



Stellenbosch

UNIVERSITY
IYUNIVESITHI
UNIVERSITEIT

DEPARTMENT OF ECONOMICS

MASTERS PROGRAMME IN ECONOMICS

ADVANCED MACROECONOMIC POLICY

MODULE OUTLINE : 2022

Lecturing Team

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1. MODULE STRUCTURE

This module considers major stabilisation and structural issues in macroeconomics and the policy implications, especially from the perspective of developing countries (including emerging market economies). It combines theoretical and empirical considerations with policy approaches.

This module outline divides into three sub-sections, starting with **characteristics**: characteristics of developing countries and emerging market economies, external shocks and Covid-19, and the state of macroeconomics and macroeconomic policy. The second section deals with various major **stabilisation issues**: inflation, the international monetary system and external imbalance, exchange rate dispensations and coordination of monetary and fiscal policy (emphasising the changing character of the international monetary system and transmission mechanisms). The final section deals with **structural economic issues**: economic growth, backtracking on globalisation and pro-poor economic policies.

In each case we analyse the issues from a theoretical and empirical perspective and investigate how these issues may be addressed by different combinations of macroeconomic policies (mainly monetary, fiscal and exchange rate policies). Occasionally we explore the interface between macro- and sectoral or microeconomic policies.

2. OUTCOMES

At the end of the module you should be able to:

- a. Explain the state of macroeconomics and the policy implications, both in normal times and in times of (severe) external shocks.
- b. Characterise distinguishing features of developing countries (especially emerging market economies) and describe the macroeconomic issues with which they are confronted.
- c. Give an up-to-date account of theoretical and empirical findings on the nature of the following economic issues, especially with reference to developing countries (and emerging market economies such as South Africa in particular): inflation; exchange rate regimes; monetary and fiscal policy coordination; economic growth; and pro-poor (inclusive) macroeconomic policy.
- d. In respect of each of the above issues, critically analyse the various policy views and policy options, and explain the implications for contemporary South African macroeconomic policy.
- e. Interpret statements by commentators, informed advisers and policy makers from an economic perspective and assess them critically.
- f. Apply sound and logical economic reasoning with a view to analysing macroeconomic problems facing emerging market economies such as South Africa and evaluate suitable policy options, with reference to theoretical and empirical literature.

3. ELECTRONIC COMMUNICATION

Electronic communication is via SunLearn. Session slides will be posted in advance. Students can download and print the slides in order to make notes on them during sessions. Extra reading material may also be posted occasionally. Recordings of sessions will be available.

4. STUDY MATERIAL

In respect of each session the prescribed and recommended readings are indicated session by session in Section 8 below. The compulsory course material only includes **prescribed** material, but students are encouraged to obtain and read the recommended material as well (full references are given). Students are responsible for ensuring that they have copies of all prescribed readings. Hyperlinks are provided (except when indicated otherwise). Students can download the material via the JS Gericke Library website, by keying in their student number and password. Departmental working papers can also be downloaded directly from the website of the Economics Department. The contents of slides are also prescribed for study purposes, but they do not deal exhaustively with topics and rather serve as guidelines for the study of readings.

It is also recommended that students follow the financial press. To that end students may wish to read Financial Times (London), The Economist or Business Day. The fortnightly IMF Survey and its Fiscal Monitor and blogs are also highly recommended as well as the weekly podcast on topical issues, hosted by Russ Roberts from Stanford University's Hoover Institution, available at <http://www.econtalk.org/>. A good sense of contemporary economic developments around the world can be obtained from the IMF's *World Economic Outlook*, available at <http://www.imf.org/>, as well as its *Finance and Development*, available at <http://www.imf.org/external/pubs/ft/fandd/2015/06/index.htm>. IMF papers and reports pertaining to South Africa are available at <http://www.imf.org/external/country/ZAF/index.htm>.

5. GROUP WORK

The class will be randomly divided into groups of three for the purposes of group work. The group administration tools on SUNLearn will be used for this purpose. The groups of three are fixed for the duration of the course, and group work comprises the submission of short assignments (section 6), peer evaluation of other groups (TBC), and the module essay (section 7).

