

International Macroeconomics

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Course description: We will use a dynamic, general equilibrium framework to study the determination of the two main variables in international macroeconomics, namely, the current account and the real exchange rate. Time permitting we may also briefly discuss the theory of sovereign debt and the operation and properties of alternative exchange rate regimes.

Suggested literature. I recommend two texts. Martin Uribe's "Lecture in Open Economy Macroeconomics," which can be freely downloaded from the web page [http:// www.columbia.edu/~mu2166/GIM/lecture_notes.pdf](http://www.columbia.edu/~mu2166/GIM/lecture_notes.pdf)). (You may also want to consult Uribe's -with Schmitt-Grohe- undergraduate text "International Macroeconomics" <http://www.columbia.edu/~mu2166/UIM/notes.pdf>). And Obstfeld, M. and K. Rogoff's, 1996, "Foundations of International Macroeconomics," MIT Press. Another useful reading is: Obstfeld M. and K. Rogoff, The Six Major Puzzles in International Macroeconomics: Is There a Common Cause?, NBER wp 7777 (also at <http://escholarship.org/uc/item/0sx02651>).

My class notes can be downloaded from [http:// harrisdellas.net/teaching/Intermacro](http://harrisdellas.net/teaching/Intermacro)

Reading List

1) **The Determination of the Current Account**

Class notes
Uribe, 2013, 2.1-2.2, 3.1, 4.1-4.2
Obstfeld and Rogoff, 2006, ch. 1.1-1.3, 2.1-2.3.

2) **The Real Exchange Rate and the Terms of Trade**

Class Notes
Schmitt-Grohe and Uribe, 2013, ch. 7-8,
Obstfeld and Rogoff, 2006, ch. 4.1-4.2.

3) **Sovereign Debt**

Class Notes, Uribe, 2013, ch. 8
Obstfeld and Rogoff, 2006, ch. 6.

Time permitting

4) **Exchange Rate Regimes**

Class notes
Clerc, O., H. Dellas and O. Loisel, 2011, To Be or Not to Be in Monetary Union, Journal of International Economics, 83 (2), 154--167 (also available at <http://harrisdellas.net/research.ht>