

JOHANNES GUTENBERG-UNIVERSITÄT MAINZ – D 55099 Mainz

Seminar (“Research Module”) in International Economics

“Inflation: Measurement, Determinants, Consequences”

Summer Semester 2022

FACHBEREICH 03
Rechts- und Wirtschaftswissenschaften

Lehrstuhl für Volkswirtschaftslehre,
insb. International Economics

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Motivation:

Quite recently, the concern about price stability has returned to the public discussion. While inflation rates were very low during the early 2000s – in many cases so low that economic policy was more worried about deflation than about inflation – the USA, Europe and many developing countries and emerging markets are now observing price increases that significantly exceed the averages of the past decades. The goal of this seminar is to consider inflation from various angles: we want to explore how inflation rates are computed, and which factors are responsible for low or high increases of the overall price level. This discussion will consider the role of business cycle fluctuations and of unemployment, but also the influence of the international environment and of exchange rates. Finally, we will look at the consequences of inflation for national prosperity and for the distribution of income and wealth, and we will discuss potential policy remedies.

Important Dates (as of January 22, 2022; possibly subject to change):

April 26, 2022, 2.15 pm – 3.45 pm: Introductory meeting (room: 00 311 HS VI)
(attendance is mandatory)

through May 2, 2022: Distribution of topics

June 30, 2022, 2 pm – 6.30 pm
and
July 1, 2022, 9 am – 5 pm } Student presentations (attendance is mandatory)

August 26, 2022, 1 pm: Deadline for submission of term papers

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Note: Our current planning is based on the hope that the evolution of the **Corona pandemic** will allow us to return to the course room in the summer semester 2022. Please consult the **IntEcon website** (<https://www.international.economics.uni-mainz.de/teaching/>) for more information as the semester moves closer.

Participants:

The seminar is offered as a **Research Module in International Economics** to those students in the **Masters Program “International Economics and Public Policy” (MIEPP)** who chose the specialization area **“International Economics”**.

Prerequisites:

We expect students to be interested in both theoretical and empirical analyses, and to be willing to retrieve and process relevant economic data.

Topics:

At the first (mandatory) meeting on April 26, 2022, we will present different topics, which will be allocated among participants through May 2, 2022. Here is a short (and non-exhaustive) list of potential topics:

- “One size fits all?” How high are inflation rates for different parts of the population?
- How can inflation expectations be measured?
- (How) does inflation behave in booms and recessions?
- What is the role of exchange rate fluctuations for the evolution of prices?
- Does higher government debt jeopardize price stability?
- Which factors are generating and driving hyperinflations?
- (How) does the Corona pandemic affect inflation?
- What are the aggregate costs of inflation and deflation?
- What are the distributional effects of inflation?
- Do fixed exchange rates contribute to price stability?
- Does an „inflation target“ guarantee price stability?
- How important is central bank independence for price stability?

Basic references:

We expect participants to have read Chapters VIII.1 – VIII.4, X.1 and X.2 of the following book:

Harms, Philipp (2016): International Macroeconomics, 2nd edition, Tübingen (Mohr-Siebeck). (An e-book version is available at the JGU library.)

Further references will be given in the introductory meeting. Note, however, that the identification, retrieval and processing of relevant contributions is one of participants' core tasks.

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