6. SHORT ASSIGNMENTS

- Short assignments are undertaken in groups of three. Each group is required to submit two assignments over the course of the module. If the number of students are in the region of 18, each group will write THREE assignments. Assignments have to be posted on SunLearn before the indicated session. All submissions will be evaluated for similarity *via Turnitin*.
- The **assessment method** and mode(s) of online interaction will be explained during the first session.
- Groups are required to write a short appraisal (critique) – maximum 400 words – on an indicated prescribed article (or topic). **No late submissions will be accepted.**
- Assignments have to be written as the considered product of the group of three students. **Groups will be formalised** in advance. [The same group will also write the research essay (see next section)]. A different group members should write each of the three assignments. All members of **the group have to agree with and assume collective responsibility for the contents. The author's name has to appear on the assignment.** Different group members are required to draft the slides and present them during the online session. Each group member will receive the awarded mark for the group. **The participation of members of the other groups will also be assessed.**
- Occasionally groups may also be requested to formulate, for discussion, research questions pertaining to session topics and the related prescribed literature, as well as to contemplate appropriate research methods to answer such questions.
- Depending on the registered number of students, the number of groups may be changed. This will result in an adjustment of the table below.

SHORT ASSIGNMENTS			
Session	Group No	Paper / Topic	Due date
2 (Calitz)	-	No short assignment	
	-	No short assignment	
3 (Van Lill)	1	Topic to be announced	02-08-22
	2	Topic to be announced	
4 (Van Lill)	3	Topic to be announced	16-08-22
	4	Topic to be announced	
5 (Du Rand)	5	Loate, T., Pirozhkova, E. and N. Viegi, 2021. "Sailing Into the Wind: Evaluating the (near) Future of Monetary Policy in South Africa." Economic Research and Statistics Department, South African Reserve Bank. Available at: https://www.resbank.co.za/content/dam/sarb/publications/working-papers/2021/WP%202106.pdf	23-08-22

	6	Blanchard, O.J. and L.H. Summers. 2018. "Rethinking stabilization policy: evolution or revolution?" National Bureau of Economic Research Working Paper No. w24179. Available at: athttps://www.nber.org/system/files/working_papers/w24179/w24179.pdf	
6 (Siebrits)	1	Furman, J. and L.H. Summers. 2019. "Who's afraid of budget deficits?" <i>Foreign Affairs</i> , 98(2): 82-86, 88-94. Available at: https://www-proquest-com.ez.sun.ac.za/docview/2186098567/D0F2C167014646E8PQ/4?accountid=14049 .	30-08-22
	2	Burger, P. and E. Calitz. 2021. Covid-19, economic growth and South African fiscal policy. <i>South African Journal of Economics</i> , 89(1): 3-24. Available at: https://onlinelibrary-wiley-com.ez.sun.ac.za/doi/10.1111/saje.12270 .	
7 (Calitz)	3	Reinhart, C. & K. Rogoff. 2004. "The modern history of exchange rate arrangements: a reinterpretation". <i>Quarterly Journal of Economics</i> 119(1): 1-48. Available at: https://academic-oup-com.ez.sun.ac.za/qje/article/119/1/1/1876042	13-09-22
	4	Cruz Rodriguez, Alexis. 2009. "Choosing and assessing exchange rate regimes: A survey of the literature". Munich Personal RePEc Archive Paper No. 16314. 38 pages. Available at: http://mpira.ub.uni-muenchen.de/16314/	
8 (Du Rand)	5	Agosin, Manuel R. & Franklin Huaita. 2012. "Overreaction in capital flows to emerging markets: Booms and sudden stops." <i>Journal of International Money and Finance</i> 31(5): 1140-1155. Available at: https://www.sciencedirect.com/science/article/pii/S0261560611002002	20-09-22
	6	Gourinchas, P.O., H. Rey & M. Sauzet. 2019. "The International Monetary and Financial System" NBER Working Paper No. w25782. National Bureau of Economic Research. Available at: https://www.nber.org/papers/w25782.pdf .	
9 (Calitz, Siebrits)	1-6	Isaacs, G., D. Gqubule and R. Nkosi. 2018. <i>Macroeconomy. Policy brief prepared for the Labour Caucus in the Jobs Summit Inclusive Growth working group by the Institute for Economic Justice (IEJ)</i> . Available at: https://www.iej.org.za/stream-2-policy-brief-4-macroeconomy/ . Accessed: 27-06-2022.	27-09-22
	1-6	Leowald, C., D. Faulkner and K. Makrelov 2020. <i>Macroeconomic policy options for a savings constrained economy: the case of South Africa</i> . ERSA Policy Bulletin No 3. July. Available at: http://www.econrsa.org/sites/default/files/policy_bulletin_3.pdf	
10 (Calitz)	1	Ang, J.B. 2008. "A survey of recent developments in the literature of finance and growth." <i>Journal of Economic Surveys</i> 22(3): 536-576. Available at: http://onlinelibrary.wiley.com.ez.sun.ac.za/doi/10.1111/j.1467-6419.2007.00542.x/pdf .	04-10-22
	2	Rogers, M. 2003. "A Survey of Economic Growth". <i>The Economic Record</i> 79(244):112-135. Available at: http://onlinelibrary.wiley.com.ez.sun.ac.za/doi/10.1111/1475-4932.00082/epdf .	

