

Moscow State University
Moscow School of Economics

Macroeconomics-3

(Economics – 080100)

**for students of Master level in
Theoretical Economics**

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D.Sci. (Mathematics)

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Plan of lectures

Theme 1. Introduction. Main schools of modern macroeconomics (2 hours - lecture)

Goals and problems of the course. The structure of the course.

Neo-classic and modern Keynesian theories: methodological problems and contradictions. Theoretical models and empirical research in economics. Monetarism, institutionalism, and evolutionism – main historical stages of development. Comparative analysis of the methodological sources of the main macroeconomic theories.

Literature to the 1st theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp. 10-18.

Flaschel P. (2009) Macrodynamics of Capitalism: Elements for a Synthesis of Marx, Keynes and Schumpeter. 2nd ed.; Springer. Ch.2, 23-53.

Additional literature

North D. Markets and Other Allocation Systems in History: The Challenge of Karl Polanyi // Journal of European Economic History. 1977. No 6. P. 703—716.

Polany K. The Great Transformation. Boston : Beacon Press, 1971.

Robbins L. The Subject Matter of Economics // Essay on the Nature and Significance of Economic Science. L., 1935.

Theme 2. Microeconomic foundations of the macroeconomic theory (4 hours - lectures, 2 hours - seminar)

Economic equilibrium and comparative statics. Non-equilibrium theoretical approaches in macroeconomics: Marxism, Keynesian macroeconomic theory. Attempts of 'equilibrium' model interpretations of non-equilibrium theoretical approaches.

A dynamical model of the elementary economic exchange: existence and stability of equilibria.
Dynamical models of market failures: transaction costs, moral hazard, adverse selection.
A dynamical model of the general microeconomic exchange: existence and stability of equilibria.

Literature to the 2nd theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp. 19-66.

Additional literature

Stiglitz J. (2002) “Information and the Change of Paradigm in Economics” American Economic Review, vol.92, no.3, pp.460-501.

Blanchard O. (2000) “What do we know about macroeconomics that Fisher and Wicksell did not?” NBER Working Paper 7550.

Demidovich B.P. Lectures on Mathematical Theory of Stability. M.: Fizmathlit, 1967.

Makarov V.L., Rubinov A.M. Mathematical Theory of Economic Dynamics and Equilibrium. M.: Nauka, 1973.

Polterovich V.M. Crisis of Economic Theory // Economic Science of Modern Russia. 1998. № 1.

Ebeling R. The Role of Austrian School in the Development of the World Economic Thought of XXth century. // Economics and Mathematical Methods. 1992, is.9.

Akerlof G. The market for «demons»: qualitative uncertainty and the market mechanism // Quarterly Journal of Economics. 1970. Vol. 84. P. 488—500.

Arrow K., Debreu G. Existence of Equilibrium for a Competitive Economy // Econometrica. 1954. Vol. 25. P. 265—290.

Debreu G. Excess Demand Functions // Journal of Mathematical Economics. 1974. No 1. P. 15—23.

Hayek F. The Fatal Conceit. Chicago, 1989.

Hodgson G. Economics and Institutions. A Manifesto for a Modern Institutional Economics. L. : Polity Press, 1988.

Horn R., Johnson Ch. Matrix Analysis. Cambridge : Cambridge University Press, 1986.

McKenzie L. W. On equilibrium in Graham’s model of world trade and other competitive systems // Econometrica. 1954. Vol. 22. No 1.

Makarov V. L., Rubinov A. M., Levin M. I. Mathematical Economic Theory: Pure and Mixed Types of Economic Mechanisms. Advanced Textbooks in Economics. Elsevier, North Holland, 1995.

Neuman J. von, Morgenstern O. Theory of Games and Economic Behavior. Princeton, 1944.

Sonnenschein H. Do Walras' identity and continuity characterize the class of community excess demand functions? // Journal of Economic Theory. 1971. No 6. P. 345—354.

Theme 3. Models of Macroeconomic Exchange: Markets of Goods and Resources (4 hours - lectures, 2 hours - seminar)

Markets of capital. Neoclassic and Keynesian approaches to modeling of capital markets. A generalized model of investment-saving markets. Conditions of stability of equilibria. Neoclassic and Keynesian equilibrium on capital markets. Informational imperfections on capital markets.

