

Tutorial Session 1

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Outline of the session

- Discussion about the essay (1 hour)
 - how to find your problematic? how to choose related research papers?
 - how to read research papers?
 - what do we expect you to do in this essay?
- Exercise. Fiscal federalism : the case of defence (1/4 hour)
- Your questions

About the essay

- Deadline : 12/07/09
- Min 3 pages, Max 5 pages (cover page, graphs, appendix and biblio excluded)
- Precise requirements are above the list of topic on Farid Toubal's webpage.
- julien.martin@ensae.fr : email me your work to save trees [and check for plagiary]
- You can work alone or by group of 2 or 3
- Basic idea : *Answer on a precise question about European economic integration using related research papers and the tools acquired in the lecture.*

Steps

- Read the text attached to the list of topics.
- Find a topic you are interested in
- read, read and read...
- Find a precise question and a research paper answering your question.
- contact me and then read, read and read again...
- Write your essay

Which topic ?

- Measuring European Economic integration
- Integration and trade
- Integration and Migration
- Multinational Activities
- The Euro
- Financial crisis
- Regional disparities
- Voting rules
- European Universities
- Integration and culture
- Integration and trade

Which paper? which problematic?

- Your work relies on one or several research paper(s).
- You can read short articles to find your problematic but the paper you summarize in your essay has to be a research paper.
- The paper should be an answer to your problematic.
- The only constraint you have for the problematic : it has to make sense regarding to European economic integration.
- If the paper is too difficult, if you do not see any limit/extension do not choose it.
- Read several papers and find the one fitting both (i) your problematic and (ii) what we expect you to do.

- Texts on Farid on webpage..
- google, google scholar
- Vox, Telos, Bruegel ... (see useful links on my page)
- Books : go to the library
- Texts cited in your readings...
- To avoid bad news : send me the paper you've chosen before starting you essay.

Research papers are often long and more or less technical. Answer the six following questions to extract the essential.

- 1 Empirical or theoretical research paper (or both) ?
- 2 What are the motivations of this paper ?
- 3 Contribution. What does this paper add to the existing literature? (new theory, new question, new methodology, new data...)
- 4 Results. what are the main findings ?
- 5 Methodology. how do authors get their results ?
A lot of these informations are in the abstract and the introduction.
- 6 Drawbacks. what are the limits of the paper ?
You need several readings to really understand a paper. You must read other papers of the literature to find the drawbacks.

Example

Imagine a paper about FDI, trade and wage inequality

- 1 Motivation. Since 80s both wage inequalities, FDI and trade have jumped in the US?
- 2 Contribution : we identify three suspects : trade, FDI and technical progress and quantify the impact of each on the raise of inequalities using new data for US.
- 3 Result : technical progress is the main channel but trade and FDI also contribute to dig the gap since 2000.
- 4 Methodology : we use individual data on wages and estimate a structural equation.
- 5 Drawbacks : FDI and trade might impact technical progress.

- Show us that you have read and understood the literature.
- Be precise and concise (5 pages max). [short and clear sentences]
- When you give your opinion don't forget that it's a lecture about European ECONOMIC integration.
- Follow instructions (or not) ¹

1. The following indications have to be taken as suggestions to structure your essay. It's up to you to adopt a different structure for your essay.

Introduction (5 paragraphs)

- 1 YOUR motivation to deal with this topic (1 paragraph)
- 2 Problematic (1 or 2 paragraphs). Present your research question and define the key concept(s).
- 3 2/3 sentences presenting the research paper(s) you work on.
- 4 1 sentence for the main extension/drawbacks
- 5 1 sentence for the plan

Summary (1 page)

- One or several **research paper(s)** (neither vox, nor bruegel etc)
- Motivation of this literature.
- Contributions. (brief)
- Methodology(ies). (important)
- Findings (presentation or comparison). One table of results if you want. You have to sum the results. You can get rid of some of the results.

Drawbacks/extensions

- What are the limits of the paper(s) ?
- If you have 2 papers with different results which one is the more convincing ?
- What do you think of this literature ?
- What could be done to improve it ?

Conclusion

- Sum up your reasoning.
- Do not introduce new ideas or new concepts. If you have new "good" ideas (concepts) in the conclusion you should have developed them before.. or they are not that good...
- As usual you can end by an open question or remark.

Bibliography

- Biblio is a non negligible part of the grade.
- In the biblio there are only the sources you use in your dissertation.
- It is important to have appropriate citations (quality not quantity)
- In the text, papers, books are cited :
Author (1987), Author1, Author2 & Author3 (1987)
- The 2nd time, more than 3 authors : Author1 et al (1987)
- Like in the research paper you work on!!!

Bibliography (continued)

- In the biblio you write the entire reference.
- *Book* : Baldwin, Richard E. & Martin, Philippe, 2004. "Agglomeration and regional growth," Handbook of Regional and Urban Economics, in : J. V. Henderson & J. F. Thisse (ed.), Handbook of Regional and Urban Economics, edition 1, volume 4, chapter 60, pages 2671-2711 Elsevier.
- *Paper* :Richard Baldwin, 2008. "EU Institutional Reform : Evidence on Globalization and International Cooperation," American Economic Review, American Economic Association, vol. 98(2), pages 127-32, May.

Theory of fiscal federalism

- Question : what is the appropriate assignment of policy tasks to different levels of government ?(Persson, Rolland, Tabellini 1996)
- Fiscal federalism : trade off between information and incentive. In other words trade off : externality (spillovers, scale effects) vs local heterogeneity (preferences)
- Centralizing allows to internalize externality
- Decentralizing allows to take into account local specificity
- Limits of fiscal federalism : it ignores distortions (no second best considerations)

The case of defence

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- Why not a European army? Coordination failures (free riding)?
- Reasons of non adoption can be political only : cf. EDC