- Faculté des sciences économiques
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Macroeconomic Policy (5ER2054)

Filières concernées	Nombre d'heures	Validation	Crédits ECTS
Master en économie appliquée	**Cours: 2 ph**	**Voir ci-dessous**	3

ph=période hebdomadaire, pg=période globale, j=jour, dj=demi-jour, h=heure, min=minute

Période d'enseignement:

- Semestre Printemps

Equipe enseignante

Externer Dozent, Philipp Wegmüller, Dr. rer. oec.
Stv. Ressortleiter, Ökonom
Eidgenössisches Departement für Wirtschaft, Bildung und Forschung WBF
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Office hours: by appointment (in person or online)

Contenu

This course introduces modern macroeconomic policy analysis for advanced economies. It is organised around a core 3-equation framework (IS curve, Phillips curve, monetary policy rule). All subsequent topics are presented as extensions and applications of this core framework to real-world policy questions.

The emphasis is on institutions, real-world episodes and policy trade-offs, with Switzerland as a flagship case throughout the course (SNB monetary policy, the debt brake, short-time work compensation, countercyclical capital buffer, Covid-19 measures, recent banking and inflation episodes). Each topic begins with a concrete case study (may be presented by students), which is then analysed using the core model and simple quantitative illustrations.

The main blocks are:
- Foundations and core model (Euler equation, discounting, real interest rate; expectations; open economy mechanisms; IS/PC/Taylor)
- Monetary policy (rules vs discretion, ELB/negative rates, unconventional tools)
- Fiscal policy and public debt (multipliers, policy mix, debt dynamics, Swiss debt brake)
- Labour market and stabilisation policy (frictions, short-time work compensation)
- Growth and structural policy (Solow, productivity, long-run levers)
- Financial stability and macro-prudential policy (credit cycle, CCyB, crisis interventions)

By the end of the course, students will be able to interpret macroeconomic policy debates using a consistent analytical framework and connect formal models, data and institutions as done in central banks, ministries of finance and international organisations.

Forme de l'évaluation

2-hour written exam during the exam session (100% of the final grade).

Closed book.

Allowed material: (i) a non-programmable calculator; (ii) a non-electronic dictionary (translation only); (iii) one A4 formula sheet (double-sided), handwritten or printed.

No other documents or connected objects are permitted. In case of violation, students are in a situation of fraud; unauthorized items will be removed and the exam may be deemed as failed.

Answers must be written in English.

Generative AI
Generative AI may be used as a study aid for learning and preparation; it is not permitted during the exam.

Modalités de rattrapage

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Retake: 2-hour written exam during the exam session (100%), under the same conditions as above.

Bonus (activités volontaires, valable aussi pour la session de rattrapage)
During the semester, students can voluntarily (individually or in small groups) prepare a short case presentation (10–15 minutes) and submit a brief policy memo (approx. 2–3 pages) on a concrete macroeconomic policy episode. These activities support learning and participation and are not part of the official grade. Students who complete them with particularly good quality may receive a bonus of up to +0.5 points on the non-rounded exam grade. For retake exams (same academic year), students may keep the bonus earned during the semester.

Generative AI
Generative AI may be used as a study aid for learning and preparation; it is not permitted during the exam.

Documentation

Main textbook
Carlin, Wendy, and David Soskice. Macroeconomics: Institutions, Instability and Inequality. Oxford University Press, 2024.

Supplementary policy material (selection)
SNB Monetary Policy Reports and speeches; FFA documents on the debt brake; SECO material on the business cycle, Covid measures and Kurzarbeit; BIS/IMF/OECD policy notes.

Reading list
A detailed reading list (chapters/sections) and additional material will be provided and updated during the semester on Moodle.

Pré-requis

Bachelor-level intermediate macroeconomics, econometrics and statistics is a pre-requisite. Knowledge in simple dynamic optimisation is an advantage.

Forme de l'enseignement

• Weekly in-class lecture (2 × 45 minutes)
• Teaching language: English
• Time and room: Wednesday, 14:15–16:00, Room R.113
• Lectures will not be recorded.
• Format: lecture + discussion of policy debates and institutional detail; optional short student case presentations (from week 3 onwards); guided analysis of charts and policy documents; recap/Q&A.

Objectifs d'apprentissage

Au terme de la formation l'étudiant-e doit être capable de :

- Explain the core 3-equation framework (IS / Phillips curve / monetary policy rule) and its economic intuition.
- Apply knowledge to new situations by using the core framework to analyse concrete macroeconomic policy episodes
- Evaluate alternative policy instruments and policy mixes (monetary, fiscal, labour-market, macro-prudential) by weighing trade-offs, constraints (lags, ELB) and potential side effects.
- Analyse macroeconomic policies and shocks by identifying which model block shifts (demand/IS, supply/cost-push/Phillips, policy rule) and tracing implications for inflation, output and policy rates.
- Recommend a coherent policy response in a given scenario, grounded in the model’s mechanisms and the available empirical/policy evidence.

Compétences transférables

- Communicate complex macroeconomic policy arguments clearly to specialist and non-specialist audiences.
- Synthesise information from policy documents (e.g., central bank reports, government documents) and data into a coherent argument.
- Present a structured case analysis (problem, instrument choice, trade-offs, conclusion) in a concise oral presentation supported by key charts.
- Integrate theory (core model), data and institutional context to interpret real-world macroeconomic developments and policy decisions.
- Write a short policy memo that formulates a clear recommendation, discusses risks/alternatives, and links claims to mechanisms and evidence.