Course Descriptions Exchange 2022-2023

Course Title	Economics of Transition and Resilience
Course Code	EBC2193
ECTS Credits	6,5
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
1	5-9-2022	21-10-2022		X			X

Level	Intermediate/Advanced
Coordinator	Mark Sanders For more information:m.sanders@maastrichtuniversity.nl
Language of instruction	English
Goals	The course aims to teach students about the economics of transition and resilience. The focus will be on understanding the relevant phenomena and discuss the importance of resilience at the individual, firm (micro) and economy wide (macro) level as well as understand why rationally bounded agents and competitive markets cause resilience to be less than efficient. The course results in students designing feasible policies and institutional reforms that can promote resilience at one of the levels identified above.
Description	PLEASE NOTE THAT THE INFORMATION ABOUT THE TEACHING AND ASSESSMENT METHOD(S) USED IN THIS COURSE IS WITH RESERVATION. A RE-EMERGENCE OF THE CORONAVIRUS AND NEW COUNTERMEASURES BY THE DUTCH GOVERNMENT MIGHT FORCE COORDINATORS TO CHANGE THE TEACHING AND ASSESSMENT METHODS USED. THE MOST UP-TO-DATE INFORMATION ABOUT THE TEACHING/ASSESSMENT METHOD(S) WILL BE AVAILABLE IN THE COURSE SYLLABUS. Resilience is the ability to absorb and recover from negative shocks. Economic resilience then applies to economic shocks and can be studied at the level of individuals, households, firms and (national) economies alike. The shocks one might consider can range from mild and frequent shocks (like demand fluctuations and the flu season) to intense and infrequent (like floods and pandemics). Moreover, there is a difference in how one might prepare and respond rationally to shocks that are idiosyncratic to common and anticipated versus unanticipated. Tools to handle and prepare include insurance, buffers and redundancies, but the economics of these policies are not well understood. Resources spent on being resilient are real costs for which there are no benefits when the risks do not materialize. Moreover, resilience creates positive externalities in cases that they do. So, in competitive markets we might expect an undersupply of resilience. This is compounded by behavioural economics that teaches us that boundedly rational agents underestimate the importance of tail events and hyperbolically discount the distant future. Finally, one should realize that the environment is changing. Population growth, migration, globalization, climate change and technical development all cause shocks to become more frequent, impactful and arguably more correlated. Managing a transition to a more resilient economy is a challenge our students will face in their personal lives, their working environment and as citizens of the EU in transition.
Literature	To be determined
Prerequisites	None
Keywords	
Teaching methods	PBL / Presentation / Lecture / Assignment / Papers / Groupwork
Assessment methods	Final Paper / Attendance / Participation / Written Exam / Oral Exam / Assignment / Observation / Portfolio / Presentation / Take home exam
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

Bachelor Economics and Business Economics - Economics	Year 3 Economics Elective(s)
Bachelor Economics and Business Economics - Emerging Markets	Year 3 Elective Course(s)
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Accounting
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Finance
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Inf Mgmt
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Marketing
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Org
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj SCM
Bachelor Economics and Business Economics - International Business Economics	Year 3 Economics Elec(s) - Maj Strategy
SBE Exchange Bachelor	Bachelor Exchange Courses
SBE Exchange Master	Bachelor Exchange Courses
SBE Non Degree Courses	Bachelor Courses