

## **Master in International Economics and Public Policy**

### **International Macroeconomics (Summer semester 2026)**

#### **Contents/Organization/Program/Literature/Schedule**

(This version: **February 27, 2026**)

#### **Contents**

In this course, students learn to competently read and interpret countries' balance of payments and international investment positions, to use dynamic models of open economies in order to understand the direction and volume of international capital flows, and to interpret fluctuations of the real exchange rate. Moreover, they learn to confront theoretical hypotheses with the data and to apply their insights and findings in discussions about economic policy issues. The course starts with a detailed (and data-oriented) introduction to balance-of-payments accounting, then turns to an in-depth analysis of the current account and international capital flows, and eventually explains movements of the real exchange rate.

#### **Organization**

- **Times and places:**

**Lectures:** Monday, 10.15 – 11.45 am, room HS II. **Start: April 20, 2026**

**Tutorials:** Tuesday, 10.15 – 11.45 am, room HS III

**Important note:** The tutorial slots of the first week will be used for lectures. See the last page of this document for a **detailed schedule**.

- The **lecture presentations** and **problem sets** (in pdf format) can be downloaded from the **LMS/Moodle platform** at JGU Mainz (<https://lms.uni-mainz.de/moodle>). Those students **who have registered for the course in JOGUSStiNe** will automatically be assigned to the International Macroeconomics course in **LMS/Moodle**.

- Students will have access to **lecture videos** of the **summer semester 2020**. Note, however, that the final exam will be based on the contents of the summer semester 2026. Thus, we *strongly* recommend to regularly attend the lectures and tutorials on campus.
- All **changes and news** will be disseminated by email via **LMS/Moodle**. Make sure you regularly check your **students email-address at JGU Mainz**.

### **Audience:**

For students attending the **M. Sc. in International Economics and Public Policy**, this course is part of the **elective modules in the specialization area International Economics**. It is also open to exchange students (e.g. in the context of the **Erasmus program**) and to students attending the **M.Sc. programs in Management or Finance & Accounting**.

### **How to proceed:**

- Register for the course in **JOGUSTiNe**, which is a prerequisite to be assigned to the **International Macroeconomics course in LMS/Moodle**.
- Make sure you regularly check your **JGU students email address** to which relevant information will be sent.

### **Contact:**

Prof. Dr. Philipp Harms / Albi Lika, [LsHarms@uni-mainz.de](mailto:LsHarms@uni-mainz.de)

## Preliminary Program and References

(This version: February 27, 2026)

**Note:** The transparencies used in this course as well as further information are available in **LMS/Moodle**. Recommended readings are given in brackets. See the *Literature* section for a translation of the acronyms.

### 1. Introduction

### 2. The Balance of Payments: A Review

- 2.1. Motivation
- 2.2. The balance of payments: concepts, definitions, numbers (**PhH 2.1**)
- 2.3. The net international investment position (**PhH 2.2.1 – 2.2.3**)
- 2.4. Savings, investment, and the current account (**PhH 2.2.4 – 2.2.5**)
- 2.5. Summary and outlook

### 3. Intertemporal Trade: The Basic Representative-Consumer Model

- 3.1. Motivating the Intertemporal Approach: Savings, investment, and the current account (**PhH 2.3**, K/O 12)
- 3.2. The basic RC model of a SMOPEC with an exogenous income (**PhH 3.2, PhH 3.7**; O/R 1.1, 2.1)
- 3.3. The basic RC model with endogenous output and investment (**PhH 3.4, PhH 3.7**; O/R 2.1, 2.2)
- 3.4. Summary and outlook

### 4. Beyond the Representative-Consumer Model

- 4.1. The overlapping generations (OLG) model (**PhH 4.2**, O/R 3.1, 3.2)
- 4.2. Demographic structure and the current account (**PhH 4.2**; O/R 3.1, 3.2)
- 4.3. The IMF's external balance assessment (**PhH 7.6.4**, Allen et al. 2023, IMF 2024, 2025a, 2025b)
- 4.4. Summary and outlook

