

Module title		Abbreviation
European Macroeconomic Policy		12-M-EMP-202-m01
Module coordinator		Module offered by
Holder of the Chair of Monetary Policy and International Economics		Faculty of Business Management and Economics
ECTS	Method of grading	Only after succ. compl. of module(s)
5	numerical grade	--
Duration	Module level	Other prerequisites
1 semester	graduate	--
Contents		
<p>In particular, the course outline is as follows:</p> <p>I. Targets of macroeconomic policy</p> <p>II. The mechanics of the two core macroeconomic models</p> <p>a. The classical model of a self-stabilizing corn economy</p> <p>b. The Keynesian model of a monetary economy with inherent instability</p> <p>c. The financial system and banks in the two models</p> <p>III. The diverging policy implications of the two paradigms</p> <p>a. Unemployment: wage rigidities versus rationing of the labor market by the goods market</p> <p>b. Government debt: Crowding out versus Modern Monetary Theory (MMT)</p> <p>c. Inflation: quantity theory versus Phillips curve</p> <p>d. The incompatibility of the two worlds</p> <p>IV. A simple IS/MP/PC model</p> <p>V. The monetary policy of the ECB</p> <p>a. The mandate of the ECB and possible trade-offs with unemployment and financial stability</p> <p>b. Conventional/unconventional instruments of the ECB / The risk of fiscal dominance</p> <p>c. ECB strategy and climate policy</p> <p>d. The threat of deflation and the Zero-Lower Bound</p> <p>VI. The difficult task of coordinating 19 independent national fiscal policies in the EMU</p> <p>a. Specific challenges due to lack of political integration: Lack of coordination versus lack of fiscal discipline</p> <p>b. The limitations set by Stability and Growth Pact</p> <p>c. The rationale of fiscal rules: Maastricht Treaty, Fiscal Compact/Debt Brake, Golden Rule / reform proposals</p> <p>VII. Specific EMU topics</p> <p>a. Is the EMU an optimum currency area?</p>		

b. The financial crisis and the euro crisis: The dismal performance of the ECB until 2012 and the paradigm change by Mario Draghi (“Whatever it takes”)

c. The ECB in the Corona crisis and Next Generation EU

Intended learning outcomes

By the end of the course, students will have gained a basic understanding of European macroeconomics.

Courses (type, number of weekly contact hours, language – if other than German)

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Module taught in: English

Method of assessment (type, scope, language – if other than German, examination offered – if not every semester, information on whether module is creditable for bonus)

a) written examination (approx. 60 minutes) or b) term paper (approx. 15 pages)

Language of assessment: English

creditable for bonus

Allocation of places

6 places. There are no restrictions with regard to available places for students of the Master's degree programmes Business Management, International Economic Policy or Economics, Information Systems, Wirtschaftsmathematik (Mathematics for Economics) and Chinese and Economics as well as China Business and Economics. A total of 20 places will be allocated to students of other subjects; should the number of applications exceed the number of available places, these places will be allocated by lot.

Additional information

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Workload

150 h

Referred to in LPO I (examination regulations for teaching-degree programmes)

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Module appears in

Master's degree (1 major) Political and Social Sciences (2020)

Master's degree (1 major) China Business and Economics (2021)

Master's degree (1 major) China Language and Economy (2021)

Master's degree (1 major) Social Science Sustainability Studies (2021)

Master's degree (1 major) Econometrics (2021)