

## ◆MACROECONOMICS: THEORY AND POLICY

Fall 2011 4credits

*Prof. Akira Ariyoshi*

### [Course Objective]

In order to help students analyze real-world economic problems and design appropriate policies to deal with them, this course will cover various basic macroeconomic concepts, including consumption, investment, inflation, the exchange rate, the balance of payments, fiscal and monetary policy, and economic growth and development.

### [Contents of the Course]

1. Basic concepts and data in macroeconomics
2. Consumption, investment, and the IS-LM model
3. Monetary and fiscal policies in theory and practice
4. Exchange rate and open economy macroeconomics
5. Various models of economic growth and development
6. Other Topics

### [Textbooks]

Olivier Blanchard, *Macroeconomics (Updated 5th International Edition)*. Pearson Education, 2010.

Other course material will be distributed in class.

### [Additional Readings]

For those who wish to gain a deeper and theoretically more rigorous understanding of the topics covered, including those who wish to undertake Doctoral Degree studies in the future and those who are planning for research career in macroeconomics, the following are suggested:

D. Romer, *Advanced Macroeconomics (3rd edition)*, McGraw Hill, 2005

Philippe Aghion and Peter W. Howitt, *The Economics of Growth*, MIT Press, 2008.

Other reading materials will be suggested during class.

### [Requirements]

1. Students who are not familiar with the subject or those who are out of touch with macroeconomics since their university days should read an *English* textbook in basic or intermediate undergraduate macroeconomics *prior* to their arrival at the

University. [Students on the IMF Scholarship and attending the Skill-Refreshing Course in summer will be using *Macroeconomics: Principles and Policy, 11th International Edition*, by William J. Baumol and Alan S. Blinder.]

2. Students who are not familiar with logarithms, derivatives, and optimization should take the Math Course offered in September. Understanding of the textbook for this course (*Essential Mathematics for Economic Analysis* by Sydsaeter and Hammond) is essential.
3. Students will be required to do on-line homework using MyEconLab, that is linked to the textbook. The University will arrange the Blanchard textbook with the accompanying access rights to MyEconLab to be distributed at the beginning of the term. *If you have already independently purchased the textbook yourself, you must separately purchase the access code for MyEconLab by yourself for the course.*

#### **[Grading]**

Grading will be based on the results of mid-term and end-of-term examinations, and the completion of assigned homework.

## ◆ MICROECONOMICS FOR PUBLIC POLICY

Fall 2011 4 credits

*Prof. Masako Ii*

### **[Subjects and the Goal of Lecture]**

Analyzing and designing public policies require a deep understanding on the behavior of economic agents such as consumers, producers, and the government. This course offers lectures on the standard microeconomic theory with applications to public policy analysis. Our goal is to show the nature of the market mechanism and its limitation (i.e., market failure) which requires some public policies.

### **[Plan and Summary of Lecture]**

The lecture will cover the following topics: (1) consumer behavior, (2) producer behavior, (3) market equilibrium, (4) market failure, and (5) microeconomic analyses of public policies.

### **[Textbook and References]**

The following textbook is required.

(Textbook)

Nicholson, Walter and Christopher Snyder, *Microeconomic Theory : Basic Principles and Extensions (Tenth Edition)*, South-Western, 2007.

### **[Evaluation]**

Evaluation will be based on homeworks, a mid-term exam, and the final exam.

## ◆ ECONOMICS OF PUBLIC SECTOR

Fall 2011 4 credits

*Prof. Shigeki Kunieda*

### [The Purpose of Lecture]

The purpose of this lecture is to provide students with the theoretical foundation of economics of public sector. Competitive economies are said to be able to allocate resources efficiently. But this, however, is not always the case in real economies: markets are not fully competitive, and even when markets are competitive, they may fail in certain situations. Information is nowadays getting important as insurance markets are developing. Here, information on the side of insurance-providers and insurance-buyers are not the same. When the buyers have more information on their risks than the providers, insurance markets may fail to reach certain types of people who want to buy insurance.

With good understanding of the theory, various public policies will be examined with emphasis on their theoretical aspects. Taxation, social-security policies and local-public finance will be the three of major fields of public economics that will be dealt with here. Debt-management of the public sector will also be examined with some background from macro-economic policy.

### [Construction of lecture]

About 20% of lectures: Theory of market and market failure

25%: Economics of taxation: institution and the theory

25%: Economics of Public Expenditure

20%: Macro-economic aspect of public finance

10%: Local public finance: institution and the theory

### [Textbook and References]

(Required Textbook)

Stiglitz, J. E., *Economics of the Public Sector (Third Edition)*, Norton, 2000

(Recommended Textbook)

Gruber, J., *Public Finance and Public Policy(Second Edition)*, Worth Publisher, 2007

(Reference)

Various books, articles and other materials will be assigned in class.

### [Grades]

Grades will be offered with weighting mid-term and final examinations.

## ◆ FUNDAMENTALS OF ECONOMETRIC METHODS

Fall 2011/Spring 2012 4 credits

*Prof. Satoshi Miyata*

### [Course Objective]

This course is designed for students from a wide variety of backgrounds. The course emphasizes statistical thinking and is intended to get students familiar with organizing and describing data, as well as with basic statistical reasoning and econometric methods. Students will be supposed to use a computer intensively but no previous knowledge of a computer is required.

