

Ph.D. Applied Macro

Fall 2025

Professor Robin Grier

In one semester of macro, we cannot cover all the important components of the field. Instead, we will focus on issues such as the evolution of central banking, money and the 2008 financial crisis, exchange rate management and macro problems in developing countries, consumption puzzles in macro, and labor markets. My hope is that instead of being an exhaustive review of macro, the class will spark your interest in the field and lead you to read more macroeconomics on your own and perhaps work on research in the area as well.

You should aim for perfect attendance with this course. Since we only meet once a week, if you must miss a week, you will miss a lot of material. Having said that, stuff happens. If you need to miss a class, let me know beforehand so you can keep on track. I expect that you will come to class having read the material and be ready to discuss them in depth.

Grade Breakdown

Participation	30%
Referee Report	15%
In-class presentations	15%
Final Project	40% (10% from meeting deadlines)

Deadlines for the final project

Write me with the topics you are interested in (by September 10th)

Write up what you are going to study and why in plain English. Explain why the topic is interesting and/or important and how you will contribute to the literature (by September 24th)

Find the most important papers on the topic and write me (again, in plain English) about the evolution of the literature. How would you explain the literature to someone who knows nothing about it? Where does your paper fit in? (October 8th)

Now write up an introduction, giving the story of the literature and what (and why) you propose to do. Be specific about why your contribution will be different/better. Get feedback from me (possibly several times). (October 22nd)

Figure out what data you need to finish the project. How would you test your hypothesis? (November 5th)

Rough draft of everything (November 19th)

Final submission (December 10th)

Schedule and Readings

Aug 27 - The Basics of Money & Central Banking

Irwin, Neil. *The Alchemists: Three Central Bankers and a World on Fire*. New York: Penguin Press, 2013, Chapter 1.

Mishkin, Frederic S. "Symposium on the Monetary Transmission Mechanism." *Journal of Economic Perspectives* 9, no. 4 (1995): 3-10.

Sept 3 - The Origins of Central Banking

Smialek, Jeanna. *Limitless: The Federal Reserve Takes on a New Age of Crisis*. New York: Harper Business, 2023, Chapters 3-4.

Blinder, Alan S. *Central Banking in Theory and Practice*. Cambridge: MIT Press, 1998, selected chapters.

Kemmerer, Donald L., and Bruce R. Dalgaard. "Inflation, Intrigue, and Monetary Reform in Guatemala, 1919-1926." *The Historian* 46, no. 1 (1983): 21-38.

Mendoza, Carlos. "Monetary Authority: similar beginning but different trajectories - Bolivia, Ecuador, and Guatemala in comparative perspective."

Sept 10 - Central Bank Independence, Political Pressures, & the Channels of Monetary Policy

Blinder, Alan. *Central Banking in Theory and Practice*. Cambridge, MA: MIT Press, 1998, section on central bank independence.

Mishkin, Frederic S. 1996. "The Channels of Monetary Transmission: Lessons for Monetary Policy." *NBER Working Paper* No. 5464.

McGeever, Jamie. 2025. "Trump's Fed Attacks Puncture Veneer of Central Bank Independence." *Reuters*, July 21, 2025.

Thompson, Alex. 2025. "Trump's Fight with the Fed Won't End with Rate Cuts." *The New York Times*, July 31, 2025.

Other Readings:

International Monetary Fund. Western Hemisphere Department. 2025. *Haiti: First Review Under the Staff-Monitored Program - Press Release; and Staff Report*. IMF Staff Country Report 25/113, May 22, 2025.

Malik, Kenan. 2024. "Plundered and Corrupted for 200 Years, Haiti Was Doomed to End in Anarchy." *The Guardian*, March 16, 2024.

Sept 17 - Measuring the Economy: National Accounts & Political Economy

Desrosières, Alain. *The Politics of Large Numbers: A History of Statistical Reasoning*. Cambridge: Harvard University Press, 1998, selected sections.

Sandefur, Justin, and Amanda Glassman. "The political economy of bad data: Evidence from African survey and administrative statistics." *The Journal of Development Studies* 51, no. 2 (2015): 116-132.

Aragão, Roberto, and Lukas Linsi. "Many shades of wrong: what governments do when they manipulate statistics." *Review of International Political Economy* 29, no. 1 (2022): 88-113.

Ackerman, Andrew, and Jacob Bogage. 2025. "Trump Redoubles Attack on Federal Jobs Data, Calls Numbers Political." *The Washington Post*, August 5, 2025.

Casselman, Ben. 2025. "Trump Fired America's Economic Data Collector. History Shows the Perils." *The New York Times*, August 3, 2025.

