

# **Research Workshop on the Corona Crisis, Lockouts and the Roles of Monetary and Fiscal Policies, Syllabus – Revised, July 23 2020**

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The objective of this course is to expose students interested in writing a master thesis potentially developing it a later stage into a Phd thesis to some relevant and active research topics in macro-economic and finance. In light of current events the workshop will focus on the COVID-19 crisis and on the policy responses to it with particular focus on confinements, and on the responses of fiscal and monetary policies in the world and in Israel. The workshop will focus on the following four topics. The syllabus should be viewed as an upper bound on the materials to be covered.

1. An overview of the COVID-19 crisis (C19C), lockouts and a brief comparison to the global financial crisis (GFC).
2. The impact of the GFC and of the C19C on monetary policy.
3. The impact of the GFC and of the C19C on fiscal policy.
4. Israel's policy responses to the C19C.

There will be no final exam but students will have to make short presentations of an issue related to an article of their choosing from a list of short items that appears at the end of the syllabus.

To be eligible for a passing grade students are required to attend at least 5 classes.

## **Topics and Readings**

### **1. An overview of the COVID-19 crisis (C19C), lockouts and a brief comparison to the global financial crisis (GFC).**

Baldwin R. and B. Weder di. Mauro, (eds.) (2020), **Mitigating the COVID Economic Crisis: Act Fast and Do Whatever it Takes**, Introduction.

<https://voxeu.org/content/mitigating-covid-economic-crisis-act-fast-and-do-whatever-it-takes>

**IMF World Economic Outlook: The Great Lockdown** (April 2020), Executive Summary.

<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

## **2. The impact of the GFC and of the C19C on monetary policy.**

Cukierman A., (Forthcoming), “Reflections on the Shifting Consensus about Monetary and Fiscal Policies following the GFC and the COVID-19 crises”, in Ferri G. and V. D’Apice (eds.), **A Modern Guide to Financial Shocks**, Springer

Bean C., C. Broda, I. Takatoshi and R. Krozner, (2015), **Low for long? Causes and Consequences of Persistently Low Interest Rates**, Geneva Report on the World Economy 17, ICMB and CEPR, September. Chapter 1.

[https://voxeu.org/sites/default/files/file/Geneva17\\_28sept.pdf](https://voxeu.org/sites/default/files/file/Geneva17_28sept.pdf)

## **3. The impact of the GFC and of the C19C on fiscal policy.**

Blanchard O. (2019), “Public Debt: Fiscal and Welfare Costs in a Time of Low Interest Rates”, **Policy Brief 19-2**, Peterson Institute for International Economics, February.

<https://piie.com/publications/policy-briefs/public-debt-fiscal-and-welfare-costs-time-low-interest-rates>.

Cukierman A. (2020), “COVID-19, helicopter money and the fiscal-monetary nexus”, CEPR DP 14374, May.

## **4. Israel’s policy responses to the C19C.**

Ministry of Finance - Economic plan for coping with the coronavirus crisis

[https://www.gov.il/en/Departments/Guides/mof\\_economic\\_plan?chapterIndex=2](https://www.gov.il/en/Departments/Guides/mof_economic_plan?chapterIndex=2)

אנדרו אביר, המדיניות הכלכלית במשבר הקורונה – מצגת, בנק ישראל, יוני 2020.

<https://www.boi.org.il/he/NewsAndPublications/PressReleases/Documents/%D7%9E%D7%A6%D7%92%D7%AA%20%D7%94%D7%9E%D7%A9%D7%A0%D7%94%20%D7%9C%D7%A0%D7%92%D7%99%D7%93.pdf>

