

Summer Term 2016 GSEMF class:  
“Economic Development, Volatility, and Diversification  
in Trade and Assets” (joint with Prof. Philipp Harms)

JG|U

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3 stylized facts partly at odds with conventional economic thinking:

- 1** volatile economies tend to grow at lower rates
  - 2** during the development process, countries tend to diversify, not specialize their export structure
  - 3** international capital flows show a strong common component.
- seminar tries to bring these pieces together.

### Examples of key papers:

- Kose, M. Ayhan Eswar S. Prasad, Marco E. Terrones (2006): “How do trade and financial integration affect the relationship between growth and volatility?” *Journal of International Economics* 69(1): 176-202
- Imbs, Jean, and Romain Wacziarg (2003): “Stages of Diversification.” *American Economic Review* 93(1): 63-86
- Obstfeld, Maurice (1994): “Risk-Taking, Global Diversification, and Growth.” *American Economic Review* 84(5): 1310-1329
- Rey, Helene (2013) “Dilemma not Trilemma: The global financial cycle and monetary policy independence.” Paper presented at the Jackson Hole Symposium

Most papers are rather empirical; some in the third block more theoretical. Also see tentative syllabus on website.

- Interest in the intersection of international macro and trade.
- Potentially interested in expanding more into development economics.
- Interested in combining class material with own research agenda.

- The course is jointly organized with Prof. Philipp Harms (JGUM)
- **Dates:** Blocked course in the first half of the summer semester 2016 (mid-April to end-May).
- **Credits:** 4 ECTS
- **Requirements:** presence, presenting 1-2 papers, short term paper
- **Assignment:** Development and International Economics, Macroeconomics.

Tentative syllabus on my website. For further info:

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