Labor markets. Neoclassical and Keynesian models of labor markets. A generalized dynamic model of the labor market. Conditions of existence and stability of equilibria. Analysis of informational asymmetry on the labor market.

Market of goods. The Neoclassic and Keynesian model of goods' market. A generalized dynamic model of market of goods. Neoclassic and Keynesian equilibria on goods' market: conditions for existence and stability. Informational imperfections on goods' market.

Market of money. Demand and supply price of money. Market price of money. A generalized dynamic model of the market of money. Analysis of the main factors of inflation.

Literature to the 3rd theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp. 67-103.

Additional literature

Zelizer V. Social Role of Money. M., 2004.

Keynes J. General Theory of Employment, Interest, and Money. M., 1978.

Allais M. Economie et Interet. Paris : Imprimerie Nationale, 1947.

Bernanke B., Gertler M. Inside the black box: the credit channel of monetary policy transmission // Journal of Economic Perspectives. 1995. No 9(4). P. 27—48.

Blanchard O. The Economics of Post-Communist Transition. L., 1987.

Carroll Ch. Buffer-stock saving and the life cycle/permanent income hypothesis // Quarterly Journal of Economics. 1987. No 112(1). P. 1—56.

Diamond D., Dybvig Ph. Bank runs, deposit insurance, and liquidity // Journal of Political Economy. 1983. No 91. P. 401—419.

Diamond P. Wage determination and efficiency in search equilibrium // Review of Economic Studies. 1982. Vol. 49. P. 217—227.

Dixit A. K., Pyndike R. S. Investments under Uncertainty. Princeton Univ. Press, 1994.

Holmstrom B., Tirole J. Financial intermediation, loanable funds, and the real sector // Quarterly Journal of Economics. 1997. No 112. P. 663—692.

Kiyotaki N., Moore J. Credit cycles // Journal of Political Economy. 1997. No 105(2). P. 211—248.

Mortensen D. The matching process as a noncooperative / bargaining game. The Economics of Information and Uncertainty. Chicago : University of Chicago Press, 1982.

Phelps Ed. Structural Slumps. Cambridge : MIT Press, 1994.

Phillips A. The relation between unemployment and the rate of change of money wage rates in the United Kingdom, 1861—1957 // Economica. 1958. Vol. 25. Nov.

Pissarides Ch. Short run equilibrium dynamics of unemployment, vacancies, and real wages // American Economic Review. 1985. P. 676—690.

Romer D. The New Keynesian Synthesis // Journal of Economic Perspectives. 1993. No 7(1). P. 5—22.

Samuelson P. An exact consumption-loan model of interest with or without the social contrivance of money // Journal of Political Economy. 1958. Vol. 66. No 6. P. 467—482.

Shapiro C., Stiglitz J. Equilibrium unemployment as a discipline device // American Economic Review. 1984. No 74(3). P. 433—444.

Theme 4. Model of General Macroeconomic Exchange (2 hours – lecture)

Models of general macroeconomic equilibrium: Neoclassical and Neo-Keynesian synthesis. Methodological limitations of existing macromodels of general economic equilibrium. A generalized dynamic model of macroeconomic exchange. The dynamic system of 4 interconnected markets: capital, labor, goods, money. Conditions of interrelationships of markets: production function, demand for money function. Neutrality and non-neutrality of money. Conditions for existence and stability of equilibria in the general model of macroeconomic exchange.

Literature to the 4th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp. 103-137.

Additional literature

Duffie D., Sonnenschein H. Arrow and General Equilibrium Theory // Journal of Economic Literature. 1989. Vol. 27. Iss. 2.

Friedman M. Studies in the quantity theory of money. Chicago Univ. Press, 1956.

Gravelle H., Rees R. Microeconomics. 2nd ed. Longman, London, 1992.

Greenwald B., Stiglitz J. E. Keynesian, New Keynesian, and New Classical Economics // Oxford Economic Papers. 1987. Vol. 39. P. 119—132.

Hicks J. R. Mr. Keynes and the «Classics»: A suggested interpretation // Econometrica. 1937. Vol. 5. Apr.

Morishima M. General Equilibrium Theory in the Twenty-First Century // The Economic Journal. 1991. Vol. 101. Iss. 404. P. 69—74.

Stiglitz J. E., Uzawa H. Readings in the modern theory of economic growth / ed. by Joseph E. Stiglitz and Hirofumi Uzawa. Cambridge : MIT Press, 1969.

