УНИВЕРСИТЕТ ЗА НАЦИОНАЛНО И СВЕТОВНО СТОПАНСТВО

UNIVERSITY OF NATIONAL AND WORLD ECONOMY

Adopted with Faculty Council decision
of Faculty of *General economics*
Protocol №

Approved by:
Dean of Faculty
Prof. Georgi Petrunov, PhD

SYLLABUS

Course	**ECONOMIC CRISES**	
Educational and Qualification Degree	**BACHELOR OF ECONOMICS**	
Course Category	**OPTIONAL**	
Area of Study	**3. SOCIAL SCIENCES, ECONOMICS AND LAW**	
Field of Study	**3.8 ECONOMICS**	
Degree Programme	**ECONOMICS TAUGHT IN ENGLISH**	
Faculty	**FACULTY OF GENERAL ECONOMICS**	
Department	**ECONOMICS**	
Academic Hours	**Full Time**	**60**
	Distance Learning	**--**
Extracurricular Academic Hours	**Full Time**	**90**
	Distance Learning	**--**
Credits	**6**	
Lecturer	**Chief Asst. Prof. Petar Stankov, PhD** **Asst. Prof. Dr. Ivan Todorov, PhD**	

COURSE DESCRIPTION

1. The „Economic Crises“ course is for students enrolled in “Economics taught in English“ degree program for “bachelors” EQD, as of 2017/2018 academic year. It is offered in their 5th semester of studies in the program (3rd year). The course has been motivated by three facts. First, the literature on crises has exploded, and is still a very much growing field. Second, leading universities around the globe, especially Europe and the US, have long introduced similar courses.

2. Content description:

The course stimulates the students to learn the causes, main traits and the consequences of economic and financial crises. The main types of crises are presented, as well as the causal relationships between them. Numerous episodes of crises from the global economic history illustrate the points made during classes. These episodes make students apply their knowledge form the basic year micro- and macro-courses, as well as from the economic history and basic econometrics studied in the 1st and the 2nd year in the program. Gradually, the course also builds links between the various crises and the dominant paradigms in Economics, and between the crises and the fashions in economic policies. The course reviews the main strengths and weaknesses in crisis management and the political consequences of those weaknesses. The course makes a point that crises instill populism, and draws policy lessons from the link between crises and populism. Finally, the course reviews a special topic – the economic crises in Bulgaria – to make students at the UNWE acquainted with the local economic history in a deeper way.

3. Language of instruction: English

CONTENT

№	TOPIC	Academic Hours			
		Full Time		Distance Learning	
		L	S	L	S
1.	**COURSE PRELIMINARIES. INTRODUCTION TO ECONOMIC CRISES** *Getting to know each other. Course description. Requirements and grading. What are crises? Types of crises. The buildup to a crisis: common factors leading to an economic and financial crisis.*	2	2	--	--
2	**HOW DOES A CRISIS LOOK LIKE? CRISIS CHARACTERISTICS** *What are the main traits of an economic crisis? Starting points. Development of a crisis. Hysteresis effect. Resolutions and political consequences. Databases of economic and financial crises.*	2	4	--	--
3	**CASES OF ECONOMIC AND FINANCIAL CRISES (1)** *Early modern crises in the US and Europe. The roaring twenties and the start of The Depression. Post-WWII Crises. Oil crises of the 1970s: Implications for theory and policy*	2	2	--	--
4	**CASES OF ECONOMIC AND FINANCIAL CRISES (2)** *Crises in Latin America during the 1980s and 1990s. The*	2	2	--	--

