



## Syllabus

### “World Economy: Changes after Great Recession (2008-2009)”

#### Lecturer:

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#### I. Course description

1. **Title of a Course** - “World Economy: Changes after Great Recession (2008 – 2009)”
2. **Pre-requisites.** None – formally, however macroeconomics, economic history would be very useful. A good command of written and spoken English is required.
3. **Course Type** – compulsory.
4. **Abstract**

Global changes are too dramatic and obviously traumatic for all major countries, groups and unions. It is arguable, that on the turn of the 21<sup>st</sup> century there is a common system of global economy due to the achieved level of international economic relations development. A number of specific peculiarities of international interaction in the global system, such as the absence of supreme authority, state sovereignty and drastic dissimilarities in the institutional environment of different countries bring about the necessity to identify the modes of global economic relations governance as an independent subject for study. The existing system of global governance is virtually based on a plethora of inhomogeneous (though classifiable) mechanisms, principles and coordination systems.

Such problems as climate change, water scarcity or food insecurity become an integral part of global economy.

As coping with them requires international cooperation these problems are at the center of international relations' agenda. At the same time, measures taken by humanity with regard to environmental and resource problems are not adequate to their scale. States still prefer to be driven by national interests rather than global ones, act on short- or medium-term horizon being far from taking into account the interests of future generations.

Global economy faces dramatically increasing loss and damage due to financial or political crises, crashes on financial markets, technological and natural disaster, etc. Financial sector is experiencing new challenges. Energy problems are interconnected with the serious global issue of long-term financing of expensive energy infrastructure. International financial institutions are struggling with too large problems for a limited development financing available. Many countries seek for international help, whereas they could cover additional costs through operations on reinsurance market. Simultaneously, some failures of reinsurance industry determine a wide range of limitations to this mechanism.



The year 2015 was a key to address global environmental and resource problems. New climate agreement that was signed in Paris in December will provide the framework for international climate regime beyond 2020. At the same time it was a year to sum up Millennium Development Goals and define new objectives for the future.

Course format combines lectures, seminars and in – class presentation.

The course is open to foreign exchange students.

## II. Course Plan

The following issues of World Economy after Great Recession will be covered in the course as roots of the current complicated developments have few concurrent origins:

1. Socio-economic progress 1975 – 2015 GDP/GDP per capita growth. In 2010 GDP of developed and developing countries equalized. This led to new demand for education, raw materials, technologies. The success and problems of globalization. BRICS countries and traps of development.
2. Demography – inertia to 9.5 billion planet inhabitants, migration crisis and expected issues.
3. Technological progress, information, finance, transportation, energy progress.
4. The Deterioration of Global system of Institutes after WWII: “Socialist camp” collapse; rapid growth of China; EU and NATO enlargements.
5. The Great Recession (2008 – 2009): theories and practice of business cycle. US financial shock, Government and US Federal Reserve policies. The reasons for economic stagnation in EU. Global
6. Growth and Inequality, Middle income trap
7. Global changes in energy market, implications for OPEC, Russian Energy Strategy, and globally – for energy intensive industries.
8. BRICS countries – different economic issues.
9. EU economy - adaptation or crisis (euro, debts, migration, inequality).
10. World savings, investments, capital flows and disbalances, “Financial Architecture” issue.
11. Post-Soviet economy (East Europe) – the problem of transformation.
12. Global governance – Crisis or Transformation: interests of elites and conflicts; theory and difficult search of new equilibrium.
13. Global problems of the Mankind and Planet: Conflict resolution, Poverty, Inequality, Climate change prevention, Food and Water.
14. Problems of Russian prosperity long-term in the fast-changing world.



### III. Reading List

#### *Required reading:*

Required reading includes but is not limited to the following:

1. World Economy in XXI century, Direct Media, 2013
2. Grigoriev Leonid, Parshina E. Economic Dynamics Across Countries in 1992–2010: Growth Divergence / Grigoriev L. M., Parshina E. N.
3. Grygoriev Leonid. The elites' demand for law: "Overcrowded streetcar (tram) effect" Russian Journal of Economics 1 (2015) 313–327
4. Grygoriev Leonid, Kurdia Alexander. Unresolved issue of private property legitimacy in Russia. Voprosy Ekonomiki, №1, 2016, pp. 36-62.
5. Grigoryev Leonid, Ivashchenko Alexey. The Theory of Cycle is under Thread of Crisis. Voprosy Ekonomiki, №10, 2010, pp. 31-55.
6. Grigoryev Leonid, Ivashchenko Alexey, World Disbalances of Savings and Investment, Voprosy Ekonomiki, № 06, 2011, pp. 4-19.
7. Alberto Alesina and Roberto Perotti. 1996. "Income Distribution, Political Instability, and Investment." European Economic Review.
8. DeLong, J. Bradford and Andrei Shleifer (1993) "Princes and Merchants: European City Growth Before the Industrial Revolution", Journal of Law and Economics, vol.36, no.2, pp.671-702. (E)

#### *Optional reading:*

Optional reading includes but is not limited to the following:

1. Grigoryev Leonid, Makarov Igor, Salmina Alla, Domestic Debates on climate in Russia. Climate change, sustainable development, and human security – a comparative analysis, 2013 pp. 249-280
2. Acemoglu and Robinson. Institutions as a fundamental cause of long run growth  
[http://www.people.fas.harvard.edu/~jrobinson/researchpapers/publishedpapers/jr\\_institutionscause.pdf](http://www.people.fas.harvard.edu/~jrobinson/researchpapers/publishedpapers/jr_institutionscause.pdf)
3. Acemoglu and Robinson. Institutions as a fundamental cause of long run growth  
[http://www.people.fas.harvard.edu/~jrobinson/researchpapers/publishedpapers/jr\\_institutionscause.pdf](http://www.people.fas.harvard.edu/~jrobinson/researchpapers/publishedpapers/jr_institutionscause.pdf)
4. Acemoglu, Daron and Simon Johnson, James A. Robinson. "Reversal Of Fortune: Geography And Institutions in The Making Of The Modern World Income Distribution." The Quarterly Journal of Economics 117 (4) 1231 -- 1294  
<http://ideas.repec.org/a/tpr/qjecon/v117y2002i4p1231-1294.html>
5. Acemoglu, Daron, Simon Johnson and James Robinson. 2001. "The Colonial Origins of



Comparative Development: An Empirical Investigation" American Economic Review, vol. 91 (5)  
1369-1401

#### **IV. Grading System**

*The grading* (in 10-scale).

Grading consists of three elements:

1. Class attendance and participation - 30 %.
2. Research project - 30 %.
3. Final examination/assessment - 40 %.

#### **V. Guidelines for Knowledge Assessment**

To be determined.

#### **VI. Special Equipment and Software Support**

Standard technical equipment (PC+CP) and requirements, including Wi-Fi access.

#### **VII. About the Lecturer**

Leonid M. Grigoryev, PhD, tenured professor

<http://www.hse.ru/staff/grigoryev>

<http://viperson.ru/people/grigoriev-leonid-markovich>