Course Descriptions None 2026-2027

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	26-10-2026	11-12-2026	X		X		

Level	Intermediate/Advanced
Coordinator	Peter Werner For more information:p.werner@maastrichtuniversity.nl
Language of instruction	English
Goals	The goal of this course is that students: * understand the dynamics of cooperation in providing public goods and managing global commons; * 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; * can combine economic theory and empirical/experimental methods to assess the effectiveness of public policy/corporate strategy related to global commons and financial crisis; * 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	
Transitional Regulations	<ul class="trcohorts">Master Econometrics and Operations Research [2025-2026 and earlier] - In 2026-2027 and 2027-2028 exam/resit opportunities are offered. - In 2028-2029, the course is cancelled. <table><col style="width: 200px;"><col style="width: 120px;"><col style="width: 120px;"><col><thead><tr><th>Academic Year</th><th>Education</th><th>Exam/Resit</th><th>Replacement(s)</th></tr></thead><tbody><tr><td>2026-2027 - 2027-2028</td><td> </td><td>X</td><td> </td></tr><tr><td>2028-2029</td><td> </td><td> </td><td> </td></tr></tbody></table>
Teaching methods	PBL / Presentation / Lecture / Assignment / Papers / Groupwork
Assessment methods	Written Exam / 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

Master Economics - Inequality and Social Inclusion [Discontinued]	Elective Courses
Master Economics - Sustainable and Resilient Economies [Discontinued]	Core Courses
Master Economics - Technology, Markets, and Societal Change [Discontinued]	Elective Courses
Master Econometrics and Operations Research	In transition - Free Electives
Master Financial Economics - Asset Pricing	Elective Courses
Master Financial Economics - Banking	Elective Courses
Master Financial Economics - Financial Analysis	Elective Courses
Master Financial Economics - No specialisation	Elective Courses
Master Economics	Compulsory Courses
SBE Exchange Master	Master Exchange Courses