11 (Calitz)	3	Rodrik, D. 2016. "Premature deindustrialization". <i>Journal of Economic Growth</i> 21(1): 1-33. Available at: https://link-springer-com.ez.sun.ac.za/content/pdf/10.1007%2Fs10887-015-9122-3.pdf	11-10-22
	4	Frieden, Jeffry. 2018. "The backlash against globalization and the future of the international economic order." Prepared for a Policy Network volume, <i>The Next Phase of Globalisation: Capitalism and Inequality in the Industrialized World</i> . Harvard. 18 pages. Available: https://scholar.harvard.edu/files/jfrieden/files/frieden_future_feb_2018.pdf .	
12 (Siebrits)	5	Saad-Filho, A. 2007. Life beyond the Washington Consensus: An introduction to pro-poor macroeconomic policies. <i>Review of Political Economy</i> , 19(4): 513-537. Available at: https://www.tandfonline.com/doi/pdf/10.1080/09538250701622352?needAccess=true .	18-10-22
	6	Edwards, S. 2019. On Latin American populism and its echoes around the world. <i>NBER Working Paper No. 26333</i> . Cambridge, MA: National Bureau of Economic Research. Available at: https://www.nber.org/system/files/working_papers/w26333/w26333.pdf .	

Below is a set of diagnostic questions as an aid to reading and assessing articles actively and critically. During sessions the groups will be given the opportunity to present their assignments, which should relate to at least **FOUR** of the diagnostic questions. The four questions need not translate into section headings of the assignment, but they should nonetheless be apparent when reading the assignment. Note that your choice of questions also serves to indicate your understanding of the paper or question, which means that the paper must first be read thoroughly in order to select the questions wisely. **Students should make sure to have copies of their assignments at hand during the relevant lecture sessions.**

Some questions when studying and assessing an academic article

- What is the nature of the article, e.g. descriptive (qualitative) or quantitative (mathematical/statistical/econometric; literature/opinion survey; regression, time-series or cost-benefit analysis; econometric modelling; development and testing of new measuring techniques)?
- What is the main question and was the research method appropriate and convincing as a means of answering the question? Why (not)?
- Does the article reflect a good understanding of the existing literature? Explain with examples.
- Have the author/s added something valuable to the literature? Explain.
- Were the arguments presented logically? Explain with examples.
- Did the author(s) present alternative perspectives on the problem at hand? Are you aware of relevant alternatives? Give detail.
- What are the underlying assumptions of the methods used in this particular case?
- In empirical work:
 - Is there a clear hypothesis, based on plausible theory? What is it?
 - Do the explanatory variables and proxy variables make economic sense? Why (not)?
 - What are the measurement problems with the variables used in the model?
 - Will it be possible to replicate the study? Why (not)? If not, what is the missing information?
 - What type(s) of robustness testing was undertaken? Was there an attempt to test whether research findings differ on account of different techniques? If so, what techniques were used and why? Do the answers differ significantly?
- Are the policy implications of the findings pointed out? What are they? How realistic are the policy implications, given the research?
- Are avenues for future research identified? What are they? Can you identify other research opportunities with reference to the paper's research?

- k. Do the assumptions/method(s)/conclusions correspond/differ with other articles that you have read? In what way? Which of the articles are the most convincing? Why?
- l. What are the strong and weak points of the article? Explain.
- m. Has the paper deepened your knowledge of the particular field of study/subject? In what way(s)?
- n. Has this article changed your views and/or way of thinking? In what way?
- o. Since the publication of this paper, have there been developments that confirmed or contested its findings? Are there revisions or changes in emphasis that you would suggest to the paper, based on new information or subsequent research findings?
- p. In what way did the author succeed in making the essay accessible for people outside the subject field? Explain.