Taylor L. Structuralist Macroeconomics. N.Y., 1983.

Turnovsky S. Methods of Macroeconomic Dynamics. Cambridge : MIT Press, 2000.

Tobin J. A General Equilibrium Approach to Monetary Theory // Journal of Money, Credit and Banking. 1969. No 1.

Theme 5. Models of Imperfect Markets: Macroeconomic Context (2 hours - lecture, 2 hours - seminar)

Transaction costs on markets of capital, labor, goods, and money. Influence of transaction costs on the general macroeconomic dynamics. Models of *moral hazard* on markets of capital, labor, goods, and money: Neoclassic and Keynesian contexts. *Adverse selection* phenomena in macroeconomic systems: dynamic analysis for markets of capital, labor, goods, and money.

Literature to the 5th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp. 75-134.

Additional literature

Fazzari S., Hubbard R. G., Petersen B. C. (1988) "Financial Constraints and Aggregate Investment". *Brookings Papers on Economic Activity*, 1, pp. 141-95. <http://www.jstor.org>

Chirinko R. S., Schaller H. (1995) "Why Does Liquidity Matter in Investment Equations?". *Journal of Money, Credit, and Banking*, 27(2), pp. 527-48. <http://www.jstor.org>

Kaplan S. N., Zingales L. (1997) "Do Investment Cash Flow Sensitivities Provide Useful Measures of Financing Constraints". *Quarterly Journal of Economics*, 112(1), pp. 169-215. <http://www.jstor.org>

Hubbard R. G. Capital Market Imperfections and Investment // *Journal of Economic Literature*. 1998. No 36(1). P. 183—225 (also NBER Working Paper 5996).

Theme 6. Markets of Capital (2 hours - lecture)

Dynamic models of capital markets. A baseline dynamic model of investment-saving with three groups of economic agents: entrepreneurs, households, and financial intermediaries. Existence of stationary points and global stability of the baseline model.

q theory of investment by Tobin. Assumptions of Tobin's model, main equations, existence of an equilibrium, saddle path stability of the equilibrium.

Capital market imperfections and investment.

Literature to the 6th theme

Main literature

Brodsky B. (2012) *Lectures on Macroeconomics*. Advanced course. M.: Magister, pp. 136-142.

Romer D. (2001) *Advanced Macroeconomics*. 2nd ed. McGraw Hill Book Company: London., p. 386-436.

Additional Literature

Caballero R. J. (1999) "Aggregate Investment" in *Handbook of Macroeconomics* ed. by J. Taylor and M. Woodford. (also *NBER Working Paper* No. 6264, 1997).

Turnovsky S. J. (2000) *Methods of Macroeconomic Dynamics*. 2nd ed. MIT Press: Cambridge, ch. 9-10.

Dixit, A. K., Pindyck, R. S. (1994) *Investment under Uncertainty*. Princeton University Press: New Jersey, ch. 2, 5.

Chirinko R. S. (1993) "Business Fixed Investment Spending: A Critical Survey of Modelling Strategies, Empirical Results, and Policy Implications". *Journal of Economic Literature*, 31(December), pp. 1875-1911.

Hasset K. A., Hubbard R. G. (1996) "Tax Policy and Investment". *NBER Working Paper* No. 5683.

Hubbard R. G. (1998) "Capital Market Imperfections and Investment". *Journal of Economic Literature*, 36(1), pp. 193-225. (Also *NBER Working Paper* No. 5996.)

Schaller H. (1990) "A Re-examination of the Q Theory of Investment Using U.S. Firm Data". *Journal of Applied Econometrics*, 5(4), pp. 309-25. <http://www.jstor.org>

Oliner S., Rudebusch G., Sichel D. (1995) "New and Old Models of Business Investment: A Comparison of Forecasting Performance". *Journal of Money, Credit and Banking*, 27, pp. 806-26. <http://www.jstor.org>

Cooper R., Ejarque J. (2001) "Exhuming Q: Market Power vs. Capital Market Imperfections". *NBER Working Paper* No. 8182. <http://papers.nber.org/papers/W8182>

Theme 7. Labor Market (2 hours - lecture)

Dynamic models of the labor markets. The model of Shapiro-Stiglitz. Unemployment and efficient wage phenomena in the model of Shapiro-Stiglitz. Dynamic models of moral hazard and transaction costs on the labor market.