Other Readings:

Jerven, Morten. *Poor Numbers: How We Are Misled by African Development Statistics and What to Do About It*. Ithaca: Cornell University Press, 2013, Chapters 1-2.

"The Price of Cooking the Books." *The Economist*, February 25, 2012.

El País. 2014. "Argentina Comes Clean on Inflation after Seven Years of Manipulation." *El País*, February 14, 2014.

Sept 24 - Exchange Rates, Inflation, and Stabilization

Irwin, Neil. *The Alchemists: Three Central Bankers and a World on Fire*. New York: Penguin Press, 2013, Chapters 9 - 10.

Oct 1 – Global Financial Crisis: Causes and Consequences

Irwin, Neil. *The Alchemists: Three Central Bankers and a World on Fire*. New York: Penguin Press, 2013, Chapter 11.

Krugman, Paul. 2011. "Can Europe Be Saved?" *New York Times Magazine*, January 12, 2011.

Lewis, Michael. 2009. "Wall Street on the Tundra." *Vanity Fair*, April 2009.

Lewis, Michael. 2010. "Beware of Greeks Bearing Bonds." *Vanity Fair*, October 2010.

Lewis, Michael. 2011. "When Irish Eyes Are Crying." *Vanity Fair*, March 2011.

Oct 8 – The Macro Effects of Different Exchange Rate Regimes

Blustein, Paul. *And the Money Kept Rolling In (and Out) Wall Street, the IMF, and the Bankrupting of Argentina*. Public Affairs, 2006. Chapters 1-5

Oct 15 – Exchange Rates, Macroeconomics, and Financial Crises

Blustein, Paul. *And the Money Kept Rolling In (and Out) Wall Street, the IMF, and the Bankrupting of Argentina*. Public Affairs, 2006. Chapters 6-10

Oct 22 - Macroeconomics of Populism & Hyperinflation

Dornbusch, Rüdiger, and Sebastian Edwards, eds. 2007. *The Macroeconomics of Populism in Latin America*. Chicago: University of Chicago Press.

Excerpts from: Neuman, William. *Things are never so bad that they can't get worse: Inside the collapse of Venezuela*. St. Martin's Press, 2022.

Huertas, G., 2019. 19-13 [Hyperinflation in Venezuela: A Stabilization Handbook](#). Peterson Institute for International Economics

Oct 29 – Macroeconomics & Agriculture

Excerpts from: Neuman, William. *Things are never so bad that they can't get worse: Inside the collapse of Venezuela*. St. Martin's Press, 2022.

Mueller, C.C. and Mueller, B., 2016. The political economy of the Brazilian model of agricultural development: Institutions versus sectoral policy, *Quarterly Review of Economics & Finance*, 62, 12-20.

Martín-Retortillo, M., Pinilla, V., Velazco, J. and Willebald, H., 2018. The goose that laid the golden eggs? Agricultural development in Latin America in the 20th century. In *Agricultural Development in the World Periphery* (pp. 337-363).

Nov 5 - Labor Markets & Macro

Krueger, A.B., 2017. Where have all the workers gone? An inquiry into the decline of the US labor force participation rate. *Brookings Papers on Economic Activity*, 2017(2).

Asiedu, Edward, and Nurokinan Chimbar. "Impact of remittances on male and female labor force participation patterns in Africa: Quasi-experimental evidence from Ghana." *Review of Development Economics* 24, no. 3 (2020): 1009-1026.

Nov 12 - Consumption & Macro

Chang-Tai Hsieh, "Do Consumers React to Anticipated Income Changes? Evidence from the Alaska Permanent Fund," *American Economic Review*, 2003, 397-405.

Fafchamps, Marcel, Christopher Udry, and Katherine Czukas. "Drought and saving in West Africa: are livestock a buffer stock?." *Journal of Development economics* 55, no. 2 (1998): 273-305.

Dec 3 Where Does Macro Go Now? Expertise, Populism, and Policy

Ricardo Caballero, 2010, "Macroeconomics after the Crisis: Time to Deal with the Pretense-of-Knowledge Syndrome," *Journal of Economic Perspectives* 24, 85-102.

Noah Smith, 2022, Macroeconomics is still in its infancy, November 20. <https://www.noahpinion.blog/p/macroeconomics-is-still-in-its-infancy>

Casselman, Ben, "Economists Are in the Wilderness. Can They Find a Way Back to Influence?" *New York Times*, Jan. 10, 2025.

Herrera, Helios, and Federico Trombetta. "Political Distrust and the Populist 'Alt-View' Trap." *VoxEU: CEPR Column*, December 19, 2024.