	late socialist crises. The transition recessions in Central and Eeastern Europe. The Japanese lost decade(s). Irrational exuberance and the buildup to the Great Recession				
5	**CASES OF ECONOMIC AND FINANCIAL CRISES (3)** *The Great Recession: comparisons with the Great Depression. The Eurozone debt crisis of 2011-2012. Policy Responses to the Great Recession and the Eurozone debt crisis. The crisis caused by the spread of Covid-19.*	2	2	--	--
6	**CRISIS RESOLUTIONS: CONSEQUENCES FOR ECONOMIC POLICY** *Policy solutions to a crisis. What changes after a crisis in the financial sector, in the government sector and in the real sector? Early warning signals: can we tell if a crisis is coming? Policy choices: too much too early Vs. too little too late.*	2	2	--	--
7	**MIDTERM EXAM.** **POLITICAL CONSEQUENCES OF A CRISIS** *How does the political situation change after a crisis? Does the regime change? How severe the crisis needs to be to trigger a change in the political situation? Right-wing and left-wing shifts in political preferences after a crisis. Introduction to* The database of political institutions.	4	2	--	--
8	**ECONOMIC CRISES AND POPULISM: A HISTORICAL PERSPECTIVE** *Extreme shifts in voter preferences after crises. Latin American populism and economic crises. The tragedy of Argentina: the long-term view over the 20th century. The populist paradigm. Economic perils of macroeconomic populism. Crises, populism and economic freedom. Data on populism.*	2	2	--	--
9	**THE GREAT DEPRESSIONS OF THE 21ST CENTURY** *What makes Greece a special country? The buildup to the Great Greek Depression: too much of a good thing. How long it takes to recover from irrational exuberance? Economic fallout and political consequences. Venezuela in the 21st century: from a pioneer of economic freedom back to poverty. How does a country so rich end up so poor? Political consequences of macroeconomic populism in Venezuela. Digging macroeconomic data. The crisis caused by the spread of Covid-19.*	2	4	--	--
10	**ECONOMIC CRISES IN BULGARIA** *Late 19th c. crises. The devastations of the Balkan Wars, and the WWI. The Great Depression in Bulgaria. The socialist economic and financial crises: what we know and what we don't? The double-dip transition recession. The banking crisis of 1996-97. The currency board arrangement. The Bulgarian Great Recession in a comparative perspective. The banking crisis of 2014.*	1	4	--	--

11	**ECONOMICS AFTER CRISES** *How does economics change after crises? Marshall and Keynes' views as a response to crises. Monetarism as a crisis response. Why Keynesianism does not produce adequate policies in the 1970s? Oil shocks and supply-side economics. Supply-side as a precursor to neoliberalism. Success stories and failures. What does the Great Recession change in Economics?*	1	2	--	--
12-13	**STUDENT PRESENTATIONS**	4	1	--	--
14-15	**STUDENT PRESENTATIONS**	4	1	--	--
	Total	**30**	**30**	--	--

Legend: L – Lectures; S –Seminars

TEACHING ANDLEARNING METHODS

A combination of different teaching technics is being used, such as: lectures and class discussions, exams, and class presentations. If possible, part of the training in the discipline is organized in an external business environment or appropriate public institutions.

The necessary technical resources for the purpose of education are: computer multimedia, software, Information and communications technology (ICT), digitally-aided education, e-learning platforms (Teams, etc.) and other digital means.

EXTRACURRICULAR ACADEMIC HOURS

Components	Number of Hours	
	Full Time	**Distance Learning**
1. Practical training	**10**	--
2. Course project	**20**	--
3. Essay	--	--
4. Case study	--	--
5. Individual/ team activity	**30**	--
6. Laboratory training	--	--
7. Mid-term exam/ test	**10**	--
8. Grade, based on semester control	--	--
9. Exam	**20**	--
Total	**90**	--

EVALUATION

1. Reading

You will be required to familiarize yourself *in detail* with the mandatory readings before each class. Your final exam will be partly based on those readings. Please check below for a list of mandatory readings and additional literature.

2. Term project presentation (20 pts.)

A crucial part of your grade will be determined by how well you formulate and defend a research idea. The defense of your idea will come during Student Presentation weeks (W13-14). When you find a given idea from what you read at home or from our class discussions interesting, you are encouraged to put a provocative title on it and develop it along the following lines:

2. 1. (4 pts.) **Introduction and Motivation**: tell me why I should care about your idea, what is interesting in it for you, and what novel idea you expect to bring to the historical research table. The introduction should end with a specific hypothesis or a position you are trying to argue for or – why not – test by using empirical methods, including econometric methods.
2.2. (4 pts.) **Literature**: tell me how other researchers approached your topic. Be specific about what they did, how they did it, and what they did not do. Compare the various sources on your topic and how they build upon each other. Use as many references as you can from top-tier economic journals. Give preference to more recent papers. Finally, try to find the gap in the current state of the debate on your topic. By the end of the literature review, you should be clear about what gap in the literature you are trying to fill.
2.3. (4 pts.) **Research Methods**: tell me exactly how you are going to fill the gap you just identified. For example, if you are arguing in favor of a specific position you want to defend, tell me the steps you go through to convince me your position is right. Further, if you have formulated a hypothesis, tell me how you are going to test it, including a brief but informative data description.
2.4. (4 pts.) **Results**: tell me what you expect to get from empirically testing your hypothesis or from arguing on purely logical grounds in favor of your position. I will be also looking to see if your expected results flow naturally from applying your methods.
2.5. (4 pts.) **Conclusion**: summarize: what do you plan to do?, how you plan to do it?, and what new things I will learn from reading your paper? In other words, can you formulate *your contribution* to the topic you have just discussed?
2.6. **References:** you must use APA reference style (6th ed.)when citing your sources. Your references should come after your conclusion. Penalties apply for mis-specified citations and references.

