# Course Descriptions None 2024-2025

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| Course Title | Systemic Risk and Sustainability |
| Course Code | EBC4273 |
| ECTS Credits | 6,5 |
| Assessment | Whole/Half Grades |

Period

| Period | Start | End | Mon | Tue | Wed | Thu | Fri |
|---|---|---|---|---|---|---|---|
| 2 | 28-10-2024 | 15-12-2024 | X | | X | | |

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| Level | Intermediate/Advanced |
| Coordinator | Peter Werner, Mark Sanders For more information:p.werner@maastrichtuniversity.nl; m.sanders@maastrichtuniversity.nl |
| Language of instruction | English |
| Goals | The goal of this course is that students:<br>* understand the dynamics of cooperation in providing public goods and managing global commons;<br>* understand the nature and measurement of fundamental types of economic preferences (risk and time preferences) and their role for shaping policies related to global commons and systemic societal risks;<br>* can combine economic theory and empirical/experimental methods to assess the effectiveness of public policy/corporate strategy related to global commons and financial crisis;<br>* can operationalize this knowledge to design institutions and policy interventions to mitigate free-rider and moral hazard problems. |
| Description | In this course, we analyze the central concepts that lead to problems of unsustainability and fragility. To let students experience how individual behavior can collectively drive people and systems towards unsustainable and vulnerable states, where common resources are exhausted and collapse, competition erodes redundancies and systemic risks build up, we start with playing the 'fish bank' game. Subsequently, we introduce the concepts of risk versus uncertainty and move to dynamic intertemporal decision-making where issues like the appropriate discount rate, the budget constraint, and the formation of expectations emerge. Important concepts are asymmetric information, time inconsistency, self-fulfilling prophecies, and contagion. The course will then analyse how public and private risk management could be used to increase resilience and sustainability. The course will combine theoretical concepts with practical examples and empirical applications, which include preference elicitations, experimental methods, observational data, and statistical methods. |
| Literature | Scientific articles and chapters from books |
| Prerequisites | Basic understanding of economic concepts and theories (both microeconomics and macroeconomics) is assumed. |
| Keywords | |
| Teaching methods | PBL / Presentation / Lecture / Assignment / Papers / Groupwork |
| Assessment methods | Final Paper / Presentation |
| Evaluation in previous academic year | For the complete evaluation of this course please click http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM |

This course belongs to the following programme / specialisation

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| Master Economics - Inequality and Social Inclusion | Elective Course(s) |
| Master Economics - Sustainable and Resilient Economies | Core Course(s) |
| Master Economics - Technology, Markets, and Societal Change | Elective Course(s) |
| Master Econometrics and Operations Research | Free Electives |
| Master Financial Economics - Asset Pricing | Elective Course(s) |
| Master Financial Economics - Banking | Elective Course(s) |
| Master Financial Economics - Financial Analysis | Elective Course(s) |
| Master Financial Economics - No specialisation | Elective Course(s) |
| SBE Exchange Master | Master Exchange Courses |