

International Economics

Teacher: Eric Mengus

Duration: 24 hours

Number of ECTS credits: 4

Education Level	Period	Language of instruction	Max. Staffing	Teaching Mode
Master	S2	English	25	in-person

Deanship Department: Economics and Decision Sciences

Domain: Finance and Economics

Track: Macroeconomics

Keywords: Economics

SYNOPSIS

This course investigates topics in international economics with an emphasis on international finance. The main objective is to present cutting-edge research papers and prepare students to think about their own research ideas.

DETAILED DESCRIPTION

Prerequisites:

Macroeconomics I & II

Course overview:

This course introduces key topics in international economics and finance such as international capital flows, their potential regulations, the economics of monetary unions, sovereign debt crises or the international monetary system. These topics will be introduced using key contributions in the academic literature and, whenever possible, recently published papers, in order to expose students to the ongoing debates in academia. Recent trends such as the emergence of China in international lending will also be covered.

Principal Items:

- Capital flows and their regulations
- Monetary Unions
- Sovereign debt
- The role of the dollar and the international monetary system

Pedagogical Objectives:

By the end of this course, students should acquire an overview of recent research contributions in the field and be able to start thinking about their own research ideas connected to international economics and finance.

Skills:

Students will be able to present research papers to their peers - be able to identify the key contribution and present the main stages of a research paper.

Course organization:

Chapter I - Capital flows (8 hours)

Chapter II - The economics of monetary union (6 hours)

Chapter III - Sovereign debt (4 hours)

Chapter IV - The international payment system (6 hours)

TEACHING MATERIALS

Books:

Foundations of International Macroeconomics, Maurice Obstfeld and Kenneth Rogoff, MIT Press, 1996.

Digital Resources:

Papers covered in class will include, among others:

Bianchi, J. (2011) "Overborrowing and Systemic Externalities in the Business Cycle" *American Economic Review*.

Bianchi, J. and Lorenzoni, G. (2021) "The prudential use of capital controls and foreign currency reserves" *Handbook of International Economics*.

Bianchi, J. and Mondragon, J. (2022) "Monetary Independence and Rollover Crises" *Quarterly Journal of Economics*.

Bocola, L. and Lorenzoni, G. (2020) "Financial Crises, Dollarization, and Lending of Last Resort in Open Economies" *American Economic Review*.

Caballero, R. and Krishnamurthy, A. (2003) "Excessive Dollar Debt: Financial Development and Underinsurance" *Journal of Finance*.

Farhi, E. and Werning, I. (2017) "Fiscal unions" *American Economic Review*.

Farhi, E. and Maggiori, M. (2018) "A model of the international monetary system" *Quarterly Journal of Economics*.

Gopinath, G. and Stein, J. (2021) "Banking, trade, and the making of a dominant currency" *Quarterly Journal of Economics*.

Horn, S., Reinhart, C. and Trebesch, C. (2022) China's Overseas Lending, *Journal of International Economics*.

TEACHING METHODS

Presentation by students

WORK AND EVALUATIONS

Work requested:

Students are expected to present a research paper in class (15-20 minutes). Participation within class is also strongly encouraged.

Assessment of achievement:

Tool/method of evaluation	Duration	Weight in the final grading
Presentation of a research paper	20 minutes	80%
Participation in class		20%

BIOGRAPHY

Eric Mengus, Associate Professor of Economics and Decision Sciences. He is an engineering graduate from Ecole Polytechnique and Ecole des Ponts and earned a Ph.D. in Economics at Toulouse School of Economics and the Habilitation à Diriger des Recherches at Sciences Po. He is the scientific director of the dual degree program between Sciences Po and HEC Paris.

His research focuses on macroeconomics, monetary economics and urban economics. He works on various topics such as sovereign debt, the interactions between fiscal and monetary policy or the evolution of the cities in response to changes in technologies. He teaches courses in macroeconomics and international economics in the Grande Ecole Program and in the Master in Economics. He previously was a researcher for the Banque de France.

WAIVER POLICY

None