Specifics about the points on your term project: Please note that I insist that you follow the above structure for your presentation. Within each component of your presentation, I will be giving you points as follows: 4 pts. for an excellent presentation, 3 pts. for a good one, 2 pts. for a mere satisfactory level argument, and just 1 point for a poorly formulated component (0 pts. for a missing one). In rare cases, up to 2 bonus points could be given for an exceptionally well developed project: a paper in which every component is in its right place, the flow of thoughts is coherent and natural, the hypothesis is testable, it is very easy to follow the argument, and I expect to learn a new thing or two from seeing the project through. Those exceptional projects will also have the potential to be extended into an independent research work, e.g. a BA/MA thesis, or even a journal article.

Volume of work: You are required to present for about 15 minutes. That means up to 8 slides total for your presentation. The minimum font is 18 for normal visibility in the classroom. DO NOT cram whole sentences on your slides. Include major points only. NO reading will be allowed from personal notes prepared in advance. If you need to, rehearse your presentation in front of your peers.

3. A Peer Review on others' work (10 pts.)

During the student presentations, a peer will be assigned to evaluate the strengths, weaknesses, and opportunities for improvement of each individual project. The quality of those peer reviews will be evaluated by the teacher. Specific comments on the content, methods and results are welcome, and suggestions for improvement bear most merit, especially if appropriate. Missing a peer review will result in 0 points on this assignment.

4. Midterm exam (20 pts.)

A multiple choice or an open-ended exam encompassing the material covered up to and including Week 6.

5. Final exam (40 pts.)

The final exam will be an all-encompassing open-ended exam of up to 30 short open-ended questions for up to 90 minutes.

Missed exams

If you miss an exam, it may not be retaken. The only exception is allowed for those who cannot show up on the exam for proven medical reasons or family emergencies. In those circumstances, you need to inform me **by email at least 12 hours** before the exam stating the reasons for your planned absence and requesting another exam take. I may request additional information to verify the reasons for your absence. Birthdays, sports competition participations, conflicting work or study duties outside of school, and any kind of trips are not a legitimate reason for asking for exam rescheduling.

6. Class Attendance and Participation (10 pts)

Students are expected to actively participate in the class discussions, and conduct readings on a weekly basis. In line with school policies, everyone is expected to attend all the classes and return promptly from breaks. An excessive lateness may constitute an absence from the class. I will keep a record of attendance for each student at each class. If a student is missing more than half of the time (i.e. 8 classes or more), the student WILL fail the course and will have no right to show up on either the preliminary or the regular exam period. In that case, the student will go straight to the make-up exam period.

For full time students the final grade is formed as follows*(please define the valuation method)*:

FG = 0.2*PP + 0.1*PR + 0.2*MTE + 0.4*FE + 0.1*AP,

where:

FG	=	Final Grade;
PP	=	Project Presentation;
PR	=	Peer Review;
MTE	=	Mid-Term Exam;
FE	=	Final Exam;
AP	=	Attendance and participation.

After summing up the points from the course requirements, the following grading table will be applied:

Points	GRADE (BG)	GRADE (US)
> 80	6 (Excellent)	A
> 70	5 (V. Good)	B
> 60	4 (Good)	C
> 50	3 (Pass)	D
<= 50	2 (Fail)	F

An example: 79,99 points is 5. No exceptions will be made for anyone, no excuses will be accepted. This table is subject to modification. The instructor will communicate any changes by email.

The final grade is based on a six-point scale, in which the lowest grade for successful completion of the course is 3. Converted to the ECTS the grading scale is as follows:

Excellent /6/	Very Good /5/	Good /4/	Average /3/		Poor /2/	
A	**B**	**C**	**D**	**E**	**FX**	**F**
The corresponding number of ECTS credit points is being allocated					No ECTS credit points are being allocated	

QUALIFICATION GOALS

This course is designed in compliance with the requirements of the National Qualification Framework[1] in terms of acquired knowledge, skills and competences for the corresponding EQD and Council Recommendation of Key Competences for Lifelong Learning[2].

The course provides the students with the knowledge of:

- why crises happen;
- can anyone prevent them;
- how they change politics and policies;
- what we can learn from them.

The course will help students acquire skills, such as:

- how to formulate and defend an independent idea;
- how to present in front of a critical audience;
- how to criticize respectfully an idea by a colleague;
- where to find data about a particular economy, especially about its various crises and policy responses.