Literature to the 7th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, pp.142-149.

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London. p. 437-495.

Additional Literature

Davis, S. and Haltiwanger, J. (1999) Gross Job Flows, in O. Ashenfelter and D. Card (eds), *Handbook of Labor Economics*, North Holland, vol 3B.

Davis, S., Haltiwanger, J. and Schuh, S. (1996), *Job Creation and Destruction*, Cambridge, M.A: MIT Press.

Kuhn, P. (ed) (2001), *Losing Work, Moving on: Worker Displacement in International Perspective*, Upjohn Institute for Employment Research.

Mortensen, D. and Pissarides, C. (1999), Job Reallocation, Employment Fluctuations and Unemployment, in Woodford, M. and Taylor, J. (eds), *Handbook of Macroeconomics*, Elsevier Science Publisher, vol 1B, chap 18, pp. 1171-1228.

Petrongolo, B. and Pissarides, C (2001), Looking into the blackbox: a survey of the matching function, *Journal of Economic Literature*, 39, pp. 390-431.

Pissarides, C. (2000), *Equilibrium unemployment theory*, ed. 2, Cambridge, MIT Press.

Theme 8. Markets of Goods. Models of Exogenous Economic Growth (3 hours - lecture, 3 hours - seminars)

Solow model of exogenous economic growth. Dynamics of main macrovariables on the path of balanced growth. The 'golden rule' of capital accumulation. Fundamental problems of the economic growth theory and the model of Solow. Natural resources and demographic factors on the model of Solow. Limitations of Solow model.

Optimizational models of exogenous economic growth. The search for microfoundations of consumption and saving in the model of Ramsey-Cass-Koupmans. The main equations of the

model and the phase diagrams. The modified 'golden rule' in the model of Ramsey, Cass-Koupmans.

The overlapping generations model (OLG model, Samuelson-Diamond). The utility function of the representative economic agent. Dynamics of capital and consumption in OLG model. Stationary points, stable and unstable equilibria. Dynamic inefficiency in OLG model.

Literature to the 8th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 149-171.

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London., p. 5-99.

Blanchard O.J., Fischer S. (1989) Lectures on Macroeconomics. MIT Press: Cambridge., ch.2, 3.

Additional Literature

Heijdra B. J., Ploeg F. (2002) *Foundations of Modern Macroeconomics* Oxford University Press, Oxford.

Walsh C. (2003) *Monetary Theory and Policy*. 2nd ed. MIT Press.

Woodford, M. (2003), [Interest and Prices: Foundations of a Theory of Monetary Policy](#). Princeton University Press: Princeton.

McGrattan, E. R. and J. A. Schmitz, Jr. (1998). "Explaining Cross-Country Income Differences". *Handbook of Macroeconomics*. J. B. Taylor and M. Woodford. Amsterdam, Elsevier.

Solow, Robert M. (1956) "A Contribution to the Theory of Growth." *Quarterly Journal of Economics*, 70, pp. 65-94.

Swan, Trevor W. (1956) "Economic Growth and Capital Accumulation." *Economic Record* pp. 334-61.

Bertola, Giuseppe (1993), "Factor Shares and Savings in Endogenous Growth," *American Economic Review* 83, pp. 1184-1198.

Bertola, Giuseppe (1996), "Factor Shares in OLG Models of Growth," *European Economic Review*, 40:8, pp. 1541-1560

Diamond, P. A. (1965). 'National Debt in a Neoclassical Growth Model'. *American Economic Review* 55, 1126-1150.

Grossman, G.M. and Helpman, E. (1991). "Quality ladders in the theory of growth". *Review of Economic Studies*, 58, 43-61.

Uhlig, Harald, and Noriyuki Yanagawa (1996) "Increasing the Capital Income Tax May Lead to Faster Growth" *European Economic Review* 40 pp. 1521-1540

Saint-Paul, Gilles (1992) "Fiscal Policy in an Endogenous Growth Model" *Quarterly Journal of Economics* , 107, pp. 1243-1259

Theme 9. Inflation, Money, Exchange Rates (3 hours - lecture)

Money: classical dichotomy, neutrality and super-neutrality.

Sidrauski model: money in the utility function.

Cagan model of hyperinflation. Adaptive inflation expectations and the main equation of the model.

The model of dollarization, the influence of dollarization on the Russian macroeconomic dynamics of 1990-2000s.

