# 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, focusing on monetary and financial issues. It aims at empowering students to competently discuss national and international monetary and financial issues, also assessing 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 and international policy making within interdependent countries.

They will learn to assess international implications of national macroeconomic policies, becoming progressively aware of the economic, political and social dimensions of interdependence among countries, with reference to alternative exchange rate regimes, regulations/deregulation of international finance, exchange rate and financial instability.

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 assess alternative economic policies. Students will recognise the economic logic underpinning national, regional and multilateral policymaking and assess crisis situations.

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, providing adequate reasons for their own evaluations over alternative policy options.

***COURSE CONTENT***

* 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: Cryptocurrencies and Central Bank Digital Currencies; transnational and decentralized finance.*
* The evolution of international monetary and financial institutions (BIS, IMF, WB) and their current challenges
* External debt, inter-temporal budget constraints and financial crises in recent decades. “Fundamental” versus “self-fulfilling” crises. *Case study: the experience of the Euro*
* Financial instability and vulnerability in the XXI century. The global financial crisis, post-pandemic reconstruction, anti-inflationary policies and financial spillovers. *Case studies: external debt of low-income countries, banking crises, 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

Students will find on the BlackBoard page of this course:

* Detailed schedule of the course with topics, textbook chapters, compulsory and non compulsory references for each topic;
* Specific topics and readings for case studies;
* Lecture slides and reading materials (papers, official documents, news, websites…);
* News and updates on all items.

***TEACHING METHOD***

Lectures and class discussion of case studies, to enhance student-teacher interactions. Active participation to class discussions particularly valuable for effective learning.

***ASSESSMENT METHOD AND CRITERIA***

Students’ performance is assessed on the basis of a written test with open questions; students are invited to see corrections and comments on their onswers to the written test. Evaluation will take into account level of understanding, knowledge and quality of exposition.

The written test includes three parts:

– short answers, where students are asked to provide definitions and examples about key concepts of the course (50% of mark);

– structured questions, including graphical analysis, discussion of how concepts apply to specific situations, simple logical exercises (25% of mark);

– structured questions concerning applied policy issues at national/ regional/ multilateral and global levels, related to case studies (25% of mark).

***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 also encouraged to take International Economics before GEPI, as we are working on that knowledge basis that allows active learning and meaningful participation to 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.