### [Content of the Course]

The course will be separated into two parts, basic statistics and probability theory in fall quarter, and econometrics in spring quarter.

- Statistics
  - Basic paradigm of statistics
  - Descriptive statistics
  - Basic probability theory
  - Confidence interval and hypothesis testing
  - One and two sample problems
  - Analysis of variance (ANOVA)
  - Linear regression
  - Etc.
- Econometrics
  - Least squares estimation for regression models
  - Generalized method of moment (GMM)
  - Maximum likelihood estimation (MLE)
  - Large sample theory
  - Panel data analysis
  - Time series analysis
  - Etc.

### [Textbooks]

- Jay Devore, *Probability and Statistics for Engineering and the Sciences* (CD-ROM) 7th edition, Duxbury, 2007, ISBN: 0495382175
- Wooldridge, Jeffery, M. *Introductory Econometrics: A Modern Approach*, 3<sup>rd</sup> edition, South-Western, 2005, ISBN: 0324289782

### [R: free software environment for statistical computing and graphics]

In this course, it is strongly recommended to use R, which is free software for statistical analysis available from the internet.

- R Homepage: <http://www.r-project.org/>
- Reference for R:
  - Peter Dalggaard, “Introductory Statistics With R”, Springer-Verlag
  - W. N. Venables & Brian D. Ripley, “Modern Applied Statistics With S”, Springer-Verlag.
- Free documents for R:
  - Emmanuel Paradis , “R for Beginners”:  
[http://cran.r-project.org/doc/contrib/Paradis-rdebuts\\_en.pdf](http://cran.r-project.org/doc/contrib/Paradis-rdebuts_en.pdf)
  - Grant V. Farnsworth, “Econometrics in R”:  
<http://cran.r-project.org/doc/contrib/Farnsworth-EconometricsInR.pdf>

### [STATA]

For econometrics in the spring quarter in 2012, we also use STATA, Data Analysis and Statistical Software. The STATA examples for Wooldridge’s textbook are provided in the internet.

- <http://fmwww.bc.edu/gstat/examples/wooldridge/wooldridge.html>

Many other resources to learn STATA are available from the homepage of STATA.

- <http://www.stata.com/links/resources1.html#official>

### [Evaluation]

Grading will be based on the two quizzes (10% for each), the mid-term examination (20%), the final examination (20%) and the homework assignments (40%). The quizzes will be given in the middle of each quarter.

**◆ FINANCIAL PROGRAMMING FOR MACROECONOMIC  
POLICY FORMULATION**

Fall 2011 2 credits  
(Intensive Course)

*Prof. Ichiro Otani*

**[Course Objectives]**

This course will introduce participants to the process of formulating a hypothetical macroeconomic and structural adjustment program, which provides basic skills in managing economic performance of any country. Thus, participants will be exposed to basic concepts of macroeconomic behavioral and accounting relationships that form a sound basis for analyzing economic developments and formulating economic policies. During the course, participants will acquire basic and practical skills that are useful in economic analysis and policy formulation. (Completion of macroeconomic and microeconomic principles at the APPP is prerequisite.)

**[Textbook]**

Financial Programming and Policy: The Case of Sri Lanka, IMF Institute, IMF, 1996 (Washington, DC). The photo copy of the textbook will be provided to the participants by the APPP.

**[Class schedule and topics for discussion]**

The class schedule and assignments for reading and homework will be contained in an excel file, "Hitotsubashi FPP Class Schedule 2012" that will be distributed before the class, which is tentatively scheduled to begin in February 2012.

**[Workshops]**

The participants will be divided into several groups, depending on the number of the participants in the class. Each group is likely to comprise 4 – 5 people and will be asked to produce two scenarios.

The first scenario is to forecast the economy of Sri Lanka in 1991, based on the assumption that there will be no change in economic policy beyond what is known at the end of 1990. This scenario is usually called as a "baseline" scenario. The forecast will cover the following accounts: the national income and prices, balance of payments, fiscal,

and monetary accounts. In addition, the flow of funds table, linking these accounts, will need to be completed.

Once the baseline scenario is completed, the participants are expected to identify economic problems that Sri Lanka will be facing in 1991 and to identify the need for improvement.

The second scenario, often referred to as an adjustment scenario, is to forecast the economy in 1991, based on the assumption that the authorities will introduce a set of policies, in order to improve economic performance relative to the baseline scenario.

For the adjustment scenario, the participants are to set targets for major economic variable, such as growth, inflation, or balance of payments, and choose policy instruments, such as monetary or fiscal instruments, and are expected to explain how their choice of instruments are to help achieve the targets.

At the end of the exercise, each participant in each group is expected to present the results. Discussion and comments will follow the presentation.

### **[Grade]**

Letter grades will be given to each of the participants upon the completion of the course. The grades will be determined by: class attendance (10 %); participation in discussion (10 %); homework (15 %); and workshop (65%).