Sticky prices, rational expectations, and the effect of exchange rate 'overshooting': *Dornbusch model* of exchange rate dynamics.

'Bubbles' in macroeconomic models. Bubbles in OLG model with money. Economic crises and financial bubbles.

Literature to the 9th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 171-188.

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London., p. 231-241.

Blanchard O.J., Fischer S. (1989) Lectures on Macroeconomics. MIT Press: Cambridge., ch.4.

Additional Literature

Dornbusch R. (1976) "Expectations and Exchange Rate Dynamics". *Journal of Political Economy*, 84(6), pp. 1161-1176.

Obstfeld M., Rogoff K. (1996) *Foundations of International Macroeconomics*. The MIT Press: Cambridge.

van der Ploeg F. ed. (1994) *The Handbook of International Macroeconomics*. Basil Blackwell: Oxford.

Obstfeld M., Rogoff K. (2000) "The Six Major Puzzles in International Macroeconomics; Is There a Common Cause?", in B. Bernanke and K. Rogoff eds. *NBER Macroeconomics Annual*.

Obstfeld M., Stockman A. (1985) "Exchange- Rate Dynamics" in Jones R.W., Kenen P. B. eds. *Handbook of International Economics*, Vol. 2, Ch. 18, Elsevier Science B. V.: Amsterdam.

Krugman P., Miller M. eds. (1992) *Exchange Rate Targets and Currency Bands*. Cambridge University Press: Cambridge.

Miller M., Eichengreen B., Portes R. eds. (1989) *Blueprints for Exchange-Rate Management*. Academic Press: London.

Eaton J., Fernandez R. (1995) "Sovereign Debt" in Grossman G., Rogoff eds. *Handbook of International Economics*, Vol. 3, Ch. 39, Elsevier Science B. V.: Amsterdam.

Turnovsky S. J. (1990) *International Macroeconomic Stabilization Policy*. Basil Blackwell: Cambridge.

Turnovsky S. J. (1997) *International Macroeconomic Dynamics*. The MIT Press: Cambridge.

Theme 10. Models of Endogenous Economic Growth (3 hours - lecture, 2 hours - seminar)

Models of endogenous growth. Production function and technological progress. Impossibility of growth in perfect competitive economies. Assumptions of the theory of endogenous economic growth. P. Romer's model of economic growth. The general model of growth with R & D sector (D.Romer).

Models of economic growth with human capital (Mankew-Romer-Weil). Education and endogenous economic growth (Lucas model of endogenous growth). Innovations and endogenous economic growth (model of Romer (horizontal innovations), Aghion and Howitt (vertical innovations)). Government spending and economic growth.

Literature to the 10th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 209-242.

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London. p. 100-173.

Additional Literature

- Barro, Sala-i-Martin (1997). *Economic Growth*. McGraw-Hill, ch. 4
- Aghion, Howitt (1998). *Endogenous Growth Theory*. Cambridge, MIT Press
- Taylor J., Woodford M. (1999) *Handbook of Macroeconomics*, North Holland.
- Alesina A. (1997) "The Political Economy of High and Low Growth". *World Bank Conference on Development Economics*.
- Barro R. (1990) "Government Spending in a Simple Model of Endogenous Growth." *Journal of Political Economy* 98(5) part 2: 103-125.
- De Long B. and L. H. Summers (1991) "Equipment Investment and Economic Growth". *Quarterly Journal of Economics*, Vol. 106 (2): 445-502.
- Rebelo S. (1991). "Long-Run Policy Analysis and Long-Run Growth". *Journal of Political Economy*, Vol 99(3): 500-521.
- Acemoglu, Daron, Simon Johnson, and James A. Robinson (2001), "The Colonial Origins of Comparative Development: An Empirical Investigation", *American Economic Review*, december, vol. 91, pp. 1369-1401.
- Barro, Robert J. and Jong-Wha Lee (2000), "International Data on Educational Attainment: Updates and Implications", *Center for International Development at Harvard University, Working Paper* no. 42, April.
- Bernanke, Ben S. and R. S. Gürkaynak (2001), "Is Growth Endogenous? Taking Mankiw, Romer, and Weil Seriously", *NBER Macroeconomics Annual*.
- Bleaney M., N. Gemmell and R. Kneller (2001). Testing the Endogenous Growth Model: Public Expenditure, Taxation and Growth over the Long Run. *The Canadian Journal of Economics* 34(1): 36-57.
- Brock, W. A. (2004) The Green Solow Model. NBER Working Paper 10557
- Caselli, Francesco (2001), "Comment on Is Growth Endogenous? Taking Mankiw, Romer, and Weil Seriously", *NBER Macroeconomics Annual*.
- Caselli, Francesco (2004), "The Missing Input: Accounting for Cross-Country Income Differences", forthcoming in Philippe Aghion and Steven Durlauf, eds., *Handbook of Economic Growth*, North Holland, 2004.
- Durlauf, S.N. and D.T. Quah (1999), *The New Empirics of Economic Growth*., in the Hall, Robert and Jones, Charles I. (1999), "Why Do Some Countries Produce so Much More Output Per Worker than Others?", *Quarterly Journal of Economics*, vol. 114 no. 1, pp. 83-116, February.
- Handbook of Macroeconomics 1, chapter 4, J.B. Taylor and M. Woodford, Eds. Elsevier
- Islam, Nazrul (1995), "Growth Empirics: A Panel Data Approach", *Quarterly Journal of Economics*, vol. 110, no.4, pp. 1127-1170.

