



## Course and Examination Fact Sheet: Autumn Semester 2022

### 7,396: Consultancy Project: Economic Crisis and Crisis Management

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

Decentral - Presentation (in groups - all given the same grades) (25%)

Examination time: term time

Decentral - Group examination paper with presentation (all given the same grades) (60%)

Examination time: term time

Decentral - Active participation (15%)

Examination time: term time

#### Attached courses

Timetable -- Language -- Lecturer

[7,396.1.00 Consultancy Project: Economic Crisis and Crisis Management](#) -- Englisch -- [Andritzky Jochen](#)

#### Course information

#### Course prerequisites

Students must be familiar with basic principles of international macroeconomics - such as the impossible trinity of free capital flow, monetary policy and exchange rate setting (Mundell-Fleming trilemma) - as well as basic principles of national accounts.

#### Learning objectives

During the Consultancy Project course, students (i) demonstrate ability to evaluate and classify an economic crisis - as typical for emerging market countries - and develop a path toward crisis resolution including financial assistance as provided by the International Monetary Fund (IMF); (ii) acquire and foster skills in the application of theoretical concepts to real-life situations in form of case studies of economic crises; (iii) and foster their creativity and skills, including teamwork, project, communication, research, writing, presentation.

1. Students who participate in this course will, afterwards, be able to: (i) understand the causes and the management of economic crises; (ii) choose and apply an appropriate method to analyze specific problem settings; (iii) translate academic findings to the policy world by learning how to write a program document for financial assistance in economic crises as done by the IMF.

#### Course content

The challenging macroeconomic environment - characterized by lower global growth, high debt and tighter monetary policy and amplified by multiple shocks such as pandemic lockdowns, rising commodity prices and disrupted supply chains - is putting a major strain on many economies. Economic crises have already broken out in a couple of countries - most recently in Sri Lanka and Laos - and more countries are under threat.

The International Monetary Fund (IMF) is an international organization with about 190 member states and - most prominently - supports countries in their management and resolution of economic crises. For resolving crises, the IMF's main instruments are financial assistance and policy conditionality. Besides helping countries prevent and overcome economic crises and fostering more resilient growth, the IMF is also the single largest employer for macroeconomists.

The aim of the Consultancy Project is to familiarize students with the types of economic crises and their resolution, and - in a case study of an economic crisis - take them along the journey a typical IMF economist would experience: analyzing the nature of the crises, plotting out a path toward resolution, and defending it in front of IMF Directors.



## Course structure and indications of the learning and teaching design

After an introductory lecture on economic crises and crisis management, students will form groups and get introduced to a case study of a macroeconomic crisis.

The groups will then work on drafting an economic analysis and IMF-type policy program, including building a macroeconomic framework with forecasts for key macroeconomic and policy variables. Policy aspects can involve monetary, financial and fiscal policies as well as structural reforms. The group' output is a draft IMF program including a macroeconomic framework (recommended 3,000-4,000 words; max. 5,000 words; plus charts/tables). As an example, please see the program request by the Democratic Republic of Congo from July 2021, pages 4-36 in this [pdf](#).

Students will present a first draft during an interim meeting - mimicking the IMF's internal Policy Consultation Meetings - as well as a final draft during a simulated Board meeting. The Board meeting may be attended virtually by an IMF representative.

## Course literature

Compulsory reading:

Weder di Mauro, Beatrice and Jeromin Zettelmeyer, 2017, "The new global financial safety net: struggling for a coherent governance in a multipolar system," PIIE. <https://www.piie.com/commentary/speeches-papers/new-global-financial-safety-net-struggling-coherent-governance-multipolar>

IMF, 2019, "2018 review of program design and conditionality." <https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/05/20/2018-Review-of-Program-Design-and-Conditionality-46910>

IMF Factsheets on Lending (<https://www.imf.org/en/About/Factsheets/IMF-Lending>) and Conditionality (<https://www.imf.org/en/About/Factsheets/Sheets/2016/08/02/21/28/IMF-Conditionality>)

Optional reading:

Barth, Richard and William Hemphill, 2000, "Financial Programming and Policy: The Case of Turkey," IMF Institute. <https://www.amazon.com/Financial-Programming-Policy-Case-Turkey/dp/1557758751> (Introduction to the case study of Turkey's crisis of 2001 and macroeconomic modeling ("IMF Financial Programming"). Recommended for a comprehensive read on IMF program technicalities and for refreshing knowledge about macroeconomic basics.)

Roubini, Nouriel and Brad Setser, 2004, "Bailouts or bail-ins? Responding to financial crises in emerging economies", IIE. <https://www.piie.com/bookstore/bailouts-or-bail-ins-responding-financial-crises-emerging-economies> (Well written non-technical overview of emerging market crises and their management.)

There are several easy-to-read narratives of economic crises and the IMF, in particular those by Paul Blustein (e.g., Argentina 2001 crisis: <https://www.amazon.com/Money-Rolling-Street-Bankrupting-Argentina/dp/1586483811>, Asia/Russia/EM crises of the 1990s: <https://www.amazon.com/Chastening-Inside-Crisis-Financial-Humbled/dp/1586481819>) or on the euro area crisis, especially Greece (e.g., George Papaconstantinou, <https://www.amazon.com/Game-Over-Inside-Story-Crisis/dp/1530703263>)

Students are expected to find additional sources depending on their specific topic.