## ◆ ECONOMIC ANALYSIS OF TAX SYSTEMS

Spring 2012 2 credits  
*Prof. Shigeki Kunieda*

### **[The Purpose of Lecture]**

The graduate level economic analysis of tax policy will be taught in this class. The basic concepts of various distortions, tax incidence, optimal commodity taxes and optimal income taxes will be explained in more formal way than the economics of public sector class. Capital taxation, corporate taxation and tax evasion will be also considered in detail. This lecture will provide necessary analytical tools for the students who plan to write their thesis on tax policies.

### **[Construction of lecture]**

In the first part of the lecture, positive effects of various taxes on labor supply, savings, risk-taking, corporate investment and finance, and tax incidence will be discussed. In the second half of the lecture, optimal commodity taxes, optimal labor income taxes, and optimal capital taxes will be discussed. Tax evasion and other topics will be also discussed.

### **[Textbook]**

Salanie, B., *The Economics of Taxation*, MIT Press, 2003

Myles, G., *Public Economics*, Cambridge University Press, 1995

A. Atkinson and J. Stiglitz, *Lectures on Public Economics*, McGraw-Hill, 1980

### **[References]**

A. Auerbach and M. Feldstein, *Handbook of Public Economics*, Vol.1-4, North-Holland

Other reference will be provided in class.

### **[Evaluation]**

The grade will be given based on the term paper related to the topics in the class.

## ◆TAX POLICY I: POLICY AND SYSTEMS

Spring 2012 2 credits

*Prof. Toshiyuki Fushimi*

### [Course Objective]

This course examines tax system, tax policy and tax administration, especially focusing on studying how to develop tax system and tax administration of developing countries, through the lecture based on the experience of Japan and the discussion among the participants.

### [Plan of Lecture]

The lecture will cover the following topics:

- (1) Overview of Japanese taxation (Individual income tax, corporate income tax, consumption tax, Inheritance tax and other taxes)
- (2) Overview of Japanese tax administration (development of self-assessment tax system in Japan, and measures for improving taxpayer's compliance and tax authority in Japan).

In addition the participating programs will be provided, such as simulation & discussion program on the ideal tax system and tax administration for the developing countries, and discussion on other special topics including the reason of Japanese economic development and the feature of Japanese people. Therefore the participants will be required to provide the presentation for the issues.

### [Textbook and References]

Lecture notes will be distributed during the course. The following website and textbooks are recommended to supplement the lecture notes.

**Web-site of Ministry of Finance:** <http://www.mof.go.jp/english>

**Web-site of National Tax Agency:** [http://www.nta.go.jp/foreign\\_language](http://www.nta.go.jp/foreign_language)

National Tax Agency, "National Tax Agency Report 2010"

Available at [http://www.nta.go.jp/foreign\\_language/Report\\_pdf/2010e.pdf](http://www.nta.go.jp/foreign_language/Report_pdf/2010e.pdf)

### [Evaluation]

Evaluation will be based on the prepared paper, the presentation related to the topics and the situation of attendance for the class.

## ◆ FISCAL DECENTRALIZATION AND LOCAL GOVERNMENT FINANCE

Spring 2012 2 credits

*Prof. Motohiro Sato*

### [Objective]

Fiscal decentralization has been regarded as a new paradigm of economic and political institution in those countries. It is expected to foster economic development, enhancing inter –governmental/regional competition that direct resources for more efficient use and preserves market economies although empirical evidences on relationship between decentralization and growth are rather mixed. Decentralization may also be considered as a way to promote and assure people’s participation in policy making and thus to secure democracy, preventing an authoritarian government. This reflects the notion that local governments are easier to be controlled by residents than the central counterparts. In a country with discontent regions, decentralization can be to cope with their separatist movement and to accommodate growing regionalism.

In this course, the instructor gives academic-based notion of fiscal decentralization, including (i) function assignment between the central and local governments, (ii) normative functions of intergovernmental transfers to fill vertical and horizontal fiscal gaps and (iii) taxes suitable to local level governments so as to meet fiscal accountability at margin. Issues specific to developing countries such as (iv) management capacity of local governments, (v) inadequacy of local government funding and (vi) macroeconomic impacts are also discussed. Not only country specific matters but also common challenges associated with decentralization will be addressed. Active participation in discussion is expected.

### [Plan of the session]

#### **Part I: Overview of Fiscal Decentralization**

- Normative criterions on task allocation between the central and local governments.
- Fiscal decentralization in Asia and Japan
  - Economic and Political Motives for Fiscal Decentralization
  - Macro economic consequences of decentralization; theory and practice
  - Decentralization and Corruption .

## **Part II: Economic Theories of Decentralized Fiscal System.**

- Benefits of decentralization: (i) Decentralization Theorem, (ii) Tiebout mechanism (“Voting with feet”), (iii) Yard stick competition, (iv) Leviathan hypothesis, (v) Experimentation.
- Costs of decentralization: (i) spillovers, (ii) tax competition, (iii) tax exporting, (iv) vertical tax externality (common pool problem), (v) fiscal equity.
- Criteria on good local taxes and on intergovernmental transfers.

## **Part III: Intergovernmental Relations**

- Design and Administration of Intergovernmental Transfers
- Normative and positive views on Intergovernmental transfers:
  - (i) soft budgets, (ii) pork barrel, (iii) rent seeking.
- Intergovernmental Relations and Transfers in Asia

### **[Grading]**

There are one report and final exam. Final grades will be determined as follows: 40 % of the report, 60% of the final exam. The report will be assigned in the mid of May.

