# Global economic policies and institutions

## Prof. Simona Beretta

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course provides students with a systematic understanding economic interdependence (encompassing international trade and investments, and focusing on monetary and financial transactions). It aims at empowering students to competently discuss issues related to national, regional and global integration and policymaking, and to assess the role of international institutions.

Intended learning outcomes (knowledge and understanding)

At the end of the course, by attending lectures, studying textbooks and reading the materials provided for class discussion, students will acquire knowledge and understanding about national policy making and international economic collaboration among sovereign, interdependent countries.

In particular, they will understand the substance of trade policies in bilateral/ regional/ multilateral trade and investment agreements; exchange rate regimes; regulations/deregulation of international financial flows; causes, consequences and management of global instability and crises. They will understand the substance of empirical evidence on international trade, investment, financial flows and exchange rates; they will learn to assess the implications of national policymaking; and to be progressively aware of the economic, political and social dimensions of interdependence among countries.

Intended learning outcomes (applying knowledge and understanding)

At the end of the course, by reading the materials provided and participating in class discussions, students will learn to use empirical evidence for describing and interpreting specific situations in trade, investment and finance; to apply analytical frameworks to address issues and challenges in global affairs; to analyse and compare alternative economic policies. Students will progressively recognise the economic logic underpinning national, regional and multilateral policymaking and will be able to assess the functioning and the challenges of international economic institutions.

Intended learning outcomes (making judgements, communication)

Reading and participating in class discussion on selected issues will enhance students’ ability to discern and to evaluate alternative policy options, to communicate their conclusion and to provide adequate reasons for one’s judgement.

***COURSE CONTENT***

* Stylized facts of globalization and de-globalization. “Real” integration issues and policies in historical perspective: from mercantile globalization to international supply chains and “deep” integration. Bilateral / regional / multilateral trade and investment agreements. Macro-regional integration, opportunity and threat to multilateralism.
* Transnational finance and international currencies in a multipolar world. A reappraisal of basic functioning of fixed exchange rates regimes, managed floats and flexible exchange rates regimes.
* Revisiting the historical experience of international monetary and financial regimes: from the Gold Standard to inter-world war economic nationalism; from Bretton Woods consensus to exchange rate flexibility. Financial globalization and the role of emerging countries.
* International monetary and financial institutions (BIS, IMF, WB …). Optimum currency areas and the experience of the Euro. International reserve currencies, past and future.
* Finance and development. External debt, inter-temporal budget constraints, debt and exchange crises in recent decades. Financial instability and vulnerability of countries. “Fundamental” versus “self-fulfilling” crises. Recovering from crises: global financial crisis, coronavirus crisis.

***READING LIST[[1]](#footnote-1)***

Reference textbook is the same students have been using for their International Economics course:

P.R. Krugman-M. Obstfeld-M.J. Melitz, *International Economics. Theory & Policy*, Eleventh edition, Global edition, Pearson Education Limited, 2018, in particular chapters 9 and chapters 18-22 [*Acquista da VP*](https://librerie.unicatt.it/scheda-libro/krugman-obstfeld/international-economics-theory-and-policy-9781292214870-560098.html)

provide:

* Detailed schedule of the course (list of topics, refeences, home assigments, discussion sessions);
* Lecture slides with detailed required readings (textbook and other required readings) and other suggested references (not reuired);
* Required and suggested readings (papers, official documents, articles…)

The Blackboard page of this course will also be used for news and updates on all items.

***TEACHING METHOD***

Lectures; class presentation and discussion of case studies, research papers, official documents, and selected articles from specialized press.

Students attending the course will be invited to prepare and hand in short assignments, as a form of active learning. These assignments are not compulsory but will contribute to students’ final marks, as specified below.

***ASSESSMENT METHOD AND CRITERIA***

Students’ evaluation is based on a written paper with open questions. The paper will include three parts:

– short answers, where students are asked to provide definitions and examples about key concepts of the course (40% of mark);

– structured questions, including graphical analysis, discussion of how concepts apply to specific situations, simple logical exercises (40% of mark);

– structured questions concerning policy issues at national/ regional/ multilateral and global levels. This part is based on materials used in class for discussion (20% of mark).

Evaluation will take into account the level of understanding, knowledge and quality of exposition of the course content. Students can view their commented and graded exam papers in the lecturer’s office.

Home assignments will be graded, and will contribute to individual final marks as additional points (maximun 3) on top of the positive evaluation of the written paper (18 or more rquired). Further information will be available on the Blackboard page of the course.

***NOTES AND PREREQUISITES***

In case the evolution of Covid-19 pandemic does not allow teaching in presence, online lectures and distance learning will be guaranteed. Channels and modalities will be communicated in due time to all students.

The exam of Principles of economics is a formal prerequisite for this course; students are not admissible to this exam id they have not passed Principles of Economics. Students are strongly advised to take International Economics before this course as well; this is not a formal requirement, but it is an obvious prerequisite that favors active learining: attending lectures, reading materials, participating in class discussions.

Prof. Simona Beretta office is at DISEIS - Dipartimento di Economia Internazionale, delle Istituzioni e dello Sviluppo (Via Necchi 5, fifth floor, room 509, tel. 02 7234 27319). Weekly office hours: Wednesday (10.30-13.00); please check the lecturer's webpage fo possible changes. Lecturer's webpage: <http://docenti.unicatt.it/ita/simona_beretta/>*.* The Instructor is also available for short conversations at the end of each lecture.

Should personal interactions be restricted, office hours will be held on Teams and will be agreed by e-mail, contacting [simona.beretta@unicatt.it](mailto:simona.beretta@unicatt.it)

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)