7. RESEARCH ESSAY

One research essay has to be submitted, written in a group of three, the same group as for the short assignments. **All group members are expected to accept collective responsibility for the contents and compliance with rules against plagiarism.** All steps, from topic proposal to final submission of the essay, will take place on SUNLearn via resources that will be created and explained as the course progresses.

The **first step** is to write a short note suggesting and motivating the issue and countries to be investigated (see the topic description below). No more than two essays on the same topic will be approved. (Approval will be on a first-come, first-served basis. You are therefore advised to name a second topic of choice as well.) The note must be submitted **for approval** before or on **10 August 2022**. After your topic has been approved, the **second step** is to present a framework for your essay, which should include a clearly formulated research question. This submission must be accompanied by a brief outline of each team member's responsibility (division of labour). This must be submitted by **24 August 2022**. You will then be notified of acceptance or required amendments. The **third step** is to submit the essay on **4 October 2022**. Essays must comply with the standards of academic writing, should **not exceed 3000 words** and be presented as a **PDF** document (*not MS Word or any other format*) in **double** line spacing and font size of 12. Omission of word count and/or deviation of more than 100 words (either side) will be penalised by 10% of the assessed mark.

All submissions will be evaluated for similarity *via* **Turnitin**. Until the due date, students will have the opportunity to review the similarity report, edit and resubmit their essays. After the due date, all submissions are final, and no revisions/resubmission will be allowed. Thus, it is in your interest to submit well before the due date for this review process. Students are reminded that plagiarism is a serious offense, and will be dealt with according to university rules. The lecturing team has no discretion in this regard. You are expected to have familiarised yourself with the [Stellenbosch University Policy on Plagiarism](#) before any submission.

Essay topic

To be announced

8. ASSESSMENT

Assessment of the module, which counts for 10% of the final mark of the taught masters programme, will be as follows:

Assessment element		% of final mark
Short assignments		15
Essay	Written version	30
	Oral presentation at mini conference	15
Examination		40
Total		100

9. SCHEDULE OF SESSIONS AND LIST OF READING MATERIAL

Sessions will more or less be dealing with topics and literature as outlined below.

1	Introduction to the module	19-07-2022	11:00-13:00	E Calitz W Nkosi G Du Rand
SECTION A CHARACTERISTICS AND ECONOMIC STATE OF AFFAIRS				
2	Features of emerging market and developing economies	26-07-2022	11:00-13:00	E Calitz
<p>(a) Module outline: <i>Elements, process, groups and group work; short assignment; research essay</i></p> <p>(b) Issues include: <i>Characteristics of developing countries (including emerging market economies) (EMEs), noting also their diversity; identifying EMEs; considering whether developing economies (EMEs) require different policies than developed (industrial) countries; nature and role of sovereign credit ratings</i></p>				
<p>Prescribed literature – subject to revision</p> <ol style="list-style-type: none"> Frankel, J. 2011. “Monetary Policy in Emerging Markets: A Survey”. Faculty Research Working Paper Series. Boston, Massachusetts: Harvard Kennedy School. Available at: http://www.nber.org/papers/w16125 Mody, A. 2004. “What is an emerging market?” IMF Working paper WP/04/177. Washington, DC: IMF. 23 pages. Available at: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=879002. Rodrik, D. 2011. The future of convergence. Faculty Research Working Paper Series. Boston. Available at: https://www.staff.ncl.ac.uk/david.harvey/MKT3008/Recap/Rodrik_RWP2011.pdf <p>Recommended literature</p> <ul style="list-style-type: none"> ❖ Eichengreen, B. 2016. “Submerging markets?” <i>Global Economy and International Finance</i> 9 April 2016: 48-56. Available at: http://eml.berkeley.edu/~eichengr/submerging_mkts_9-14-06.pdf. ❖ Khanna, Tarun & Krishna G. Palepu. 2010. “Winning in Emerging Markets: A Road Map for Strategy and Execution” (excerpt). Available at: http://www.forbes.com/2010/05/27/winning-in-emerging-markets-opinions-book-excerpts-khanna-palepu.html. 				
3	Economic policy and the state of macroeconomics	02-08-2022	11:00-13:00	D van Lill
<p>Issues include: <i>Development of thoughts on economic policy and modelling; brief review of the nature and consequences of the international financial crisis; the criticism of macroeconomic modelling and the reputational crisis of economics; differences of opinion on indicated future policies</i></p>				
<p>Prescribed literature</p> <ol style="list-style-type: none"> Blanchard, O., G. Dell’Ariccia and P. Mauro. 2010. “Rethinking Macroeconomic Policy”. IMF Staff Position Note. Washington, D.C. Available at: http://www.imf.org/external/pubs/ft/spn/2010/spn1003.pdf. _____. 2013. “Rethinking Macro Policy II: Getting Granular”. IMF Staff Position Note. Washington, D.C. Available at: https://www.imf.org/external/pubs/ft/sdn/2013/sdn1303.pdf. Blanchard, O. 2018. “On the future of macroeconomic models”. <i>Oxford Review of Economic Policy</i> 34(1-2): 43–54. Available at: https://academic.oup.com/oxrep/article/34/1-2/43/4781808. Caballero, Ricardo J. 2010. “Macroeconomics after the Crisis: Time to Deal with the Pretense-of-Knowledge Syndrome.” <i>Journal of Economic Perspectives</i> 24(4): 85-102. Available at: https://search-proquest-com.ez.sun.ac.za/docview/814368564/fulltextPDF/ECOCE10CE4B7451APQ/5?accountid=14049 Vines, D. and S. Willis. 2018. “The rebuilding macroeconomic theory project.” <i>Oxford Review of Economic Policy</i> 34(1-2): 1-42. Available at: https://academic-oup-com.ez.sun.ac.za/oxrep/article/34/1-2/1/4781821 Wickens, M.R. 2010. “What’s wrong with macroeconomics? Why its critics have missed the point.” <i>CESifo Economic Studies</i> 56(4): 536-553. Available at: http://search.proquest.com.ez.sun.ac.za/docview/822747885?accountid=14049. 				

