



Bachelorseminar

“The Political Economy of the Euro Area/Greek Crisis”

WiSe 2016/2017 – SoSe 2017

The course consists of an introductory lecture during the winter term 2016/17 and a (two-day) seminar in June 2017 where students have to present a term paper.

Modules: Bachelorseminar
BA-WW-BS
BA-IB-ID2/BA-IB-S/BA-IB-EF

Instructor: Prof. Thomas Moutos
(Athens University of Economics and Business)

Introductory Lectures

Date and Location: 19.10.2016, 14:50-18:10, POT 251/H
20.10.2016, 14.50-18:10, HSZ 304/Z

Topics:

- Accounting for debt developments across countries
- Alternative Interpretations of the Causes of the Debt Crisis
- The Relationship between Private, Public, and Foreign Financial Balances and the Unintended Consequences of the Stability and Growth Pact
- The Political Economy of the Bailouts and Debt Reduction Strategies

Readings:

Ardagna, S. and Caselli, F. (2014), “The Political Economy of the Greek Debt Crisis: A Tale of Two Bailouts”, *American Economic Journal: Macroeconomics*, 6(4): 291-323.

Blustein, P. (2015), *The IMF, The Euro Zone, and the First Rescue of Greece*, GIGI Papers, No. 61, April.

Blyth, M. (2013), *Austerity: The History of a Dangerous Idea*, Oxford University Press.

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Zugang
über Fahrstuhl
Hülse- Bau (3.Stock), Durch-
gang über Nord-Flügel
zu Schumann-Bau



**DRESDEN
concept**
Exzellenz aus
Wissenschaft
und Kultur

De Grauwe, P. (2012). "The governance of a fragile eurozone", *Australian Economic Review*, 45(3), 255–268.

EEAG (2011), *The EEAG Report on the European Economy, "Greece"*, CESifo, Munich 2011, 97–125.

EEAG (2011), *The EEAG Report on the European Economy, "Spain"*, CESifo, Munich 2011, 127–145.

Eichengreen, B. and U. Panizza (2016). "A surplus of ambition: can Europe rely on large primary surpluses to solve its debt problem?", *Economic Policy*, vol. 31(85), 5-49

Honohan, P. (2010), *What Went Wrong in Ireland*, <http://www.tcd.ie/Economics/staff/phonohan/What%20went%20wrong.pdf>

Iversen T, and D. Soskice (2010). "Real Exchange Rates and Competitiveness: The Political Economy of Skill Formation, Wage Compression, and Electoral Systems". *American Political Science Review*, 104(3), 601-623.

Katsimi, M. and T. Moutos (2010). "EMU and the Greek crisis: The political-economy perspective", *European Journal of Political Economy*, 26(4), 568-576.

Moutos, T. and C. Tsitsikas (2010). "Whither Public Interest: The Case of Greece's Public Finances", *FinanzArchiv: Public Finance Analysis*, 66(2), 170-206.

Moutos, T. and L. Pechlivanos (2015). "The Democratization of Rent Seeking in Greece," "The Democratization of Rent Seeking in Modern Greece", in R.D. Congleton and A.L. Hillman (eds.), *Companion to the Political Economy of Rent Seeking*, Edward Elgar. Moutos, T. and L. Pechlivanos (2015). "Rent-Seeking in a Time of Austerity: Greece," *CESifo DICE Report*, vol. 13(3), 38-43.

Reis, R. (2013). "The Portuguese Slump and Crash and the Euro Crisis", *Brookings Papers on Economic Activity*, vol. 46(1), 143-210.

Reis, R. (2015). "Looking for a success: The euro crisis adjustment programs", *Brookings Papers on Economic Activity*, http://www.brookings.edu/~media/Projects/BPEA/Fall-2015_embargoed/ConferenceDraft_Reis_EuroCrisis.pdf?la=en

Shambaugh, J. C. (2012), "The Euro's Three Crises" *Brookings Papers on Economic Activity*, 44(1), 157-231.

Sinn, H.-W. (2014). *The Euro Trap: On Bursting Bubbles, Budgets, and Beliefs*, (especially chapters 2 and 4), Oxford University Press, Oxford.

Thimann, C. (2015). "The Microeconomic Dimensions of the Eurozone Crisis and Why European Politics Cannot Solve Them", *Journal of Economic Perspectives*, 29(3), 141-164.

Wyplosz, C. (2014). "The Eurozone crisis: A near-perfect case of Mismanagement", *Economia Marche - Journal of Applied Economics* Vol. XXXIII, No. 1, 1-13.

