

Dr. Jörg Zeuner, Chief Economist, KfW, Frankfurt

## **Seminar Series: “Case studies in international macroeconomics“**

**Winter 16/17: Macroeconomic imbalances and adjustments – a case study**

**19.10.16, 10:00-16:00 Uhr, UFO 01/02**

**20.10.16, 08:00-16:00 Uhr, GBCF 04/300**

**28.11.16, 10:00-16:00 Uhr, GBCF 04/300**

**09.01.17, 10:00-16:00 Uhr, GBCF 04/300**

**13.02.17, 10:00-16:00 Uhr, GBCF 04/300**

**14.02.17, 10:00-16:00 Uhr, GBCF 04/300**

**Course requirements:** Advanced macro, preferably successful completion of the course “macroeconomic theory”. Participation, paper, presentation. The individual papers are to be submitted to Mr. Zeuner and Prof. Roos’ office two weeks before the February seminar session. The exact date will be announced in class. The group presentations do not need to be submitted in advance. The final grade will depend on the paper, the presentation and the general participation in class.

**Course content:** You will develop in class the analytical framework for designing a macroeconomic reform program, similar to the one applied by the International Monetary Fund (IMF). You will then identify the macroeconomic imbalances of a case study economy. You will design in groups a macroeconomic adjustment program that you will finally present in class. Every student will separately submit a paper, outlining the program, its objectives and policy measures. Within each group, each student ideally covers at least one of the macroeconomic sectors, including the real economy, the balance of payments, the fiscal sector, the

central bank, and the financial system. Each group should work closely together in designing the adjustment program given the linkages among the sectors. You will jointly present the program, designed for avoiding a financial crisis.

In the first session, the class will jointly identify the linkages among the economic sectors, key forecasting tools, and a range of economic policy tools in the fiscal, monetary, exchange rate, and debt areas. The third and fourth sessions are for students to discuss the case study and further questions in class. The papers and presentation have to be submitted after these „Q+A“ sessions, but before the last two sessions. You are expected to present in the last session a joint, consistent, and realistic macroeconomic framework and adjustment scenario that appropriately addresses the macroeconomic imbalances. The class will compare their scenarios. Team work and Excel skills are prerequisites for participation.

**Registration deadline:** Office Prof. Michael Roos, until October 17, 2016.

Preferably, you register by sending an email to [Natalie.Fritzler@rub.de](mailto:Natalie.Fritzler@rub.de).

**Registration FlexNow:** 17.10.16 - 31.10.16 (no unregistration possible after this period)

### **Literature:**

1. Blanchard/Ilting (2104), Makroökonomie, Pearson Studium
2. “Theoretical Aspects of the Design of Fund-Supported Adjustment Programs.” IMF Occasional Paper 55, 1987.
3. “The IMF Monetary Model at Forty.” J.J. Polak. IMF, 1997, WP/97/49.
4. “The Design of IMF Supported Programs”. A.Gosh et al. IMF. 2005. Occasional Paper 241.
5. The IMF Approach to Economic Stabilization.” M. Mussa and M. Savastano, IMF 1999, WP/99/104.
6. “A Model for Financial Programming” I. G. Mikkelsen. IMF, 1998, WP/98/80.
7. “Financial Programming.” T. Gylfason, JVI, 2004, V://JVI/Gylfason.
8. “The Monetary Approach to the Balance of Payments”. IMF. 1997