Recommended literature				
<ul style="list-style-type: none"> ▪ For more readings on the rebuilding of macroeconomic theory, visit <i>Oxford Review of Economic Policy</i> 34(1-2). Available at: https://academic-oup-com.ez.sun.ac.za/oxrep/issue/34/1-2. ▪ Romer, Paul. 2016. "The trouble with macroeconomics". Paper delivered January 5, 2016 as the Commons Memorial Lecture of the Omicron Delta Epsilon Society. Forthcoming in <i>The American Economist</i>. Available at: https://paulromer.net/trouble-with-macroeconomics-update/WP-Trouble.pdf ▪ Kirman, Alan. 2010. "The economic crisis is a crisis of economic theory". CESifo Economic Studies 56(4): 498-535. Available at: http://www.umass.edu/preferen/You%20Must%20Read%20This/Kirman%202010%20Economic%20Crisis.pdf 				
Electronic submission of a short note on SUNLearn - for approval of essay topic of choice (and second choice), with motivation of the topical nature. [See Section 7.]			10-08-2022	G du Rand
4	Economic policy and the state of macroeconomics (continued)	16-08-2022	11:00-13:00	D van Lill
SECTION B MACROECONOMIC STABILITY				
5	Macroeconomic stability: Monetary Policy	23-08-2022	11:00-13:00	G du Rand
Issues include: <i>Different views of macroeconomic instability and on how to achieve stability; the nature, causes and consequences of inflation; goals and limits of monetary policy; arguments for inflation targeting; differences between monetary policy constraints in different groups of countries; impact of external effects and fiscal policy on monetary policy; monetary policy and financial stability; monetary policy prospects and constraints in South Africa.</i>				
Prescribed literature				
10. Loate, T., E. Pirozhkova and N.Viegi, 2021. "Sailing Into the Wind: Evaluating the (near) Future of Monetary Policy in South Africa." Economic Research and Statistics Department, South African Reserve Bank. Available at: https://www.resbank.co.za/content/dam/sarb/publications/working-papers/2021/WP%202106.pdf				
11. Blanchard, O.J. and L.H. Summers. 2018. "Rethinking stabilization policy: evolution or revolution?" National Bureau of Economic Research Working Paper No. w24179. Available at: https://www.nber.org/system/files/working_papers/w24179/w24179.pdf				
12. Aizenman, J., 2019. <i>Macroeconomics challenges and resilience of emerging market economies</i> . National Bureau of Economic Research Working Paper No. w26361. Available at: https://www.nber.org/system/files/working_papers/w26361/w26361.pdf				
Recommended literature				
<ul style="list-style-type: none"> ▪ Juselius, M., C.E. Borio, P. Disyatat, and M. Drehmann. 2016. "Monetary policy, the financial cycle and ultralow interest rates." Bank of Finland Research Discussion Paper, (24). [Focus on the introduction is sufficient for the main ideas, but the rest is highly recommended (direct application of time series econometrics methods studied in Econometrics 871)] Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2823454 ▪ Reichlin, C. & R. Baldwin. 2013. <i>Introduction</i>. In Reichlin, C. and R. Baldwin (eds). <i>Is Inflation Targeting Dead? Central Banking After the Crisis</i>. London: Centre for Economic Policy Research (CEPR): 10-30. Available at: http://repository.graduateinstitute.ch/record/87397/files/P248_inflation_targeting_%207may.pdf 				
Electronic submission of essay framework on SunLearn for approval [See Section 7]			24-08-2022	G Du Rand
6	Macroeconomic stability: Fiscal policy	30-08-2022	11:00-13:00	K Siebrits
Issues include: <i>The macroeconomic role of fiscal policy; the importance of budget deficits and public debt; the multiplier effects of fiscal policy actions; fiscal policymaking institutions; the fiscal situation in South Africa.</i>				
Prescribed literature				

