

A.A.2013-2014  
Master Degree Master Degree Global Entrepreneurship Economic &  
Management/ GEEM(L-77)  
**International Economics**

**Course Code**

Lecturer: [Marcello Spanò](#)

[http://www4.uninsubria.it/on-line/home/rubrica.html?P1\\_name=marcello](http://www4.uninsubria.it/on-line/home/rubrica.html?P1_name=marcello)

CFU/ Credits	SSD Subje ct Code	Lectures (hours)	Tutorials (hours)	Lab (hours)	Seminars (hours) [inserire voce: es. attività di campo; seminari; uscite;...]	Year	Teaching Language
6	SECS P1	40	0	0	0	2013/14	English

**Goals and Learning outcomes**

**EDUCATIONAL OBJECTIVE**

The course aims at providing students with strong knowledge about the way the economic theory treats crucial questions related to financial and real globalisation and about the difficulties encountered in interpreting the real world.

The course deepens both real and financial aspects of the international economy. Concerning the real aspects, two often ignored constraints to global economy will be examined, which seriously undermine the possibility of verifying persistent periods of growth: one constraint is linked to the demographic evolution across the world, the other one to the limitation of exiting sources of energy available to fuel the economy. Both constraints are analysed jointly following a multi-scale and multi-level approach (MuSIASEM).

The financial analysis presents some traditional theory leading to standard view about the way financial capital, interest rates, foreign exchange rates and current account should reach the equilibrium. These traditional instruments are then challenged by focusing on case studies taken from recent economic events, such as the Asian crisis, the emerging countries growth, the debt crisis in Europe, which are hardly captured by conventional wisdom. Students attending the course will participate to the last part of the program actively by collecting data in order to produce descriptive empirical analysis and a final report which aims at shedding light on some specific issues.

**Prerequisites**

No formal prerequisites are required. At least some basic knowledge of macroeconomics is strongly suggested.

## **Course Content**

The program is divided into a common program (parts 1 to 3) and a differentiated program (parts 4 and 5). All students must prepare parts 1 to 3 for the exam. Students not attending the lessons must prepare part 4 and exclude part 5. Attending students exclude part 4 and actively participate to the workshops to learn how to collect and analyse data on macroeconomic variables (part 5). Participants to the workshop will submit a final group work. Some of the issues treated in part 4 of the program will still be presented and discussed during the lessons, even though attending students (provided that they are truly present during the lessons) do not have to prepare them for the final exam.

### **COMMON PROGRAM**

1. The balance of payments accounting and derived identities (G: 5, 6)
  - 1.1. Definitions, accounting principles, current account, capital account. (G:5)
  - 1.2. Identities derived from BoP and national accounts (G:6)
  
2. Equilibrium in global markets
  - 2.1. The Foreign Exchange Market (G:2.1-2.6, 15.2)
  - 2.2 PPP, UIP, CIP, efficiency (G:15.1 excluding 15.1.1, 4)
  - 2.3. Current account and financial market equilibrium: the Stock-Flow approach (15.3.3)
  
3. Sustainability of the global economy
  - 3.1. Demographic change and economic performance (GMS: 2)
  - 3.2. Energy and biophysical analysis of the economy (GMS: 3)

### **DIFFERENTIATED PROGRAM**

4. For student that do not attend the lessons: Exchange rate regimes and proposals of reforms

- 4.1 The fall of fixed exchange rate regimes (FR)
- 4.3. Unilateral dollar standard and global imbalances (GS)
- 4.4. Proposals of reform of the international monetary system (K, GS)

5. For students attending the lessons: Workshop with data on the Eurozone

- 5.1. Collecting data on the computer room
- 5.2. Trade balance, current account and net foreign position
- 5.3. Analysis of interdependence across national economies.
- 5.3. Investigation on the roots of European countries' economic troubles.

## **Mode of Delivery**

Frontal lessons and practical workshops in the computer room

## **Recommended reading list (Bibliography)**

1. [G] G. Gandolfo, 2001, *International Finance and Open-Economy Macroeconomics*, Springer, 2001.
2. [GMS] M. Giampietro, K. Mayumi, A.H. Sorman, 2012, *The metabolic pattern of societies*, Routledge, 2012, pp. 22-61.
3. [FR] R. Frankel and M. Rapetti, 2009. A developing country view of the current global crisis: what should not be forgotten and what should be done, *Cambridge Journal of Economics*, 33, pp.685-702.
4. [K] J.M. Keynes, 1941. *Post-war currency policy*, in J.M. Keynes, *The Collected Writings, Volume XXV: Activities, 1940-44 - Shaping the Post-war World: The Clearing Union*, 1980, Macmillan, pp. 21-33.
5. [GS] B. Greenwald and J.E. Stiglitz, 2010. *A modest proposal for international monetary reform*, in S.Griffith-Jones, J.A. Ocampo, J.E. Stiglitz (Eds.), *Time for a visible hand*, Oxford University Press, pp. 314-344.

*The slides and other material from the lessons will be downloadable from the e-learning*

## **EXAM**

The exam is exclusively written and lasts two hours. Students should be able to choose four questions out of five and answer. Expected length of each written answer is nearly one page.

Attending students which submit a final report on the workshop (part 5) have to answer to three questions out of four in one hour and a half. The final evaluation is a weighted average of the individual written exam (80%) and the group work (20%).

## **Office hours**

*Updated on The "Home Page Docente"*

## **Academic Timetable**

[http://www3.uninsubria.it/pls/uninsubria/consultazione.mostra\\_pagina?id\\_pagina=6606](http://www3.uninsubria.it/pls/uninsubria/consultazione.mostra_pagina?id_pagina=6606)

## **Exam sessions**

[http://www3.uninsubria.it/pls/uninsubria/consultazione.mostra\\_pagina?id\\_pagina=6605](http://www3.uninsubria.it/pls/uninsubria/consultazione.mostra_pagina?id_pagina=6605)