

## Faculty of Economic, Social and Political Sciences



### ECON2231 International monetary relations

[30h] 4 credits

**Teacher(s):** Bernard Delbecque  
**Language:** French  
**Level:** Second cycle

#### Aims

The main aim of this course is to provide students with the analytical tools needed for a better understanding of:

- the problems posed by the implementation of monetary and budgetary policies and the exchange rate in open economies;
- recent developments in the international monetary system, particularly in the wake of crises in the European monetary system in 1992-1993, the Asian financial crisis of 1997-1998, and the setting up of the Economic and Monetary Union in 1999.

#### Main themes

The course is aimed at students who seek a deeper understanding of the national and international monetary problems facing countries in today's globalised economy. The objective will be to develop tools for a theoretical analysis of these problems, with the focus on concepts and their application.

In particular, there will be work on drawing out all the implications of the fact that countries normally have different currencies, and exchange rates that tend to be increasingly volatile. In this respect, the course complements the course that covers an analysis of the problems of international trade, and courses on traditional macro-economics that generally focus on a study of growth, inflation and unemployment.

#### Content and teaching methods

The course is in three parts. They aim to:

- construct a model with which to explain (i) the links between the main macro-economic variables associated with flexible and fixed rates of exchange and (ii) the consequences of choosing an exchange system for economic policy;
- analyse the difficulties encountered in managing a flexible exchange rate (e.g. over-reaction, the role of advance payments, and sensitivity to news) and a fixed exchange rate (e.g. speculative attacks and asymmetry);
- examine concrete paths available to political decision-makers to reinforce monetary and financial stability at national and international level (e.g. target zones, monetary union, dollarisation, control over capital, and coordination).

The various theories developed on this course will be presented as a method for analysing present-day problems of international politics, and not on the basis of their theoretical formalism.

#### Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

Two-year degree courses in Economic Sciences.

Assessment will be based on a written examination.

The course is based on Parts III and IV of Krugman and Obstfeld 'International Economics: Theory and Policy' (5th ed), the French edition of which is published by De Boeck. There will be other suggestions as to further reading designed to help students acquire a personal understanding of the subject.

**Other credits in programs**

<b>ECGE3DS/EF</b>	Diplôme d'études spécialisées en économie et gestion (Master in business administration) (économie financière)	(5 credits)
<b>ECON2M1</b>	Master en sciences économiques, orientation générale	(4 credits)
<b>MULT21MS</b>	Première année de master en communication multilingue, à finalité spécialisée en langues des affaires	(4 credits)
<b>MULT22MS</b>	Deuxième année de master en communication multilingue, à finalité spécialisée en langues des affaires	(4 credits)