13. Furman, J. and L.H. Summers. 2019. "Who's afraid of budget deficits?" *Foreign Affairs* 98(2): 82-86, 88-94. Available at: <https://www-proquest-com.ez.sun.ac.za/docview/2186098567/D0F2C167014646E8PQ/4?accountid=14049>.
14. Leeper, E.M. 2009. "Anchoring fiscal expectations." *Reserve Bank of New Zealand Bulletin* 72(3): 1-42. Available at: <https://www.rbnz.govt.nz/-/media/ReserveBank/Files/Publications/Bulletins/2009/2009sep72-3leeper.pdf?revision=21151fb2-6257-4ca4-a65c-9bbb67136ffd>.
15. Ramey, V.A. 2019. "Ten years after the Financial Crisis: What have we learned from the renaissance in fiscal research?" *Journal of Economic Perspectives* 33(2): 89-114. Available at: <https://www-aeaweb-org.ez.sun.ac.za/articles?id=10.1257/jep.33.2.89&ArticleSearch%5Bwithin%5D%5Barticletitle%5D=1&ArticleSearch%5Bwithin%5D%5Barticleabstract%5D=1&ArticleSearch%5Bwithin%5D%5Bauthorlast%5D=1&ArticleSearch%5Bq%5D=Ramey&JelClass%5Bvalue%5D=0&journal=3&from=j>.

Recommended literature

- Burger, P. and E. Calitz. 2021. Covid-19, economic growth and South African fiscal policy. *South African Journal of Economics*, 89(1): 3-24. Available at: <https://onlinelibrary-wiley-com.ez.sun.ac.za/doi/10.1111/saje.12270>.