## 5. The Real Exchange Rate

- 5.1. Motivation
- 5.2. Basic concepts and definitions (**PhH 7.2, PhH 8.3**)
- 5.3. The real exchange rate and purchasing power parity (**PhH 7.3**)
- 5.4. Fundamental determinants of the real exchange rate (**PhH 7.4 – 7.6, K/O16**)
- 5.5. Summary and outlook

### Literature

**Harms, Philipp (2016): *International Macroeconomics, 2nd edition, Mohr Siebeck.* (PhH)**

Coutinho, L. A. Turrini and S. Zeugner (2018): “Methodologies for the Assessment of Current Account Benchmarks”, *European Commission Discussion Paper No. 086*.

Allen C., C. Casas, G. Ganelli, L. Juvenal, D. Leigh, P. Rabanal, C. Rebillard, J. Rodriguez, and J.T. Jalles (2023): “2022 Update of the External Balance Assessment Methodology”, *IMF Working Paper No. 23/47*.

Gruhle, T. and P. Harms (2022): „Producer Services and the Current Account“, *Journal of International Money and Finance* 121, 102514.

International Monetary Fund/IMF (2011): *Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual*, available at <http://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>

International Monetary Fund (2024): EBA-Lite 3.0 Model and Methodology; Available for download at <https://www.imf.org/en/Publications/Policy-Papers/Issues/2024/11/18/EBA-Lite-3-557394>

International Monetary Fund (2025a): External Sector Report 2025 Global Imbalances in a Shifting World; Available for download at <https://www.imf.org/en/publications/esr/issues/2025/07/22/external-sector-report-2025>

International Monetary Fund (2025b): EBA Estimates: Analysis of 2024 Current Accounts and Real Effective Exchange Rates ; Available for download at <https://www.imf.org/external/np/res/eba/data/EBAEstimates-2024.pdf>

Krugman, P., M. Obstfeld, and M. Melitz (2018): *International Economics – Theory and Policy, 11<sup>th</sup> edition*. Boston (Addison Wesley). (**K/O**)  
(Previous editions are also fine for our purposes.)

Obstfeld, M. and K. Rogoff (1996): *Foundations of International Macroeconomics*, MIT Press. (**O/R**)

## International Macroeconomics, Summer Semester 2026

Schedule (This version: [February 27, 2026](#))

		13.-17.04.2026		Math Introduction		
L1	Monday	20.04.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
L2	Tuesday	21.04.2026	10.15-11.45	Lecture	HS III	Prof. Dr. P. Harms
L3	Monday	27.04.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
L4	Tuesday	28.04.2026	10.15-11.45	Lecture	HS III	Prof. Dr. P. Harms
L5	Monday	04.05.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T1	Tuesday	05.05.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L6	Monday	11.05.2026	10.15-14.45	Lecture	HS II	Prof. Dr. P. Harms
T2	Tuesday	12.05.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L7	Monday	18.05.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T3	Tuesday	19.05.2026	10.15-11.45	Tutorial	HS III	Albi Lika
	Monday	25.05.2026				<b>Whit Monday</b>
T4	Tuesday	26.05.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L8	Monday	01.06.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T5	Tuesday	02.06.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L9	Monday	08.06.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T6	Tuesday	09.06.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L10	Monday	15.06.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T7	Tuesday	16.06.2026	10.15-11.45	Tutorial	HS III	Albi Lika
T8	Monday	22.06.2026	10.15-11.45	Tutorial	HS II	Albi Lika
L11	Tuesday	23.06.2026	10.15-11.45	Lecture	HS III	Prof. Dr. P. Harms
L12	Monday	29.06.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T9	Tuesday	30.06.2026	10.15-11.45	Tutorial	HS III	Albi Lika
L13	Monday	06.07.2026	10.15-11.45	Lecture	HS II	Prof. Dr. P. Harms
T10	Tuesday	07.07.2026	10.15-11.45	Tutorial	HS III	Albi Lika