THE EURO CRISIS. POLITICAL AND ECONOMIC PERSPECTIVES.

Teacher: Anne Laure DELATTE
Academic year 2017/2018: Paris School of International Affairs – Fall Semester

BIOGRAPHICAL INFORMATION

Anne-Laure Delatte is a tenured Researcher at the French Institute for Scientific Research (CNRS). She is currently the deputy Director of CEPII, a Research Center in the network of the French Prime Minister and a member of the Conseil d’Analyse Economique, an independent, nonpartisan advisory body reporting to the French Prime Minister. Her research focuses on financial economics and international macroeconomics with an empirical approach, applied to several areas including emerging economies and more recently Europe. Her papers have been published in international journals including The Review of Finance, European Economic Review, Journal of International Money and Finance, Review of International Economics, Applied Economics, Journal of Macroeconomics. She is a CEPR Research Affiliate in the Financial Economics Program. She writes a monthly column for the French daily Liberation. She received her PhD in 2005 from Paris 10 University on the breakup of hard exchange rate regimes. During her Ph D. she visited the United Nations ECLAC in Buenos Aires. From 2006 to 2008 she has been a Lecturer in Hong Kong University of Science and Technology. Until 2013, she was an associate Professor at Rouen Business School. She has been visiting Princeton University for two years between 2014 and 2016 where she has taught a class on the Euro crisis.

COURSE OUTLINE

Session 1: A single currency for Europe

Required readings:

Session 2: Is the theory of optimal currency areas sufficient?

Required readings:
The economics of monetary union, Paul de Grauw, 9th Ed. Oxford, chapters 1-4*
Session 3: Is the theory of optimal currency areas sufficient? (cont.)

**Required readings:**

**Recommended readings:**
- P. Lane, "The Real Effects of European Monetary Union", The Journal of Economic Perspectives, Vol. 20, No. 4 (Fall, 2006), pp. 47-66

Session 4: What lessons can be learned from the US dollar experience?

**Required readings:**

**Recommended readings:**

Session 6: What lessons can be learned from the US dollar experience? (cont)

**Required readings:**
Session 7: Before the crisis, the accumulation of internal imbalances

Required readings:
- J. Pisani-Ferry, The euro-crisis and its aftermath, Oxford University Press, chapter 6-8*.

Session 8: Bank-sovereign nexus during the crisis

Required readings:

Recommended readings:
- "CDS, Wanted: Banned or less naked", L. Pollack, Sept. 22, 2011*
- The European ban on naked sovereign credit default swaps: A fake good idea", A.L. Delatte, 23 July 2012, voxeu.com*
- Delatte, A.L., Gex, M., Lopez-Villavicencio, "Has the CDS market influenced the borrowing cost of European countries during the sovereign crisis?", Journal of International Money and Finance, 31(3), 481-497

Session 9: The crisis management

Required readings:
- « Thanks to the ECB », Charles Wyplosz 30 July 2012

Session 9: The crisis management (cont)

Required readings:
- But where's My Phoenix? P. Krugman, Sept 14, 2013, NYT*
Session 11: The political identities of European integration

Required readings:

Session 12: Revamping the European project

Required readings:
- Adelman, J. A. L Delatte and T. Piketty “How to Save Euro from itself, Foreign Policy, April 4, 2016