### **[References]**

- Ahmad, E. and V. Tanzi ed 2002 Managing Fiscal Decentralization, Routledge.
- Bird, R. M. and F. Vaillancourt ed, 1998, Fiscal Decentralization in Developing Countries, Cambridge Press.
- Boadway, R. and A. Shah ed. 2007, Intergovernmental Fiscal Transfers: Principles and Practice, Public Sector Governance and Accountability Series, World Bank
- Hitotsubashi Journal of Economics, Vol. 41 (2), December 2000, Special Volume for International Symposium on Decentralization and Economic Development in Asian Countries.
- Ichimura, S. and R. Bahl ed. 2009 Decentralization Policies in Asia Development, World Scientific.
- Montinola, G., Y. Qian and B. R. Weingast, 1996, "Federalism, Chinese Style: The Political Basis for Economic Success," World Politic 48(1), 50-81.
- Proceedings on the international symposium “Fiscal Decentralization in Asia Revisited” 2004.
- Prud'homme, R., 1995, "The Danger of Decentralization," The World Bank Research Observer 10, 201-210.
- Shah ed. 2008 Macro Federalism and Local Finance, The World Bank.

- Ter-Minassian, T. ed., 1997, Fiscal Decentralization in Theory and Practice, IMF.

## ◆FIELD RESEARCH ON TAX ADMINISTRATION

Spring 2012/Spring 2013 6 credits

*Prof. Shigeki Kunieda*

### **[Course Description]**

This is a special course on tax administration conducted on the premises of the National Tax College of the Japanese government.

Participants will be given lectures and training about the Japanese tax system, management of tax collecting authorities and related topics by the officials of the Japanese national tax authorities (National Tax Administration and the National Tax College).

Participants are expected to submit a report on certain aspects of tax administration.

### **[Requirement]**

Participation is strictly limited to students with the previous experience of working at tax authorities.

Those wishing to enroll in this course are required to consult with their academic advisors by late October, 2011.

## ◆ ECONOMIC ANALYSIS OF PUBLIC INVESTMENTS

Fall 2011 2 credits

*Prof. Yoshio Wada*

### [Objective]

This course aims at acquiring practical knowledge of economic and econometric methods in the analysis and evaluation of public interventions including investments in public projects. Cost-benefit analysis is typically used for policy and project evaluation (ex-ante, ex-post) and widely applied in both advanced and developing countries governments for the decision of public investments. The emphasis will be on the theoretical foundations for measurement of the benefits and costs of public investment/development projects as well as on practical application to these projects. Very current topics of (econometric, rigorous) impact evaluation of public projects will be covered in the class with particular applications of the methods to public investments. Moreover, risk and sensitivity analysis, distributional welfare analysis, and the issue of governance/institutions will be covered in the lectures.

The coverage of topics will be mainly from the area of economic growth theory, welfare economics, such as welfare measurement, compensation principle, poverty and distribution theories, econometric evaluations, dynamic decision analysis, risk analysis including real options from financial theory, practical monitoring and evaluation process and applications to infrastructure investments such as roads, electricity, water and social sector investments. Methodology of estimation of benefit, such as hedonic analysis and contingent valuation method will be also covered. The course will extensively use theoretical tools from microeconomics and econometrics.

### Expected Results

After having successfully completed this class, the students are expected to understand and equip the basic economic and econometric skills for policy/project analysis as well as its theoretical foundations, and practical techniques for the conventional planning and appraisal methods for public investments in various sectors. By the end of class you will be expected to know more than most people that carry out mere cost-benefit calculations.

### [Textbooks]

- Boardman, Greenberg, Vining and Weimer (BGVW) (2005), *Cost-Benefit*

*Analysis: Concepts and Practice*, Prentice Hall College Div

- Haughton J. and S.R. Khandker (2009), *Handbook on Poverty + Inequality*, World Bank.
- Khandker, S.R., Koolwal. G.B. and H.A. Samad (2010), *Handbook on Impact Evaluation*, World Bank.
- Gertler, Martinez, Premand Rawlings and Vermeersch (2011), *Impact Evaluation in Practice*, World Bank.

#### [References]

- Duclos, Jean-Yves and Araar, Abdelkrim (2006), *Poverty and Equity, Measurement, Policy, and Estimation with DAD*, IDRC, Springer
- Adler M. D. and Eric A. Posner (2001), *Cost-Benefit Analysis, Legal, Economic, and Philosophical Perspectives*, The University of Chicago Press
- Feldman, A.M. and R. Serrano (2005), *Welfare Economics and Social Choice Theory, 2<sup>nd</sup> ed.*, Springer New York.
- Gollier, Christian (2001) *The Economics of Risk and Time*, MIT Press
- Cameron, A. Colin and Trivedi Pravin (2005) *Microeconometrics, Methods and Applications*, Cambridge University Press
- Belli, Anderson, Barnum, Dixon, and Tan (2001), *Handbook on Economic Analysis of Investment Operations*, The World Bank Institute, WBI Development Series, Washington, D.C. Available from the World Bank Web.  
[http://wbln0018.worldbank.org/environment/EEI.nsf/d94e136e025a639d85256ad80052cbd5/6969e0ba8570192385256706005fa4ad/\\$FILE/econanal.pdf](http://wbln0018.worldbank.org/environment/EEI.nsf/d94e136e025a639d85256ad80052cbd5/6969e0ba8570192385256706005fa4ad/$FILE/econanal.pdf)
- The World Bank Impact Evaluation Manual (2000), *Evaluating the Impact of Development Projects on Poverty, A Handbook for Practitioners*, Judy L. Baker. Available from the World Bank web.  
<http://siteresources.worldbank.org/INTISPMA/Resources/handbook.pdf>
- *Monitoring and Evaluation (M&E): Some Tools, Methods and Approaches*, World Bank, On-line edition (26 pages) is from  
<http://www.worldbank.org/ieg/ecd/tools/>

