



## Course and Examination Fact Sheet: Autumn Semester 2024

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

ECTS credits: 4

#### Overview examination/s

(binding regulations see below)

decentral - Written work, Digital, Group work group grade (35%)

Examination time: Term time

decentral - Presentation, Analog, Group work group grade (25%)

Examination time: Term time

decentral - Active participation, Analog, Individual work individual grade (15%)

Examination time: Term time

decentral - Presentation, Analog, Group work group grade (25%)

Examination time: Term time

#### Attached courses

Timetable -- Language -- Lecturer

[7,396,1.00 Consultancy Project: Economic Crisis and Crisis Management](#) -- English -- [Andritzky Jochen](#)

#### Course information

##### Course prerequisites

Students should 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. Quantitative economic skills, such as economic modeling, while desirable, is not a condition for participating in the course. The focus of this course is on economic narratives, not calculations.

##### Learning objectives

During the Consultancy Project course, students stand in the shoes of an IMF economist called by the prime minister to help resolve an economic crisis. Students will (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.

Students who participated in this course take away an understanding of how an international institution like the IMF works and 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 and navigate the intricacies of policymaking of a big institution and its member countries.

Whether you plan to join an international institution or other field of diplomacy, or pursue a career that involves investing in financial markets, or enter into an economics PhD program, this course provides you hands-on learning from an insider to 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 from the Russian war on Ukraine and rising commodity prices - is putting a major



strain on many economies. Economic crises have already broken out in a couple of countries - not only in Ukraine but also in other economies in Africa, Asia and elsewhere, 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, negotiating a program, 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.

While the country selection is not final, in the past students worked on country case studies on Italy, Turkey and Zambia.

The groups will then work on drafting an economic analysis and IMF-type policy program, including a basic 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:

Webpage "[About the IMF](#)" including the embedded videos on "surveillance" and "lending".

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:

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>

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>

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. Since 2022, he is lecturing at the University of St. Gallen. Since 2006 he has been working as an economist at the IMF and was involved in several crises including the euro area crisis as well as IMF programs in Democratic Republic of Congo, Ireland, Kosovo, and Ukraine and reviewed 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 Peterson Institute for International Economics (PIIE) in Washington DC. Before joining the IMF, 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 (1/4)

##### Examination modalities

Examination type	Written work
Responsible for organisation	decentral
Examination form	Written work
Examination mode	Digital
Time of examination	Term time
Examination execution	Asynchronous
Examination location	Off Campus
Grading type	Group work group grade
Weighting	35%
Duration	--

##### Examination languages

Question language: English  
Answer language: English

##### Remark

final written program

##### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

##### Supplementary aids

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#### 2. Examination sub part (2/4)

##### Examination modalities



Examination type	Presentation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Asynchronous
Examination location	On Campus
Grading type	Group work group grade
Weighting	25%
Duration	--

#### Examination languages

Question language: English

Answer language: English

#### Remark

final program

#### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

#### Supplementary aids

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### 3. Examination sub part (3/4)

#### Examination modalities

Examination type	Active participation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Synchronous
Examination location	On Campus
Grading type	Individual work individual grade
Weighting	15%
Duration	--

#### Examination languages

Question language: English

Answer language: English

#### Remark

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#### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

#### Supplementary aids

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## 4. Examination sub part (4/4)

### Examination modalities

Examination type	Presentation
Responsible for organisation	decentral
Examination form	Oral examination
Examination mode	Analog
Time of examination	Term time
Examination execution	Asynchronous
Examination location	On Campus
Grading type	Group work group grade
Weighting	25%
Duration	--

### Examination languages

Question language: English  
Answer language: English

### Remark

preliminary program draft

### Examination-aid rule

Free aids provision

Basically, students are free to choose aids. Any restrictions are defined by the faculty members in charge of the examination under supplementary aids.

### Supplementary aids

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## Examination content

The students will contribute to class discussion (15%), hold two group presentations, one featuring the preliminary program draft (25%), and one featuring the final program document (towards the end of the semester, 25%), and hand in the final group proposal (35%). The final written program document must not exceed 5,000 words (excl. charts and tables).

- Active participation (Oral Contribution): 15%, individual grades.
- Interim presentation (Policy Consultation Meeting Simulation): 25%, in groups.
- Final program proposal presentation including defense (Board Meeting Simulation): 25%, in groups.
- Final program proposal (Written Proposal): 35%, in groups.

## Examination relevant literature

The compulsory reading includes:

Webpage "[About the IMF](#)" including the embedded videos on "surveillance" and "lending".

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>)

Recommended reading includes:



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>

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

## 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, 22nd August 2024);
- Examination information (supplementary aids, examination contents, examination literature) for decentralised examinations: in CW 12 (Monday, 18 March 2024);
- Examination information (supplementary aids, examination contents, examination literature) for centrally organised mid-term examinations: in CW 42 (Monday, 14 October 2024);
- Examination information (regulations on aids, examination contents, examination literature) for centrally organised examinations: two weeks before ending with de-registration period in CW 45 (Monday, 04 November 2024).