Islam, Nazrul (2000), "Small Sample Performance of Dynamic Panel Estimators in Estimating the Growth Convergence Equation: a Monte Carlo Study", *Advances in Econometrics*, vol. 15, pp. 317-339.

Theme 11. Economic Crises: History, Classification, Models (4 hours - lectures, 2 hours - seminar)

History and classification of economic crises. Models of financial crises. Models of the 1st generation: Flood and Garber, 1984. Models of the 2nd generation: Sachs, Tornell, Velasco, 1996. Models of the 3rd generation: Krugman, 1999. The world financial crisis of 2007-2011s: history, causes and precursors, mechanism, and consequences of this crisis. Financial Fragility Hypothesis of H. Minsky (1982): the main phases of a macroeconomic crisis. The model of the world financial crisis of 2007-2011s.

Literature to the 11th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 242-271.
Anikin A.V. (2002) History of Financial Perturbations. Russian Crisis in the Light of World Experience. M. Olympus-Business. 17-225.
Kindleberger Ch., Aliber R. (2005) Manias, Panics, and Crashes. A History of Financial Crises. 5th ed. Wiley., P. 1-225.

Additional Literature

Flood R., Garber P. (1984) Collapsing exchange rate regimes // J. of Int. Econ., 17, 1-13.
Sachs J., Tornell A., Velasco A. (1996) The Mexican peso crisis: sudden death or death foretold // J. of Int. Econ., 41, 265-283.
Krugman P. (1999) Analytical afterthoughts on the Asian crisis, mimeo.
Minsky H. (1982) Financial Fragility Hypothesis. N.Y.
Gandolfo G (2002) International Finance and Open-Economy Macroeconomics, Springer
Obstfeld M., Rogoff K. (1996) *Foundations of International Macroeconomics*. The MIT Press: Cambridge.
van der Ploeg F. ed. (1994) *The Handbook of International Macroeconomics*. Basil Blackwell: Oxford.
Obstfeld M., Rogoff K. (2000) "The Six Major Puzzles in International Macroeconomics; Is There a Common Cause?", in B. Bernanke and K. Rogoff eds. *NBER Macroeconomics Annual*.

Obstfeld M., Stockman A. (1985) "Exchange- Rate Dynamics" in Jones R.W., Kenen P. B. eds. *Handbook of International Economics*, Vol. 2, Ch. 18, Elsevier Science B. V.: Amsterdam.

Krugman P., Miller M. eds. (1992) *Exchange Rate Targets and Currency Bands*. Cambridge University Press: Cambridge.

Miller M., Eichengreen B., Portes R. eds. (1989) *Blueprints for Exchange-Rate Management*. Academic Press: London.

Eaton J., Fernandez R. (1995) "Sovereign Debt" in Grossman G., Rogoff eds. *Handbook of International Economics*, Vol. 3, Ch. 39, Elsevier Science B. V.: Amsterdam.

Turnovsky S. J. (1990) *International Macroeconomic Stabilization Policy*. Basil Blackwell: Cambridge.

Turnovsky S. J. (1997) *International Macroeconomic Dynamics*. The MIT Press: Cambridge.

