregonstate.edu/

For help addressing mental or physical health concerns, including seeing an OSU counselor of physician, visit: http://counseling.oregonstate.edu/ OR http://studenthealth.oregonstate.edu/about-shs.

Lauren's promise – I will listen and believe you if someone is threatening you.

Lauren McCluskey, a 21-year-old honors student athlete, was murdered on October 22, 2018, by a man she briefly dated on the University of Utah Campus. *We must all take actions to ensure this never happens again.*

Any form of sexual harassment of violence will not be excused or tolerated at Oregon State University. All individuals who are participating in university programs and activities have the right to do so fully, free from sexual discrimination, misconduct, and retaliation. The university prohibits sexual misconduct of any kind, including sexual harassment, intimate partner violence, sexual exploitation, and stalking. When such misconduct occurs, the university will take steps to stop, prevent recurrence, and remedy the impacts of such behavior.

If you feel you are in danger, call 911.

All Oregon State University employees are considered "Responsible Employees" and must consult with the Office of Equal Opportunity and Access when they are made aware or have reason to believe that a violation of the Sexual Misconduct and Discrimination policy has occurred. However, the university makes several confidential offices available to those who have been affected by sexual misconduct or discrimination. The following offices do not report sexual assaults or other sexual misconduct or discrimination claims to other university offices, but can refer students and employees to resources and services both on campus and within the community: Survivor Advocacy and Resource Center (SARC), Counseling and Psychological Services (CAPS), Student Health Services (SHS), and the University Ombuds.

Special Needs and Accommodations:
I will provide reasonable accommodation for students who submit appropriate documentation of special learning needs. Please let me know early in the term if special arrangements are needed.

Accommodations for students with disabilities are determined and approved by Disability Access Services (DAS). If you, as a student, believe you are eligible for accommodations but have not obtained approval please contact DAS immediately at 541-737-4098 or at http://ds.oregonstate.edu. DAS notifies students and faculty members of approved academic accommodations and coordinates implementation of those accommodations. While not required, students and faculty members are encouraged to discuss details of the implementation of individual accommodations.

Academic Honesty:
If you violate academic honesty in my course, you will receive an F on the work in question and/or in the class. *"Academic or Scholarly Dishonesty is defined as an act of deception in which a Student seeks to claim credit for the work or effort of another person, or uses unauthorized materials or fabricated information in any academic work or research, either through the Student's own efforts or the efforts of another."* Violations include: Cheating, Fabrication, Assisting, Tampering, and Plagiarism. The full OSU Statement of Expectations for Student Conduct is available at: https://beav.es/codeofconduct.