

ECO 407

Competing Views in Macroeconomic Theory and Policy

Term Paper: “Fiscal Austerity and the Great Recession”

Almost all governments of the developed world have implemented expansionary monetary policy of some sort to counteract the effects of the Great Recession. Some of these governments have complemented easy money policy with expansionary fiscal policy of different degrees (e.g., the U.S., Canada and Japan) while others have favoured a combination of less aggressive monetary expansion with fiscal austerity measures (e.g., the U.K. and the Eurozone countries).

Write a short academic paper on the rationale and wisdom of using “expansionary” austerity policies during the Great Recession. You may select a case study (e.g., a particular country or group of countries) to focus your essay. Your essay must have a clear thesis and include a brief introduction and conclusion. Your paper must be about 4000 words (+/- 5%) in length (about 15 double-space pages, without counting the bibliography) and make reference to at least **eight academic works** published on the topic.

A **first draft** of the paper will be due at the beginning of class on **November 15 (late penalty: 20 percentage points of the paper’s final mark without exceptions)**. The **final draft** of the paper will be due at the beginning of class on **November 22 (late penalty: 5 percentage points per day without exceptions)**. **An electronic copy of both the first and final drafts must ALSO be uploaded by their respective dates to Turnitin.com for the submission to be complete and no penalties to apply.**

When submitting your paper to Turnitin.com you must refer to Class ID: **19055839** and Enrollment Password: **eco407**.

The University requires that the following paragraph be included in the syllabus of all courses using Turnitin.com:

Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of the Turnitin.com service are described on the Turnitin.com web site.

Please note that you are not obligated to submit your assignment to Turnitin.com. If you object to submit your assignment to Turnitin.com, let me know by **October 18** and I will offer you a reasonable offline alternative.

Helpful instructions on how to complete this assignment are posted on the course website. Practical information on how to avoid unintended **plagiarism** is also posted on the course website. There are several Writing Centres at the University of Toronto where you can receive helpful information to guide you in completing any writing assignment. A list of these Writing Centres can be accessed at <http://writing.utoronto.ca/writing-centres/arts-and-science/>. More general advice on academic writing can also be electronically accessed at <http://advice.writing.utoronto.ca/student-pdfs/>.