#### [Requirements and Grading]

30% of your grade will be based on your performance in class (attendance, in-class quiz,



and presentation, if any), and 70% will be determined by your performance on the mid-term and term-end exams. Further details will be announced at the beginning of introductory lecture.

◆ **ECONOMIC ANALYSIS OF REGULATION AND  
PUBLIC ENTERPRISES**

Fall 2011 2 credits

*Prof. Toru Hattori*

**[Course Objective]**

The objective of this course is to provide the students with the understanding of a theoretical background of economic regulation and ownership in public utilities industries, such as electricity, gas, telecommunication and transportation. We will occasionally examine some empirical studies to illustrate key points. In addition, quantitative techniques for productivity and efficiency analysis in regulated industries will be introduced. Understanding of basic concepts of microeconomics is presupposed.

Topics to be covered in the courses are:

1. Competitive Market and Economic Welfare
2. Natural Monopoly and the Role of Economic Regulation
3. Regulatory Failure and Inefficiency of Regulated Firms
4. Information Problems and Incentive Regulation
5. Issues in Public Ownership and Privatization
6. Competition in Formerly Regulated Industries
7. Productivity and Efficiency Analysis in Regulated Industries
8. Topics in Rate Regulation in Public Utilities

**[References]**

There is no single textbook for this course. Reading materials may be specified in class. The following books are recommended as useful references for some of the issues covered:

Coelli, T., P. Rao, C. O'Donnell, and G. Battese (2005). *An Introduction to Efficiency and Productivity Analysis* (2nd Ed), Springer.

Newbery, D.M. (1999). *Privatization, Restructuring, and Regulation of Network Utilities*, MIT Press.

Sharkey, W.W. (1983). *The Theory of Natural Monopoly*, Cambridge University Press.

Vickers, J. and G. Yarrow (1988). *Privatization: An Economic Analysis*, MIT Press.

Viscusi, W.K, J.E. Harrington, Jr., and J.M.Vernon (2005). *Economics of Regulation and Antitrust* (4th edition), MIT Press.

**[Evaluation]**

One short essay (literature review or case study) related to the topics covered in the course will be required. The grades will be determined on the basis of the above *plus* homework and class attendance.

◆ **ECONOMIC ANALYSIS OF SOCIAL POLICY**

Spring 2012 2 credits

*Prof. Masako Ii*

**[Course Objective]**

The purpose of this course is to illustrate the use of economics in analyzing social policies. It aims to examine why the government is the primary provider of goods and services such as health, education, and unemployment insurance, while the provision of goods and services such as clothing, food, and fire insurance is generally left to the private sector? Is the government a more efficient provider of social services? Is there a way for the private sector to provide social services? The course also aims to examine the financing aspect of social services. How should the government raise funds to finance expenditures such as the cost of health services? What kinds of taxes should be levied, who should pay them, and what kinds of distortion and redistribution effects on tax payers and the economy do these taxes have?

**[Textbooks]**

Uchimura, Hiroko ed. Making Health Services More Accessible in Developing Countries: Finance and Resources for Functioning Health Systems, Palgrave Macmillan, 2009

Gruber, Jonathan, Public Finance and Public Policy, Worth Publication, 2007

**[Evaluation]**

Based on class participation, homework assignments, and the term paper.

## ◆ ECONOMIC ANALYSIS OF SOCIAL SECURITY SYSTEMS

Fall 2011 2 credits

*Prof. Shigeki Kunieda*

### **[The Purpose of Lecture]**

Economic analysis of social policy, especially social security system, will be taught in this class. Both theoretical backgrounds and current debate on social security reforms are discussed. This lecture will provide necessary analytical tools for the students who plan to write their thesis on social security policies.

### **[Construction of Lecture]**

The general theoretical backgrounds of public insurance system such as principles of insurance, asymmetry of information, and others are taught. Then we will consider the effects of public pension on labor markets and capital markets. The social security reform debate on both developed and developing countries is also discussed in class.

### **[Textbook/Reference]**

Unfortunately, there is no good graduate level textbook on social security. So, we will introduce references related the topics in class. But, the books and the article below will provide the overview of social security reform debate.