UNIVERSITY RECESS 05-09-2022 to 12-09-2022 NO SESSION ON 06-09-2022

7	Exchange rate systems	13-09-2022	11:00-13:00	E Calitz
<p>Issues include: <i>Pros and cons of different exchange rate systems; de jure versus de facto exchange rate systems; choosing an exchange rate system (including context and link with other economic policies such as fiscal and industrial policies); exchange rate systems and policy freedom (the monetary policy trilemma)</i></p>				
<p>Prescribed literature</p> <p>16. Cruz Rodriguez, Alexis. 2009. "Choosing and assessing exchange rate regimes: A survey of the literature". Munich Personal RePEc Archive Paper No. 16314. 38 pages. Available at: http://mpira.ub.uni-muenchen.de/16314/.</p> <p>17. Reinhart, C. & K. Rogoff. 2004. "The modern history of exchange rate arrangements: a reinterpretation". <i>Quarterly Journal of Economics</i> 119(1): 1-48. Available at: https://academic-oup-com.ez.sun.ac.za/qje/article/119/1/1/1876042</p> <p>18. Rose, Andrew K. 2011. "Exchange Rate Regimes in the Modern Era: Fixed, Floating, and Flaky". <i>Journal of Economic Literature</i> 49(3): 652-672. Available at: https://search-proquest-com.ez.sun.ac.za/docview/892721923?rfr_id=info%3Axri%2Fsid%3Aprimio</p>				
<p>Recommended literature</p> <ul style="list-style-type: none"> ▪ Eichengreen, B. & R. Razo-Garcia. 2011. "How reliable are de facto exchange rate regime classifications?" NBER Working Paper 17318. Available at: http://www.nber.org/papers/w17318.pdf?new_window=1. 				
8	The global monetary system and external balances	20-09-2022	11:00-13:00	G du Rand
<p><i>Issues include: The international monetary and financial system: evolution and current realities; Changing nature of global imbalances; current account reversals, exchange rate volatility and sudden stops: nature, cure and prevention (exchange rate adjustments, capital controls, etc.); international monetary policy system: system, cooperation, transmission mechanisms</i></p>				
<p>Prescribed literature</p> <p>19. Agosin, Manuel R. & Franklin Huaita. 2012. "Overreaction in capital flows to emerging markets: Booms and sudden stops." <i>Journal of International Money and Finance</i> 31(5): 1140-1155. Available at: https://www.sciencedirect.com/science/article/pii/S0261560611002002</p> <p>20. Gourinchas, P.O., H. Rey & M. Sauzet. 2019. "The International Monetary and Financial System" NBER Working Paper No. w25782. National Bureau of Economic Research. Available at: https://www.nber.org/papers/w25782.pdf.</p>				

21. Ocampo, José Antonio. 2016. Global macroeconomic cooperation and the exchange rate system. WIDER Working Paper 2016/49. United Nations University. Available at: https://www.wider.unu.edu/sites/default/files/wp2016-49.pdf .				
Recommended literature				
<ul style="list-style-type: none"> ▪ Forbes, Kirstin J. & Francis E. Warnock. 2012. “Capital flow waves: Surges, stops, flight, and retrenchment”. <i>Journal of International Economics</i> 88: 235–251. Available at: https://www-sciencedirect-com.ez.sun.ac.za/science/article/pii/S0022199612000566 				
9	Fiscal and monetary policy coordination in an era of high public debt and rising interest rates and inflation - a class debate	27-09-2022	11:00-13:00	E Calitz K Siebrits
Issues include: <i>Arguments for and against policy coordination; policy coordination in South Africa (case studies); new monetary policy</i>				
Prescribed literature				
<ul style="list-style-type: none"> ▪ Leowald, C. D. Faulkner and K. Makrelov 2020. Macroeconomic policy options for a savings constrained economy: the case of South Africa. ERSA Policy Bulletin No 3. July http://www.econrsa.org/sites/default/files/policy_bulletin_3.pdf. Accessed: 15-08.2020. ▪ Isaacs, G., D. Gqubule and R. Nkosi. 2018. Macroeconomy. <i>Policy brief prepared for the Labour Caucus in the Jobs Summit Inclusive Growth working group by the Institute for Economic Justice (IEJ)</i>. Available at: https://www.iej.org.za/stream-2-policy-brief-4-macroeconomy/. Accessed: 27-06-2022. 				
SECTION C STRUCTURAL ISSUES				
10	Economic growth	04-10-2022	11:00-13:00	E Calitz
Issues include: <i>Theories of economic growth; nature of economic growth; why growth rates differ internationally; do economists understand economic growth?; pro-growth economic policies; measuring economic growth; the ‘Africa rising’ debate; future potential output and policy implications: advanced and emerging market economies</i>				
Prescribed literature				
22. Ang, J.B. 2008. “A survey of recent developments in the literature of finance and growth.” <i>Journal of Economic Surveys</i> 22(3): 536-576. Available at: http://content.ebscohost.com/ContentServer.asp?T=P&P=AN&K=32549278&S=R&D=buh&EbscoContent=dGJyMNLr40SeqK84yOvqOLCmsEieprdSsKe4S7KWxWXS&ContentCustomer=dGJyMPGqsEq0rrVPuePfgex44Dt6fIA				
23. Rogers, M. 2003. “A Survey of Economic Growth”. <i>The Economic Record</i> 79(244):112-135. Available at: http://onlinelibrary.wiley.com.ez.sun.ac.za/doi/10.1111/1475-4932.00082/epdf .				
24. IMF. 2015. “Where are we headed? Perspectives on potential output”. <i>World Economic Outlook</i> , April 2015: 69-110 (Chapter 3). Available at: http://www.imf.org/en/Publications/WEO/Issues/2016/12/31/Uneven-Growth-Short-and-Long-Term-Factors .				
Recommended literature				
<ul style="list-style-type: none"> ▪ Commission on Growth and Development (Spence Commission). 2008. <i>The Growth Report: Strategies for Sustained Growth and Inclusive Development</i>. Washington, DC: The World Bank. Available at: https://openknowledge.worldbank.org/bitstream/handle/10986/6507/449860PUB0Box3101OFFICIAL0USE0ONLY1.pdf ▪ Pritchett, L. 2006. “The quest continues”. <i>Finance and Development</i> 43(1): 1-10. Available at: http://search.proquest.com.ez.sun.ac.za/docview/209411953/fulltextPDF/13EC1F2B283247136D0/9?accountid=14049. 				
<i>Posting on SunLearn of essays in MS Word format, accompanied by plagiarism declaration signed by all group members</i>			04-10-2022	G Du Rand
11	Is the world backtracking on globalisation?	11-10-2022	11:00-13:00	E Calitz

