

# Topics in International Macroeconomics

## Spring 2017

**Required textbook: Open Economy Macroeconomics, by Stephanie Schmitt-Grohe and Martin Uribe, forthcoming in Princeton University Press.**

<http://www.columbia.edu/~mu2166/book/>

### 1 Business-Cycle Facts Around the World

- 1.1 Measuring Business Cycles
- 1.2 Business-Cycle Facts Around The World
- 1.3 Business Cycles in Poor, Emerging, and Rich Countries

### 2 An Open Endowment Economy

- 2.1 The Model Economy
- 2.2 Simulated policies and shocks

### 3 An Open Economy with Capital

- 3.1 The Basic Framework
- 3.2 Simulated policies and shocks

### 4 The Open-Economy Real-Business-Cycle Model

- 4.1 The Model Economy
- 4.2 Simulated policies and shocks

### 5 Emerging-Country Business Cycles Through the Lens of the SOE-RBC Model

- 5.1 Can the SOE-RBC Model Generate Excess Consumption Volatility?
- 5.2 An SOE-RBC Model With Stationary And Nonstationary Technology Shocks
- 5.3 Letting Technology Shocks Compete With Other Shocks And Frictions

### 6 Interest-Rate Shocks

- 6.1 An Empirical Model
- 6.2 Impulse Response Functions
- 6.3 Theoretical and Estimated Impulse Responses

### 7 Importable Goods, Exportable Goods and the Terms of Trade

- 7.1 A Simple Empirical Model of the Terms of Trade
- 7.2 The Terms-Of-Trade And The Trade Balance: Empirics
- 7.3 The Terms of Trade and the Trade Balance: Simple Explanations, Old and New
  - 7.3.1 The Harberger-Laursen-Metzler Effect
  - 7.3.2 The Obstfeld-Razin-Svensson Effect
  - 7.3.3 Testing for the ORS Effect
  - 7.3.4 The ORS Effect in the SOE-RBC Model
- 7.4 How Important Are Terms-of-Trade Shocks?

### 8 Nontradable Goods And The Real Exchange Rate

- 8.1 The Real Exchange Rate
  - 8.2.1 The Real Exchange Rate and the Relative Price of Nontradables
  - 8.2.2 The Equilibrium Real Exchange Rate

### 9 Nominal Rigidity, Exchange Rates, and Unemployment

- 9.1 Currency Pegs
- 9.2 Optimal Exchange Rate Policy
- 9.3 Evidence From Micro Data
- 9.4 Evidence From Informal Labor Markets
- 9.5 Crisis Dynamics Under A Currency Peg
- 9.6 Crisis Dynamics Under Optimal Exchange Rate Policy
- 9.8.4 Devaluations, Revaluations, and Inflation In Reality
- 9.9 Empirical Evidence On The Expansionary Effects of Devaluations
  
- 10 Exchange Rate Policy And Capital Controls
  - 10.1 First-Best Fiscal Policy Under Fixed Exchange Rates
  - 10.2 Capital Controls As A Distortion To The Interest Rate
  - 10.3 Overborrowing Under Fixed Exchange Rates
  - 10.3 The Welfare Cost of Free Capital Mobility In Fixed-Exchange-Rate Economies
  
- 11 Policy Credibility And Balance Of Payments Crises
  
- 12 Financial Frictions And Aggregate Instability
  - 12.1 Collateral Constraints
  - 12.2 Collateral Constraints and Self-Fulfilling Financial Crises
  - 12.3 Debt Dynamics in a Stochastic Economy With Collateral Constraints
  
- 13 Sovereign Default
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  - 13.2 The Cost of Default: Empirical Evidence
  - 13.3 Saving and the Breakdown of Reputational Lending
  - 13.4 The Welfare Cost of Lack of Commitment
  - 13.5 Risk Averse Lenders
  - 13.6 Long-Term Debt and Default
  - 13.7 Debt Renegotiation