P. Diamond, *Social Security Reform*, Oxford Univ. Press, 2002

M. Feldstein, and J. Liebman, "Social Security," in A. Auerbach and M. Feldstein eds., *Handbook of Public Economics Vol.4*, North-Holland, 2002

World Bank, *Averting the Old Age Crisis*, Oxford Univ. Press, 1994

For the students who do not have any background knowledge of social security and social welfare policy, the following college level textbook may be useful.

N. Barr, *The Economics of the Welfare State* (4<sup>rd</sup> Edition), Stanford Univ. Press, 2004.

### **[Grading]**

The grade will be given based on the term paper related to the topics in the class and the class attendance.

**◆INTERNATIONAL ECONOMY AND FINANCE  
POLICY AND INSTITUTIONS**

Spring 2012 2 credits

*Prof. Akira Ariyoshi*

**[Course Objective]**

The objective of this course is to equip the students with knowledge and skills to understand and analyze international economic developments and policy issues related to the external sector of an economy. It will review the basic concepts and theories and institutional aspects related to international trade, finance and open-economy macroeconomics, and discuss their practical applications in a policy environment.

The course will include the following specific topics.

- International trade: basic theory, policies and institutions
- Balance of payments and exchange rates: basic concepts and theory
- Exchange rate and balance of payments policies
- Coping with currency and balance-of-payments crisis
- International monetary and financial systems

**[Reference Materials]**

Students are strongly recommended to purchase and read either (1) or (2) in parallel with the class. (1) is compact and basic, while (2) has more theory and details. (3) is for students who are interested in the political economy and institutional aspects of trade.

(1) James Gerber, *International Economics (Fifth international edition)*, Pearson Education, 2011.

(2) Paul Krugman and Maurice Obstfeld, *International Economics: Theory and Policy (8<sup>th</sup> International Edition)*, Pearson Education, 2008

(3) Bernard M. Hoekman and Michel M. Kostecki, *The Political Economy of the World Trading System* . 2009, Oxford University Press

Materials on current policy issues will be specified or distributed in class.

**[Grading]**

Grading will be based on short tests during class, and essays and/or final exams.

## ◆ FINANCIAL SECTOR REFORM AND DEVELOPMENT

Fall 2011 2 credits

*Prof. Yasuhiro Maehara*

### [Course Objective]

The global financial crisis from 2007 through 2009 has made policymakers in both developed and developing countries focus their attention again on the importance of financial stability in achieving sustainable growth and development of the world economy. The summit on financial markets and the world economy by the Group of Twenty has been discussing the ways to strengthen the financial system and achieve global financial stability. In these discussions, policymakers have increasingly become aware of the importance of the interaction between the real economy and financial system, and a macroprudential approach in their policymaking. The objective of the course is to provide students with the basic frameworks to evaluate i) financial stability as well as financial regulation and supervision, and ii) the relationship between the real economy and financial system.

Topics covered in the course include:

- Framework for financial stability
- Macroprudential approach
- Balance sheet approach
- Risk management and stress testing
- Financial safety nets
- Financial sector regulation and supervision
- Basel III and its problems
- Systemic liquidity infrastructure
- Financial infrastructure: legal, information, and governance
- Financial stability and economic growth

### [Textbooks and References]

Necessary materials will be distributed in the class.

### [Evaluation]

Grades will be determined on the basis of the term paper as well as participation in the classroom discussion.

## ◆MONETARY POLICY IN JAPAN

Spring 2012 2 credits

*Prof. Yasuhiro Maehara*

### [Course Objective]

The objective of the course is to study monetary policy at work by following the case of Japan. The lectures began in the late 1980s and the 1990s when bubbles were created and burst. Monetary policy faced an enormous challenge to put the economy back on the track under persistent deflation. The central bank had maintained zero interest rates and conducted quantitative easing, both of which were unprecedented at that time. In the early 2000s, Japan finally overcame deflation and began to move on the road to normalcy. By analyzing various monetary policy issues from the 1990s to the present, we will be able to gain insight of the working of monetary policy under various different economic and political conditions. The global financial crisis in 2008 and its adverse effects on the economy posed serious policy challenges to central banks in the world. The Japanese experiences may shed some light on meeting the challenges that central banks face.

Topics covered in the course include:

- Asset prices and monetary policy
- A lost decade of the 1990s: structural versus cyclical problems
- Monetary stability and financial stability
- Relationship with fiscal policy
- Monetary policy under deflation
- Zero interest rate bound
- Unconventional policies: quantitative easing and credit easing
- Inflation targeting and financial imbalances
- Uncertainty and central bank communication

### [Textbooks and References]

Necessary materials will be distributed in the class.

### [Evaluation]

Grades will be determined on the basis of the term paper as well as participation in the classroom discussion.



◆PUBLIC POLICY IN ASIA

Spring 2012 2 credits

*Coordinator: Prof. Shigeki Kunieda*

[The details of this course will be announced in coming winter. For your reference, the syllabus of the same class in 2011 is shown below, although the schedule in 2011 was exceptional due to the East Japan Great Earthquake.]

**【Course Overview】**

This course is intended to review various topics related to public policies in Asia. In addition to the lectures by the faculty, we will have discussions or/and presentations by students of all programs in IPP.

**【Students who can take the course】**

All students in all programs in IPP.