## Short items for students presentations\*

1. The great lockdown through global lens (IMF, Gopinath).  
[https://blogs.imf.org/2020/06/16/the-great-lockdown-through-a-global-lens/?utm\\_medium=email&utm\\_source=govdelivery](https://blogs.imf.org/2020/06/16/the-great-lockdown-through-a-global-lens/?utm_medium=email&utm_source=govdelivery)
2. How the great lockdown saved lives (IMF, Pragyana Deb et. al.).  
[https://blogs.imf.org/2020/06/02/how-the-great-lockdown-saved-lives/?utm\\_medium=email&utm\\_source=govdelivery](https://blogs.imf.org/2020/06/02/how-the-great-lockdown-saved-lives/?utm_medium=email&utm_source=govdelivery)
3. Global Economic View: A snapshot of social distancing amid the pandemic (Citi Research).  
<https://www.citivelocity.com/rendition/eppublic/documentService/dXNlcl9pZD1sNk5kLXJEUWRPZlRuSDBVcGxGaVJBjMmVtYWlsX3NlbnRfaWQ9MjA3Njc1MzgwNg/ZG9jX2lkPTEwMTA2OTgmcGxhdGZvc09ODQ#/>
4. Stock market is not the economy? Insights from the Covid-19 crisis (CE 28, Capelle-Blancard, & Desrozier).
5. Does Policy Communication during COVID Work? (CE 29, Coibion, Gorodnichenko & Weber) .
6. The long economic hangover of pandemics (IMF, Jorda et. al.).  
[https://www.imf.org/external/pubs/ft/fandd/2020/06/long-term-economic-impact-of-pandemics-jorda.htm?utm\\_medium=email&utm\\_source=govdelivery](https://www.imf.org/external/pubs/ft/fandd/2020/06/long-term-economic-impact-of-pandemics-jorda.htm?utm_medium=email&utm_source=govdelivery)
7. COVID: Not a great equalizer (CE 19, Galasso).
8. How Pandemics Leave the Poor Even Farther Behind (IMF, Furceri et. al.).  
[https://blogs.imf.org/2020/05/11/how-pandemics-leave-the-poor-even-farther-behind/?utm\\_medium=email&utm\\_source=govdelivery](https://blogs.imf.org/2020/05/11/how-pandemics-leave-the-poor-even-farther-behind/?utm_medium=email&utm_source=govdelivery)
9. Kurzarbeit, IMF.  
[https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit?utm\\_medium=email&utm\\_source=govdelivery](https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit?utm_medium=email&utm_source=govdelivery)
10. Political economy of economic policy (IMF, Frieden)  
[https://www.imf.org/external/pubs/ft/fandd/2020/06/political-economy-of-economic-policy-jeff-frieden.htm?utm\\_medium=email&utm\\_source=govdelivery](https://www.imf.org/external/pubs/ft/fandd/2020/06/political-economy-of-economic-policy-jeff-frieden.htm?utm_medium=email&utm_source=govdelivery)
11. The efficiency of air travel restrictions (CE 24, , Hubert).
12. Policy responses to COVID-19 (IMF tracker)

[https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19?utm\\_medium=email&utm\\_source=govdelivery](https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19?utm_medium=email&utm_source=govdelivery)

13. Gali J. “Helicopter money: The time is now”, VoxEU.

<https://voxeu.org/article/helicopter-money-time-now>

14. ליפשיץ א., ש. מנחם-כרמי. וס. סומקין "התמודדות מדינות נבחרות עם משבר הקורונה", נייר מדיניות. מיוחד, מכון אהרן, אפריל 2020.

<https://www.idc.ac.il/he/research/aiep/Documents/countries-coronavirus-crisis.pdf>

15. “The COVID-19 gender Gap”, (IMF, Georgieva et.al.).

<https://www.citivelocity.com/rendition/eppublic/documentService/dXNlcl9pZD1sNk5kLXJEUWRPZIRuSDBVcGxGaVJBmVtYWlsX3NlbnRfaWQ9MjA3Njc1MzgwNg/ZG9jX2lkPTEwMTA2OTgmcGxhdGZvc09ODQ#/>

New 27 August 2020: [https://blogs.imf.org/2020/07/21/the-covid-19-gender-gap/?utm\\_medium=email&utm\\_source=govdelivery](https://blogs.imf.org/2020/07/21/the-covid-19-gender-gap/?utm_medium=email&utm_source=govdelivery)

\*IMF – International Monetary Fund

CE – COVID Economics, CEPR, <https://cepr.org/content/covid-economics>