Issues include: <i>Aspects of protectionism and deindustrialisation (definition and measurement; empirical evidence); policy implications</i>				
Prescribed literature				
25. Frieden, Jeffrey. 2018. "The backlash against globalization and the future of the international economic order." Prepared for a Policy Network volume, <i>The Next Phase of Globalisation: Capitalism and Inequality in the Industrialized World</i> . Harvard. 18 pages. Available: https://scholar.harvard.edu/files/jfrieden/files/frieden_future_feb2018.pdf .				
26. Rodrik, Dan. 2004. "Industrial policy for the twenty-first century". Cambridge: Harvard University. Available at: https://myweb.rollins.edu/tlairson/pek/rodrikindpolicy.pdf .				
27. _____. 2016. "Premature deindustrialization". <i>Journal of Economic Growth</i> 21(1): 1-33. Available at: https://link-springer-com.ez.sun.ac.za/content/pdf/10.1007%2Fs10887-015-9122-3.pdf .				
28. Alam, Tasnim, 2022. "Does globalisation lead to economic convergence, divergence, or both?". Available at SSRN: https://ssrn.com/abstract=4092390 or http://dx.doi.org/10.2139/ssrn.4092390 . Accessed: 27-06-2022.				
Recommended literature				
❖ Felipe, Jesus & Aahish Mehta. 2016. "Deindustrialization? A global perspective". <i>Economic Letters</i> 149: 148-151. Available at: https://www-sciencedirect-com.ez.sun.ac.za/science/article/pii/S0165176516304463?casa_token=7f-9xyHlos0AAAAA:qYhO9B8Vzvr5twAg8Tsbq4iDTmhXmzOdPxtlkh0OcS7548yyS6AiI tS933vi96k7LP9frklyuA				
12	Macroeconomic policy, poverty and income inequality	18-10-2022	11:00-13:00	K Siebrits
Issues include: <i>Inclusive growth; the effects of macroeconomic instability on poverty and inequality; heterodox views about the effects of macroeconomic policy on poverty and inequality.</i>				
Prescribed literature				
29. Davoodi, H.R., P.J. Montiel and Anna Ter-Martirosyan. 2021. <i>Macroeconomic stability and inclusive growth. IMF Working Paper WP/21/81</i> . Washington, D.C.: The International Monetary Fund. Available at: https://www.imf.org/en/Publications/WP/Issues/2021/03/19/Macroeconomic-Stability-and-Inclusive-Growth-50259 .				
30. Saad-Filho, A. 2007. Life beyond the Washington Consensus: An introduction to pro-poor macroeconomic policies. <i>Review of Political Economy</i> , 19(4): 513-537. Available at: https://www.tandfonline.com/doi/pdf/10.1080/09538250701622352?needAccess=true .				
Recommended literature				
▪ Edwards, S. 2019. On Latin American populism and its echoes around the world. <i>NBER Working Paper No. 26333</i> . Cambridge, MA: National Bureau of Economic Research. Available at: https://www.nber.org/system/files/working_papers/w26333/w26333.pdf .				
13	Mini Conference: Presentation of essays by student groups	22-10-2022	08:00 – 13:00	E Calitz, G du Rand, W Nkosi