**【Purpose/Goal and Methods】**

The purpose of this course is not only learning public policies in Asia, but also providing the opportunity to know other students in other programs in Kunitachi campus and Kanda campus.

Lectures will be given in English. However, most lectures will use Power point presentations and other materials, so that the students without strong confidence in English skills are also welcome.

**【Topics/Schedule】**

Tentative schedule is as below. The names in parenthesis are planned lecturers.

- 5/9 Introduction
- 5/16 International finance in Asia (Ariyoshi)
- 5/23 Fiscal Policy in Asia (Kunieda)
- 5/30 International relation Part1 (Chun (visiting professor))
- 6/6 Financial system reform in Asia (Maehara)
- 6/13 Health policy in Asia (Ii)
- 6/18 (Saturday, Special substitution for missed class on Monday)  
Presentation Preparation Meeting by Presentation teams
- 6/20 International relation Part2 (Chun (visiting professor))
- 6/27 International relation Part3 (Chun (visiting professor))

- 7/4 Decentralization in Asia (Sato)  
7/11 Presentations by students  
7/18 Presentations by students

**【Textbook/References】**

There is no text book for this course. References may be given from lecturers in class.

**【Relations with other courses】**

There is no prerequisite course for this course.

**【Requirements and Grades】**

Grades will be given in the form of “pass” or “non-pass.” Grades will be based on attendance and contribution to the discussions and/or presentations in class.

**【Message to students】**

One purpose of this course is providing the opportunity to know other students in other programs in IPP. We expect active exchanges among students through discussions and presentation preparations.

**【Office hour】**

Questions about general matters of this course can be asked to Prof. Kunieda during/after the class. Otherwise, please have appointments by e-mail to Prof. Kunieda ([skunieda@ics.hit-u.ac.jp](mailto:skunieda@ics.hit-u.ac.jp)) for general questions. (Prof. Kunieda's office is at Kanda campus.) Also, if you have questions about the substance of the lectures, please ask to the lecturers directly.

## ◆WORKSHOP ON CURRENT TOPICS

Spring 2011 2 credits  
*APPP Faculty members*

The workshop is a unique opportunity for students to expose themselves to the current topics of general interest in the field of public policy. Scholars both inside and outside of the University, policymakers at governments and international organizations as well as practitioners in the private sector are invited to give lectures on specific issues of their expertise at the workshop. At each workshop, two students are pre-designated as discussants. After the comments by discussants, the class discussion with the speaker will follow.

In April-June 2012, the following speakers are scheduled to give lectures on three broad categories of current topics. The venue is Classroom 2 at Kanda campus unless otherwise indicated.

### **APRIL:**

#### **China and globalization, including the internationalization of Renminbi**

April 13, Friday, 14:30-16:30: Mr. Yosuke Tsuyuguchi (Shinkin Central Bank)

April 20, Friday, 14:30-16:30: Prof. Jenny Chang (Business Breakthrough University)

April 27, Friday, 16:00-18:00: Mr. Shinichi Yoshikuni (Mizuho Securities)

Date and time to be confirmed: Mr. Takuma Kurosawa (Hongkong and Shanghai Banking Corporation)

### **MAY:**

#### **Sovereign risk, economy and financial system with the focus on Europe**

- Dr. Albrecht Rothacher (EU Delegation in Japan)
- Mr. Shigeto Nagai (Bank of Japan)
- Dr. Hiromichi Shirakawa (Credit Suisse Securities)
- Prof. Sahoko Kaji (Keio University)

### **JUNE:**

#### **Financial regulation and financial stability**

- Speakers and dates/time will be announced in due course.

### **[Evaluation]**

Grades will be based on class attendance, participation in discussion, and a term paper on one of the topics covered in the workshop.

**◆ISSUES ON PUBLIC POLICY**

Fall 2010/Spring 2011 2 credits each

**VISITING PROFESSOR**

These will be special, short-term and concentrated courses, conducted by visiting professors, usually from abroad. Subjects are current and of special interest to students of public policy, such as global imbalance, financial reform and economic growth.

The specific subjects and instructors will be announced during the semester in which the course will be given.

**◆ISSUES ON PUBLIC POLICY II:  
APPLIED ECONOMETRICS USING STATA**

Fall 2011 2 credits

*Yessica C.Y. Chung*

**Course Objectives**

This course is intended to help participants interested in doing data management and statistical analysis become familiar with Stata statistical software. Classes will combine econometric theory with hands-on exercise of Stata. By the end of the course, participants will be able to test research hypotheses and interpret regression analyses for their master thesis.

**Textbook**

An Introduction to Modern Econometrics Using Stata, Stata press, Christopher F. Baum

**Data for exercises, and assignments**

Sample Data for exercises and instruction will be downloaded from Stata website. Participants are also encouraged to use their own data in the class.

**Content**

1. Introduction of Stata
2. Working with economic and financial data
3. Tools for manipulating Cross-sectional data, Time-series data and Panel data
4. Linear regression
5. Regression with non-i.i.d. errors
6. Regression with indicator variables
7. Instrumental variables estimators: 2SLS, GMM
8. Panel data: Fixed effect, Random effect
9. Time series: ARIMA and autocorrelations
10. Models of discrete and limited dependent variables: logit model, probit model
11. The basics of Stata programming

**Evaluation**

The course grade will be based upon as follows: (1) attendance at class and participation in discussion (40%); (2) homework (30%); (3) final report (30%).

