# 2022-2023 Global economic policies and institutions

## Prof. Simona Beretta

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

The course provides students with a systematic understanding of economic interdependence, with special focus on monetary and financial issues. It aims at empowering students to competently discuss national, regional and global monetary and financial policymaking, and to assess the possible role of international institutions in dealing with emerging financial issues, in particular external debt management, post-emergency reconstruction, and climate finance.

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. They will learn to apply basic game theory to issues of international conflict-collaboration, including climate change issues.

They will learn to assess international implications of national policymaking, and to be progressively aware of the economic, political and social dimensions of interdependence among countries. They will appreciate economic and political interdependence with specific reference to alternative exchange rate regimes, regulations/deregulation of international financial flows, monetary and financial instability and crises.

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 be able to use empirical evidence for understanding challenges in global affairs, and to analyse and compare alternative economic policies. Students will recognise the economic logic underpinning national, regional and multilateral policymaking and to assess the functioning and the challenges international economic institutions face in addressing environmental, monetary and financial issues.

Intended learning outcomes (making judgements, communication)

Personal readings and participation in class discussion will enhance students’ ability to discern and to evaluate alternative policy options, to provide adequate reasons for one’s evaluations over alternative policy options.

***COURSE CONTENT***

* Stylized facts of globalization and de-globalization: the evolving nexus trade-money-finance-environment.
* Game-theoretical applications to international economic conflict and collaboration*. Case study: regional and global environmental policies.* *“Green” finance and sustainable development.*
* Revisiting international monetary and financial regimes: from the Gold Standard to inter-world war economic nationalism; from Bretton Woods consensus to exchange rate flexibility. Reappraising fixed exchange rates regimes, managed floats and flexible exchange rates regimes in today’s financially integrated world.
* International currencies, past and future. *Case study: China and the international monetary system. Cryptocurrencies and central banks’ digital currencies; transnational and decentralized finance.*
* External debt, inter-temporal budget constraints and financial crises in recent decades. Financial instability and vulnerability of countries. “Fundamental” versus “self-fulfilling” crises. *Case study: the experience of the Euro*
* The evolution of international monetary and financial institutions (BIS, IMF, WB) and their current challenges
* Recovering from crises: global financial crisis, coronavirus crisis, reconstruction and recovery. *Case studies external debt management, post-emergency recovery, climate finance.*

***READING LIST***

Reference textbook:

P.R. Krugman - M. Obstfeld - M.J. Melitz, *International Economics. Theory & Policy*, Eleventh edition, Global edition, Pearson Education Limited, 2018, chapters 18-22

Required readings and suggested readings for each topic will be available on BlackBoard.

Students will find on the BlackBoard page of this course:

* The detailed schedule of the course (topics, refeences, discussion sessions), to be periodically updated;
* Lecture slides and detailed reading list, including required and suggested readings;
* All reading materials (papers, official documents, articles, websites links…), with the obvious exeption of the reference textbook.

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

***TEACHING METHOD***

Lectures and case studies; students’ presentation and class discussion for active learning. Students attending the course are encouraged to give presentantions in class, and to hand in the corresponding personal or group paper and/or presentation, which will contribute to students’ final marks, as specified below.

***ASSESSMENT METHOD AND CRITERIA***

Students’ evaluation is based on a written test with open questions. The test includes 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 the materials used for class discussion and available on Blackboard (20% of mark).

Evaluation will take into account the level of understanding, knowledge and quality of exposition. Students can view their tests with comments and detailed grades, with the modalities communicated at the end of each written test.

Students who give presentations in class and hand-in their paper or presentations will receive extra-points (max 2) as additional points to be added to the positive evaluation of the written test (18 or more is required).

Students may also ask for an oral integration, that can raise or lower the mark of the witten test.

***NOTES AND PREREQUISITES***

The exam of *Principles of economics* is a formal prerequisite for this course; students cannot be admitted to the GEPI exam if they have not passed the Principles of Economics exam. Students are strongly advised to take International Economics before GEPI; this is not a formal requirement, but it favors active learining and meaningful participation in class discussions.

Prof. Simona Beretta is available for short conversations at the end of each lecture and for office hours- Her office can be found at DISEIS - Dipartimento di Economia Internazionale, delle Istituzioni e dello Sviluppo (Via Necchi 5, fifth floor, room 509, tel. 02 7234 27319); see the lecturer's official webpage <http://docenti.unicatt.it/ita/simona_beretta/> for office hours. Different dates and times for office hours can be agreed by e-mail. Please contact [simona.beretta@unicatt.it](mailto:simona.beretta@unicatt.it).