Dornbusch R. (1976) "Expectations and Exchange Rate Dynamics". *Journal of Political Economy*, 84(6), pp. 1161-1176.

Krugman P. (1979) "A Model of Balance-of-Payments Crises". *Journal of Money, Credit, and Banking*, 11(3), pp. 311-325.

Obstfeld M. (1994) "The Logic of Currency Crises". *Banque de France. Cahiers Economique et Monétaires*, 43, pp. 189-213.

Krugman P. (1997) "Currency Crises". *Paper prepared for NBER conference, October 1997*. <http://web.mit.edu/krugman/www/crises.html>.

R.Chang, A.Velasco (1998) "Financial Crises in Emerging Markets: a Canonical Model", NBER Working Paper № 6606. <http://papers.nber.org/papers/W6606>

G.Calvo, E.Mendoza (1996) "Mexico's balance-of-payments crisis: a chronicle of a death foretold", *Journal of International Economics*, 41, pp.235-264. <http://www.sciencedirect.com>

C.Burnside, M.Eichenbaum, S.Rebelo (1998) "Prospective Deficits and the Asian Currency Crisis", NBER Working Paper № 6758. <http://papers.nber.org/papers/W6758>

H. Blanco, P.Garber (1986) "Recurrent Devaluation and Speculative Attacks on the Mexican Peso", *The Journal of Political Economy*, Vol. 1, №1, pp. 148-166. <http://www.istor.org>

R. Cumby, S.Wijnbergen (1987) "Financial Policy and Speculative Runs with a Crawling Peg: Argentina 1979-1981", NBER Working Paper № 2376. <http://papers.nber.org/papers/W2376>

S. Collins (2003) "Probabilities, Probits and the Timing of Currence Crises", Working Paper of GeorgetownUniversity, <http://www.econ.duke.edu/smpe/Research/Collins.pdf>

S.Calvo, C. Reinhart (1996) “Capital Flows to Latin America: Is There Evidence of Contagion Effects” in Private Capital Flows to Emerging Markets, G. Calvo, M. Goldstein and E. Hochreiter, eds., (Washington, DC: Institute for International Economics)
<http://www.publicpolicy.umd.edu/faculty/reinhart/CONTla.PAP.PDF>

R. Glick, A. Rose (1998) “Contagion and Trade: Why are Currency Crises Regional?”
NBER Working Paper № 6806. <http://papers.nber.org/papers/W6806>

G. Calvo, E. Mendoza “Rational Contagion and the Globalization of Securities Markets”,
NBER Working Paper № 7153. <http://papers.nber.org/papers/W7153>

Theme 12. Models of Economic Cycles (4 hours - lectures, 4 hours - seminars)

Economic cycles: main stages, mechanisms, models. Monetary models of economic cycles.
Models of Caldor, Goudwin, and Flaschel (2009) of economic cycles.

Literature to the 12th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 271-283.
Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London., p. 174-221.

Additional Literature

Goodwin R. M. A growth cycle // Socialism, capitalism, and economic growth. Cambridge, 1967. P. 54—58.

Hicks J. A contribution to the theory of trade cycles. Oxford, 1950. Ch. 6.

Hawtrey R. G. The monetary theory of trade cycle and its statistical test // Quarterly Journal of Economics. 1927. Vol. 41. P. 471—486.

Kaldor N. A model of the trade cycle // Economic Journal. 1940. Vol. 50. P. 78.

Flaschel P. (2009) Macrodynamics of Capitalism: Elements for a Synthesis of Marx, Keynes and Schumpeter. 2nd ed.; Springer. Ch.2, 23-53.

Theme 13. Microeconomic Foundations of the Theory of Macroeconomic Evolution (2 hours - lecture)

Microfoundations of macroeconomic evolution: dynamic models of perfect competitive markets, incomplete markets, oligopolistic (Cournot, Bertrand, and Stackelberg oligopoly) and monopolistic markets, venture markets.

Literature to the 13th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 284-306.

Additional Literature

Nelson R.R., Wiler S.G. An Evolutionary Theory of Economic Change. M. : Delo (in Russian), 2002.

Freeman C. Innovation, Changes of Techno-Economic Paradigm and Biological Analogies in Economics // Freeman C. The Economics of Hope: Essays on Technical Change, Economic Growth and the Environment. Pinter, London and New York, 1992. P. 121—142.