## ◆ ENGLISH THESIS WRITING I-A (ADVANCED)

Fall 2011/Spring 2012 2 credits

*Prof. Stephen Kentwell*

### [Course Objectives]

This course will help in the attainment and reinforcement of a range of skills necessary for academic and bureaucratic writing in the English language. Classes will combine theory with written exercises with the aim of reviewing and reinforcing skills for writing in academic English, with reference to the text “Evergreen” and to academic papers. Homework shall be assigned each week.

In the Spring Semester students will review their English theory and examine examples of writing related to public policy and economics. They will undertake exercises in academic and bureaucratic writing, with summaries, policy memorandums and other short papers.

Students will gain proficiency in applying writing styles (including structure and content), and understand how to avoid plagiarism. They will improve their use of standard language conventions in their writing. At the end of this course they will be able to conceptualize an outline for their Master’s thesis proposal and consider a range of writing approaches.

### [Content]

- Self introductions
- The utility and versatility of English
- Practical issues
- Pre-writing technique
- Essay writing technique
- Avoiding plagiarism; correct sourcing
- Writing a summary
- Writing a critical analysis
- Writing a policy memorandum
- The mechanics of academic writing
- Writing an essay in an appropriate academic style
- General-specific texts
- Problem-solution texts

- Outline of the thesis proposal

**[Textbook]**

Fawcett, Susan, *Evergreen: A Guide to Writing with Readings*, 9th edition, USA: Houghton Mifflin Company, 2010.

**[References]**

Harvey, Gordon, *Writing with Sources: A Guide for Students*, USA: Expository Writing Program, Harvard University, 1998

Van Wageningen, R. Keith, *Writing a Thesis: Substance and Style*, USA: Prentice Hall, 1991

**[Evaluation]**

Attendance at class and active participation in exercises will be important elements of evaluation.

## ◆ ENGLISH THESIS WRITING I-B (BASIC)

Fall 2011/Spring 2012 2 credits

*Prof. Stephen Kentwell*

### [Course Objectives]

This course will help in the attainment and reinforcement of a range of skills necessary for academic and bureaucratic writing in the English language. Classes will combine theory with written exercises with the aim of reviewing and reinforcing skills for writing in basic and academic English, with particular reference to the text “Evergreen”. Homework shall be assigned each week.

In the Spring Semester students will review their English theory and examine examples of writing related to public policy and economics. They will undertake exercises in academic and bureaucratic writing, with summaries, policy memorandums and other short papers.

Students will gain proficiency in applying writing styles (including structure and content) and understand how to avoid plagiarism. They will improve their use of standard language conventions in their writing. At the end of this course they will be able to conceptualize an outline for their Master’s thesis proposal and consider a range of writing approaches.

### [Content]

- Self introductions
- The utility and versatility of English
- Practical issues
- Pre-writing technique
- Essay writing technique
- Avoiding plagiarism; correct sourcing
- Writing a summary
- Writing a critical analysis
- Writing a policy memorandum
- The mechanics of academic writing
- Writing an essay in an appropriate academic style
- General-specific texts
- Problem-solution texts



- Outline of the thesis proposal

**[Textbook]**

Fawcett, Susan, *Evergreen: A Guide to Writing with Readings*, 9th edition, USA: Houghton Mifflin Company, 2010

**[References]**

Harvey, Gordon, *Writing with Sources: A Guide for Students*, USA: Expository Writing Program, Harvard University, 1998

Van Wageningen, R. Keith, *Writing a Thesis: Substance and Style*, USA: Prentice Hall, 1991

**[Evaluation]**

Attendance at class and active participation in exercises will be important elements of evaluation.

## ◆ ENGLISH THESIS WRITING II

Fall 2011/Spring 2012 2 credits

*Prof. Stephen Kentwell*

### [Course Objectives]

This course will focus on the Master's thesis. Students will review the basic structure of the thesis, and learn about appropriate content and style options for each of its chapters. They will learn about different research approaches and how to deal with common problems encountered in writing the thesis, including issues to do with plagiarism and sourcing. Students will acquire techniques for self-editing, with ample opportunity for consultation in the final phase. Skills for the oral examination will also be taught and practiced.

### [Content]

- Writing a summary
- Writing a critical analysis
- The overall structure of the Master's thesis and how to start writing
- The introduction and problem statement
- The literature review
- The method
- The analysis and discussion of findings
- The conclusions and policy recommendations
- Plagiarism and sourcing
- The qualitative research alternative
- Self-editing techniques
- The oral examination

### [Textbook]

Swales, John M. and Christina A. Beer Feak, *Academic Writing for Graduate Students: A Course for Nonnative Speakers of English*, 2nd edition USA: University of Michigan Press, 2004

### [References]

Harvey, Gordon, *Writing with Sources: A Guide for Students*, USA: Expository Writing Program, Harvard University, 1998

Van Wageningen, R. Keith, *Writing a Thesis: Substance and Style*, USA: Prentice Hall, 1991

**[Evaluation]**

Attendance at class and active participation in exercises will be important elements of evaluation.