Advice on the Project

The project is an integral part of the course. Due dates for both the final submission and the tentative outline should be taken seriously.

All written material submitted should be word-processed in good English, and submitted in hard copy. Your project will be graded mostly on its substance, but style (especially the clarity of exposition and the logical flow of the paper) is also relevant.

The Tentative Outline

All groups must hand in a short (one page/paragraph) tentative outline of the project to the instructor (the due date is available on the syllabus). This outline should contain the tentative title of the project, group members (including at least one e-address), the idea of the project, data and literature sources, etc.

Usually your group (or a representation from the group) will discuss the project with the instructor before the outline is due; this is highly recommended. Your group should make a suggestion (or, better still, a few suggestions ranked in terms of the group’s preferences). This can be in person, or via e-mail. If you want to meet in person, please suggest a few alternative times if you do not come in during office hours.

Details

The project must be an application of macroeconomic tools to a situation of interest to the students (and these interests need not coincide with those of the instructor). Projects must include a theoretical framework and relevant data. Students are strongly encouraged to study countries foreign to themselves.

An ideal group consists of five members, but groups can be somewhat larger or smaller. The ideal length of the project is approximately twelve to fifteen pages, though this too is flexible. Please do not ask me how many words are required: you should use the minimum necessary to ask an interesting question, and then clearly answer it (using a framework and data).

In the event that a person does not believe that all other members of her/his group have contributed fairly to the project, each person has the option to assign scores (from 0 [worst] to 10 [best]) to the members of the group other than him/herself. There is no obligation to submit such an evaluation; non-submission will be interpreted as fair work by all other group members. These peer evaluations will be taken into account by the instructor in assigning project grades.

What is a Good Project?

A good project poses an interesting question and then answers it, using theoretical and empirical analysis. Case studies of interesting historical economic events (such as exchange rate crises, recessions, or hyperinflations) are acceptable. Students can also provide current analysis of a given country, or explain how macroeconomic events affect a given industry or macroeconomic sector. Examples of good questions include the following:

1. What caused the Mexican devaluation of 1994?
2. What were the consequences of the Polish “big bang” of January 1990?
3. What effects did German Unification have for France?
4. What are the sources of high growth in South-East Asia?
5. Is Vietnam a good investment for American companies?
6. What caused the Argentine recession of 1995?
7. What caused the Thai devaluation of 1997?
8. What are the current macroeconomic prospects for Russia?
9. Was Malaysia right to impose capital controls in 1998?
10. How should international investors react to the ideas for IMF reform?
11. What consequences will EMU have for Ireland?
12. How did Argentina react to the Brazilian flotation of January 1999?
13. What effect on the macroeconomy can high oil prices in 2000 be expected to have?
14. What caused the depreciation of the euro after its launch?
15. Should Argentina adopt the American dollar?

A good paper usually: a) asks a well-defined question; b) identifies an appropriate theoretical framework to organize the data and c) applies actual data to figure out the answer. Data and secondary sources should be well documented and cited appropriately. An academic (rather than a journalistic) style is appropriate, with full citations, well-documented data sources, a solid conceptual framework, and well-labeled graphs and tables.

Data for the Project

The Long library contains standard macroeconomic data sources for a wide variety of countries. The Economist's Intelligence Unit, in conjunction with Business International, produces quarterly Country Reports and annual Country Profiles on many countries. The International Monetary Fund publishes International Financial Statistics on a monthly basis, which contains data for most macroeconomic variables of interest for its member countries; access to IFS is available through the library. The OECD produces annual Economic Surveys for the "Western" countries, and summarizes data across countries in Main Economic Indicators. The World Bank produces World Development Indicators which is also available in the library.

The Clausen Center provides on-line access to DataStream through a dedicated terminal in the Bakar Computer Center. Virtually all countries produce bulletins from central banks (as well as annual yearbooks) which have data and discussion of current economic developments. In addition, the following journals are extremely useful sources of accessible macroeconomic articles (all are available in the library): Brookings Papers on Economic Activity, Economic Policy, and The Journal of Economic Perspectives. Further, institutions such as the National Bureau of Economic Research (NBER), the Centre for Economic Policy Research (CEPR), the IMF, the OECD and the World Bank all have valuable web sites. You can link to many of these sites from the instructor’s home page.