Theme 14. General Model of Macroeconomic Evolution (2 hours - lecture)

The main stages of macroeconomic evolution. Stage 1 (economic growth): microstructure of markets, aggregated macro-analysis, the Neoclassic equilibrium of demand and supply. Stage 2 (pre-crisis evolution): growth of monopolism on markets, contraction of supply volumes, inflation and stagflation. The Marxist analysis of the pre-crisis stage of evolution. Stage 3 (Macroeconomic crisis) and stage 4 (post-crisis economic recovery): the Keynesian analysis of the Great Depression (1929-1936s), the leading role of the aggregate demand factors at stage 3 and 4. Emergence of new technologies and products at stage 4, gradual transition to the stage of economic growth (stage 1).

Literature to the 14th theme

Main literature

Brodsky B. (2012) Lectures on Macroeconomics. Advanced course. M.: Magister, 306-314.

Additional Literature

Nelson R.R., Wilter S.G. An Evolutionary Theory of Economic Change. M. : Delo (in Russian), 2002.

Schumpeter J. Theory of Economic Development. M., 1982 (in Russian).

Haberler G. Prosperity and Depression: a Theoretical Analysis of Cyclical Movements. M., 1960 (in Russian).

Silverberg G., Dosi G., Orsenigo L. Innovation, Diversity and Diffusion: A Self-Organization Model // Economic Journal. 1988. Vol. 98. P. 1032—1054.

Veblen T. Why is Economics not an Evolutionary Science? // Quarterly Journal of Economics. 1898. No 12(3). July. P. 373—397.

Theme 15. Inflation and Anti-inflation policy (2 hours - lecture)

Inflation and anti-inflation policy: main types of programs. The model of anti-inflation policy by Bruno. Dynamic inconsistency of the low inflation policy (Kydland, Prescott). The model of delegation (Rogoff)

Literature to the 15th theme

Main literature

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London., p. 496-558.

Additional Literature

Bruno M. (1993) Crisis, Stabilization, and Economic reform. L.: Clarendon Press.

Bruno M., Fischer S. (1993) Seigniorage, Operating Rates, and High Inflation Trap// Quarterly Journal of Economics. CV. is.2, 353-373.

Kydland, Finn E., and Prescott, Edward C. 1977. "Rules Rather than Discretion: The Inconsistency of Optimal Plans." *Journal of Political Economy* 85 (June): 473-492. Reprinted in Persson and Tabellini (1994).

Kydland, Finn E., and Prescott, Edward C. 1982. "Time to Build and Aggregate Fluctuations." *Econometrica* 50 (November): 1345-1370.

- Rogoff, Kenneth. 1985.** "The Optimal Degree of Commitment to an Intermediate Monetary Target." *Quarterly Journal of Economics* 100 (November): 1169–1189. Reprinted in Persson and Tabellini (1994).
- Rogoff, Kenneth. 1987.** "Reputational Constraints on Monetary Policy." *Carnegie-Rochester Conference Series on Public Policy* 26 (Spring): 141–182.
- Rogoff, Kenneth. 1990.** "Equilibrium Political Budget Cycles." *American Economic Review* 80 (March): 21–36. Reprinted in Persson and Tabellini (1994).

Theme 16. Budget and Tax Policy (2 hours - lecture)

Government's budget constraint. Ricardo's theorem of equivalence. Policy of tax smoothing.

Literature to the 16th theme

Main literature

Romer D. (2001) Advanced Macroeconomics. 2nd ed. McGraw Hill Book Company: London., p. 559-618.

Additional Literature

- Alesina, Alberto, and Drazen, Allan. 1991.** "Why Are Stabilizations Delayed?" *American Economic Review* 81 (December): 1170–1188. Reprinted in Persson and Tabellini (1994).
- Alesina, Alberto, and Perotti, Roberto. 1997.** "Fiscal Adjustments in OECD Countries: Composition and Macroeconomic Effects." *IMF Staff Papers* 44 (June): 210–248.
- Alesina, Alberto, and Sachs, Jeffrey. 1988.** "Political Parties and the Business Cycle in the United States, 1948–1984." *Journal of Money, Credit, and Banking* 20 (February): 63–82.
- Alesina, Alberto, and Summers, Lawrence H. 1993.** "Central Bank Independence and Macroeconomic Performance." *Journal of Money, Credit, and Banking* 25 (May): 151–162.