## Additional course information

About the instructor:

Dr. Jochen Andritzky is co-founder and director of the Zukunft-Fabrik.2050, a thinktank for shaping the long-term future, powered by HSG Alumni. Before, he was for 15 years an economist at the IMF, working on several crises including the euro area crisis as well as IMF programs in Democratic Republic of Congo, Ireland, Kosovo, and Ukraine and reviewing several more including Gabon, Madagascar, Pakistan, or Rwanda. In 2015-18, Jochen was the secretary general of the German Council of Economic Experts. He was a visiting fellow at Bruegel in Brussels. Jochen is member of the New Bretton Woods Group of the Petersen Institute for International Economics (PIIE) in Washington DC and the Green Macro Group of Bruegel. He briefly taught at the University of Namibia. Jochen studied finance and political science at the HSG with stints at the Stockholm School of Economics and the Melbourne Business School and wrote his doctoral thesis on debt crises at the HSG and while visiting the University of California Santa Cruz.



## Examination information

### Examination sub part/s

#### 1. Examination sub part (1/3)

##### Examination time and form

Decentral - Presentation (in groups - all given the same grades) (25%)

Examination time: term time

##### Remark

Policy Consultation Meeting simulation

##### Examination-aid rule

Presentations

In presentations, aids for visual presentation can be used. These aids can be specified or restricted by the lecturers.

##### Supplementary aids

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##### Examination languages

Question language: English

Answer language: English

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#### 2. Examination sub part (2/3)

##### Examination time and form

Decentral - Group examination paper with presentation (all given the same grades) (60%)

Examination time: term time

##### Remark

Board meeting simulation

##### Examination-aid rule

Term papers

Written work must be written without outside help according to the known citation standards, and a declaration of authorship must be attached, which is available as a template on the StudentWeb.

Documentation (quotations, bibliography, etc.) must be carried out universally and consistently according to the requirements of the chosen/specified citation standard such as e.g. APA or MLA.

The legal standard is recommended for legal work (cf. by way of example: FORSTMOSER, P., OGOREK R., SCHINDLER B., Juristisches Arbeiten: Eine Anleitung für Studierende (the latest edition in each case), or according to the recommendations of the Law School).

The reference sources of information (paraphrases, quotations, etc.) that has been taken over literally or in the sense of the original text must be integrated into the text in accordance with the requirements of the citation standard used. Informative and bibliographical notes must be included as footnotes (recommendations and standards e.g. in METZGER, C., Lern- und Arbeitsstrategien (latest edition)).

For all written work at the University of St.Gallen, the indication of page numbers is mandatory, regardless of the standard chosen. Where page numbers are missing in sources, the precise designation must be made differently: chapter or section title, section number, article, etc.

##### Supplementary aids

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## Examination languages

Question language: English

Answer language: English

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## 3. Examination sub part (3/3)

### Examination time and form

Decentral - Active participation (15%)

Examination time: term time

### Remark

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### Examination-aid rule

Active classroom participation

In the "Active classroom participation" examination form, regular participation in class is assessed.

The assessment criteria can be as follows:

- Requests to speak enrich the discussion (productive) / requests to speak disturb the discussion (counterproductive);
- Requests to speak are correct/requests to speak are incorrect;
- Requests to speak are frequent/average/rare;
- No requests to speak, but students follow the lesson/no requests to speak and students do not noticeably follow the lessons.

### Supplementary aids

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### Examination languages

Question language: English

Answer language: English

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## Examination content

Interim presentation (Policy Consultation Meeting simulation): 25%, in groups - all given the same grades.

Final program proposal and presentation including defense (Board meeting simulation): 60%, in groups - all given the same grades

Active participation: 15%, individual grades.

The student teams will hold two presentations, one featuring the preliminary program draft (mid-term, 25%), and one featuring the final program document (towards the end of the semester, 60%). The final program document must not exceed 5,000 words (excl. charts and tables).

## Examination relevant literature

The compulsory reading includes:

Weder di Mauro, Beatrice and Jeromin Zettelmeyer, 2017, "The new global financial safety net: struggling for a coherent governance in a multipolar system," PIIE. <https://www.piie.com/commentary/speeches-papers/new-global-financial-safety-net-struggling-coherent-governance-multipolar>

IMF, 2019, "2018 review of program design and conditionality." <https://www.imf.org/en/Publications/Policy-Papers/Issues/2019/05/20/2018-Review-of-Program-Design-and-Conditionality-46910>



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Additionally, students are expected to find additional sources depending on their specific topic.

Optional reading:

Barth, Richard and William Hemphill, 2000, "Financial Programming and Policy: The Case of Turkey," IMF Institute. <https://www.amazon.com/Financial-Programming-Policy-Case-Turkey/dp/1557758751> (Introduction to the case study of Turkey's crisis of 2001 and macroeconomic modeling ("IMF Financial Programming"). Recommended for a comprehensive read on IMF program technicalities and for refreshing knowledge about macroeconomic basics.)

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## Please note

Please note that only this fact sheet and the examination schedule published at the time of bidding are binding and takes precedence over other information, such as information on StudyNet (Canvas), on lecturers' websites and information in lectures etc.

Any references and links to third-party content within the fact sheet are only of a supplementary, informative nature and lie outside the area of responsibility of the University of St.Gallen.

Documents and materials are only relevant for central examinations if they are available by the end of the lecture period (CW51) at the latest. In the case of centrally organised mid-term examinations, the documents and materials up to CW 42 are relevant for testing.

Binding nature of the fact sheets:

- Course information as well as examination date (organised centrally/decentrally) and form of examination: from bidding start in CW 34 (Thursday, 25 August 2022);
- Examination information (regulations on aids, examination contents, examination literature) for decentralised examinations: in CW 42 (Monday, 17 October 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 17 October 2022);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before the end of the registration period in CW 45 (Monday, 7 November 2022).