



RUPRECHT-KARLS-UNIVERSITÄT HEIDELBERG

FACULTY OF ECONOMICS AND SOCIAL SCIENCES
ALFRED-WEBER-INSTITUTE FOR ECONOMICS

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CHAIR OF MACROECONOMICS

Seminar (M.Sc.)

ECONOMIC EFFECTS OF THE COVID-19 PANDEMIC

Description

In this seminar we will survey early estimates of the economic effects of the ongoing COVID-19 pandemic. Literature on similar topics related to the pandemic – such as its spread, ways to mitigate its recessionary effects, and potential lessons from earlier pandemics – will be discussed as well. Among others, we will compare the different methodological approaches that are used to obtain estimates, despite the still insufficient data.

Organizational issues

The seminar will be conducted entirely online. That is, interaction with the teachers will happen via moodle forums and video chats. You need to hand in a video presentation, a discussion, and a seminar thesis to pass the class.

The seminar is targeted towards Master's students with an interest in macroeconomics. There is a limit of 20 students to participate in the seminar. If more students apply, participants will be selected on the basis of the following criteria, in order of importance:

1. Major and minor (preference for economics students)
2. Students that have completed no or one seminar so far
3. "Fachsemester" (preference for advanced students)
4. Grade in the lecture 'Advanced Macroeconomics' or similar

The final grade will be a weighted average of

- seminar thesis (60%)
- discussion (10%)
- video presentation (30%)

More details will be given on the moodle page. The password will be mailed to all successful applicants.

Seminar language

The seminar language is English.

Application deadline

The application form sent via e-mail to sekretari-at.wipol@awi.uni-heidelberg.de until (including) Sunday, April 26. You can cancel your participation until (including) April 29. If you cancel at a later time, you will obtain a grade of 5.0.

Seminar presentation

You need to submit a video presentation of your allocated topic. Usage of a (free) software like OBS is recommended. The maximum length will depend on the number of participants.

Seminar thesis

The seminar thesis should have a length of at most 15 pages. This includes a thorough overview of the chosen paper and potentially further background material. For further details regarding layout etc., see the relevant document on the chair's webpage at 'Teaching'.

Allocation of topics

Please state in your application which topic you want to work on, with at least three alternative choices. The available topics are listed below. The final allocation will be based on the criteria listed above for participation.

Literature

The seminar is based on current studies of the pandemic, listed below. You need to choose one of the twenty studies and provide three alternatives. All papers and the e-books are accessible via the download link on LSF. The link includes a folder called 'Further possible papers' with more papers that you can also choose from. You are encouraged to additionally use new data and parts of the listed background literature. You can propose additional scientific literature on this topic; we will then check whether the proposed studies are adequate. If you do so, please still list four topics from the list below.

Note that given the evolving nature of the relevant studies, it might happen that discussed papers will be outdated at the time of presentation. In this case, however, it will be insightful to compare predictions with actual outcomes.

Topics

The Spread of COVID19

- 1) Donsimoni, J. R., Glawion, R., Plachter, B., & Waelde, K. (2020). *Projecting the Spread of COVID19 for Germany*. MedRxiv.
- 2) Fang, H., Wang, L., & Yang, Y. (2020). *Human Mobility Restrictions and the Spread of the Novel Coronavirus (2019-nCoV) in China* (Working Paper No. 26906). National Bureau of Economic Research.

- 3) Stock, J. H. (2020). *Data Gaps and the Policy Response to the Novel Coronavirus* (Working Paper No. 26902). National Bureau of Economic Research.
- 4) Harris, J. E. (2020). *The Coronavirus Epidemic Curve is Already Flattening in New York City* (SSRN Scholarly Paper ID 3569381). Social Science Research Network.
- 5) Qiu, Y., Chen, X., & Shi, W. (2020). Impacts of Social and Economic Factors on the Transmission of Coronavirus Disease 2019 (COVID-19) in China. *Journal of Population Economics* (forthcoming).