Seminar

Enrollment for a term paper: 20. October 2016
(at the end of the introductory lectures)
Submission deadline: 14. April 2017
Presentation of term papers: est. 21.-23. June 2017 (ifo Institute Dresden)

Seminar Topics:

Alternative Views on How the Eurozone Crisis was Generated

1. The "Reduced Competitiveness" View

EEAG (2014), *The EEAG Report on the European Economy*, "Austerity: Hurting but Helping," CESifo, 75–90.

Sinn, H.-W. (2014). *The Euro Trap*, Oxford University Press (chapter 4).

2. The Structural Views

Thimann, C. (2015). "The Microeconomic Dimensions of the Eurozone Crisis and Why European Politics Cannot Solve Them", *Journal of Economic Perspectives*, 29(3), 141-164.

Iversen, T. and D. Soskice (2015). "A structural-institutional explanation of the Eurozone crisis" available at http://www.people.fas.harvard.edu/~iversen/PDFfiles/Iversen&Soskice_euro2015.pdf

3. The "Lack of Centralization" View

De Grauwe, P. (2012). "The governance of a fragile eurozone." *Australian Economic Review*, 45(3), 255–268.

Mody, A. (2015). *Living (Dangerously) Without a Fiscal Union*, Bruegel Working Paper, 2015/03.

4. The "Mismanagement View"

Sinn, H.-W. (2014). *The Euro Trap*, Oxford University Press (chapter 8).

Wyplosz, C. (2014). "The Eurozone crisis: A near-perfect case of Mismanagement", *Economia Marche - Journal of Applied Economics* Vol. XXXIII, No. 1, 1-13.

5. Analysis of the 2012 Greek Debt Restructuring

Zettelmeyer, Z., C. Trebesch, and M. Gulati (2013). "The Greek debt restructuring: an autopsy", *Economic Policy*, vol. 28(75), 513-563.

Analysis of Different Trajectories to the Debt Crisis

6. Greece

Moutos, T. and C. Tsitsikas (2010). "Whither Public Interest: The Case of Greek Public Finances", *FinanzArchiv/Public Finance Analysis* 66, 170–206.

EEAG (2011). *The EEAG Report on the European Economy*, "Greece", CESifo, 97–125.

7. Ireland

OECD (2011). *OECD Economic Surveys: Ireland 2011*, OECD

Whelan, K. (2014). "Ireland's Economic Crisis: The Good, the Bad and the Ugly", *Journal of Macroeconomics*, vol. 39, 424-440.

Analysis of the Economic Adjustment Programmes

8. Greece

OECD (2016). *OECD Economic Surveys: Greece 2016*, OECD.

IMF (2014). *Greece: Fifth Review*, Country Report No. 14/151

Moutos, T. (2016). *MoU's and Traded Sector Development in Greece* (own electronic copy available for the students).

9. Ireland

OECD (2015). *OECD Economic Surveys: Ireland 2015*, OECD

IMF (2013). *Ireland: Twelfth Review*, Country Report No. 13/366.

10. Portugal

IMF (2014). *Portugal: Tenth Review*, Country Report No. 14/56.

Reis, R. (2015). *Looking for a success in the euro crisis adjustment programs: the case of Portugal*, Paper presented at the Fall 2015 meetings of the Brookings Papers on Economic Activity.

Primary Budget Surpluses

11. Are the Primary Budget Surpluses Required of the Crisis Countries Feasible?

Barry Eichengreen and Ugo Panizza, 2016. "A surplus of ambition: can Europe rely on large primary surpluses to solve its debt problem?," *Economic Policy*, vol. 31(85), 5-49.

Political Economy of Lending and Banking

12. The IMF, Unsustainable Debt, and the Political Economy of Lending

Schadler, S. (2013). *Unsustainable Debt and the Political Economy of Lending: Constraining the IMF's Role in Sovereign Debt Crises*, CIGI Papers, No. 19, October.

Blustein, P. (2015). *The IMF, The Euro Zone, and the First Rescue of Greece*, GIGI Papers, No. 61, April.

13. The Political Economy of Banking and Financial Policies during Crises

O'Keeffe, M. and A. Terzi (2015). *The Political Economy of Banking and Financial Crisis Policy*, Bruegel WP 2015/06.

14. Political Credit Cycles

Fernandez-Villaverde, J., L. Garicano, and T. Santos (2013). "Political Credit Cycles: The Case of Eurozone", *Journal of Economic Perspectives*, 3, 145-166.

For further details, please contact

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