DISSEMINATION OF THE COURSE

The economics departments in the following schools, among others, offered a similar version of the *Economic Crises* course: MIT, Harvard University, NYU, Universityof Chicago, LSE, Stanford University, Columbia University, Hebrew University of Jerusalem, Stockholm University, University of Southern California, European University Institute, University of Bocconi.

A. Basic/ Main

1. Brunnermeier, M., Reis, R. (2023) "A Crash Course on Crises: Macroeconomic Concepts for Run-Ups, Collapses, and Recoveries", Princeton: Princeton University Press, 2023
2. Cerra, V., Hakamada, M., Lama, R., (2021) *Financial Frictions, Investment Dynamics, and Slow Recovery*. IMF Working paper No. 2021/170, available at:

[1]The National Qualification Frame of Bulgaria gives the definition of the knowledge, skills and competences which are required as a result of the education process in the corresponding EQD in higher education.
[2]Council Recommendationon Key Competences for Lifelong Learning (OJ 2018/C 189/01)

https://www.imf.org/en/Publications/WP/Issues/2021/06/25/Financial-Crises-Investment-Slumps-and-Slow-Recoveries-461271
3. Rachel, L., Summers, L., (2019) *Our Secular Stagnation in the Industrialized World*. Brookings Papers on Economic Activity 50(1): 1-54
4. Stankov, P., (2017). *Economic Freedom and Welfare Before and After the Crisis.* Palgrave Macmillan, UK.

B. Additional

1. Acemoglu, D., Robinson, J., (2019). *The Narrow Corridor. States, Societies, and the Fate of Liberty*. Penguin Publishers, New York.
2. Acemoglu, Daron and James Robinson (2011). *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*, Random House.
3. Alesina, A., Favero, C., Giavazzi, F., (2019). *Austerity: When it Works and When It Doesn't*, Princeton NJ, Princeton University Press
4. Allen F. and E. Carletti (2010). An Overview of the Crisis: Causes, Consequences and Solutions, *International Review of Finance*, 10(1), 1-26.
5. Bernanke, Ben, S. (2010). *Monetary Policy and the Housing Bubble*, Speech at the annual meeting of the American Economic Association, 2010, available at: *http://www.federalreserve.gov/newsevents/speech/bernanke20100103a.htm?source=myrealestatemoney.com/RENEWS*
6. Checherita-Westphal, C., el at, (2019). *Economic consequences of high public debt and challenges ahead for the euro area*. Working Papers o201904, Banco de Portugal, Economics and Research Department.
7. ECB (2021). *Hysteresis in unemployment: evidence from OECD estimates of the natural rate*, No 2625 / December 2021
8. ECB (2022).*Towards a single fiscal performance indicator*. No 288 / January 2022
9. Eggertsson, G., Mehrotra, N., Robbins, J., (2019). *A Model of Secular Stagnation: Theory and Quantitative Evaluation*. American Economic Journal: Macroeconomics, 11 (1): 1-48.
10. Fischer, Stanley (2013).Introduction: Central Bank Lessons from the Global Crisis, in *The Great Recession: Lessons for Central Bankers*, by J. Braude, Z. Eckstein, K. Flug and S. Fischer (ed.), MIT Press.
11. Helgadóttir, Oddnỳ (2016). The Bocconi Boys Go to Brussels: Italian Economic Ideas, Professional Networks and European Austerity, *Journal of EuropeanPublic Policy,* 23 (3), 392–409.
12. Hirano, T., & Stiglitz, J. E. (2024). "Credit, Land Speculation, and Long-Run Economic Growth."NBER Working Paper No. 32479. May 2024
13. International Monetary Fund (2022). "Fiscal Monitor: Fiscal Policy from Pandemic to War." April 2022.
14. Krugman, Paul (2009). *How Did Economists Get It So Wrong?*, New York Times Magazine, September 2.
15. Lee, J., (2019). *Demographic Headwinds in Central and Eastern Europe*. IMF Departmental Paper No.19/12
16. Stiglitz, J. E. (2024). "Growth and Fluctuations: An Overview." National Bureau of Economic Research Working Paper No. 33218.
17. Yellen, J. (2021). "The K-shaped recovery: Examining the divergent economic paths and persistent inequities." Speech at the National Association for Business Economics, March 2021.

18. Yellen, J., (2016). *Macroeconomic Research After the Crisis, The Elusive „Great" Recovery: Causes and Implications for Future Business Cycle Dynamics*. 60th Annual Economic Conference, Federal Reserve Bank of Boston, Boston, October 14.

Electronic and web-based resources

1. https://nsi.bg/bg
2. https://www.bnb.bg/
3. https://www.imf.org/en/Home
4. https://www.worldbank.org/en/home

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