Lessons from Historical Evidence on Pandemics

- 6) Barro, R. J., Ursúa, J. F., & Weng, J. (2020). *The Coronavirus and the Great Influenza Pandemic: Lessons from the “Spanish Flu” for the Coronavirus’s Potential Effects on Mortality and Economic Activity* (Working Paper No. 26866). National Bureau of Economic Research.
- 7) Correia, S., Luck, S., & Verner, E. (2020). *Pandemics Depress the Economy, Public Health Interventions Do Not: Evidence from the 1918 Flu* (SSRN Scholarly Paper ID 3561560). Social Science Research Network.
- 8) Guimbeau, A., Menon, N., & Musacchio, A. (2020). *The Brazilian Bombshell? The Long-Term Impact of the 1918 Influenza Pandemic the South American Way* (Working Paper No. 26929). National Bureau of Economic Research.
- 9) Jordà, Ò., Singh, S. R., & Taylor, A. M. (2020). *Longer-run Economic Consequences of Pandemics* (Working Paper No. 26934). National Bureau of Economic Research.

Effects on the Real Economy

- 10) Fernandes, N. (2020). *Economic Effects of Coronavirus Outbreak (COVID-19) on the World Economy* (SSRN Scholarly Paper ID 3557504). Social Science Research Network.
- 11) Sforza, A., & Steininger, M. (2020). *Globalization in the Time of COVID-19* (SSRN Scholarly Paper ID 3567558). Social Science Research Network.
- 12) McKibbin, W. J., & Fernando, R. (2020). *The Global Macroeconomic Impacts of COVID-19: Seven Scenarios* (Report). Brookings Institution.
- 13) Atkeson, A. (2020). *What Will Be the Economic Impact of COVID-19 in the US? Rough Estimates of Disease Scenarios* (Working Paper No. 26867). National Bureau of Economic Research.

Impact on Stock Markets

- 14) Alfaro, L., Chari, A., Greenland, A. N., & Schott, P. K. (2020). *Aggregate and Firm-Level Stock Returns During Pandemics, in Real Time* (Working Paper No. 26950). National Bureau of Economic Research.
- 15) Ramelli, S., & Wagner, A. F. (2020). *Feverish Stock Price Reactions to COVID-19* (SSRN Scholarly Paper ID 3560319). Social Science Research Network.

Evaluating the Policy Response

- 16) Bayer, C., Born, B., Luetticke, R., & Müller, G. J. (2020). *The Coronavirus Stimulus Package: How large is the transfer multiplier?* (CEPR Discussion Papers No. 14600). Center for Economic Policy Research.
- 17) Briscese, G., Lacetera, N., Macis, M., & Tonin, M. (2020). *Compliance with COVID-19 Social-Distancing Measures in Italy: The Role of Expectations and Duration* (SSRN Scholarly Paper ID 3563984). Social Science Research Network.

Pandemics in Macroeconomic Models

- 18) Guerrieri, V., Lorenzoni, G., Straub, L., & Werning, I. (2020). *Macroeconomic Implications of COVID-19: Can Negative Supply Shocks Cause Demand Shortages?* (SSRN Scholarly Paper ID 3569382). Social Science Research Network.
- 19) Alvarez, F., Argente, D., & Lippi, F. (2020). *A Simple Planning Problem for COVID-19 Lockdown* (SSRN Scholarly Paper ID 3569911). Social Science Research Network.
- 20) Eichenbaum, M. S., Rebelo, S., & Trabandt, M. (2020). *The Macroeconomics of Epidemics* (Working Paper No. 26882). National Bureau of Economic Research.

Additional background material

Baldwin, R. & Weder di Mauro, B. (eds.). (2020). *Economics in the Time of COVID-19* (VoxEU.org e-book). Centre for Economic Policy Research.

Wyplasz, C. & Weder di Mauro, B. (eds.). (2020). *Covid Economics: Vetted and Real-Time Papers. Issues 1-5*. (CEPR e-books). Centre for Economic Policy Research.

Bayer, C. & Bachmann, R. (2020). *Coronomics* (Podcast series).
www.youtube.com/channel/UC7tHefGysudffsbh16tWx-A/videos