

NBA 5255

Geoeconomics: Where Macroeconomics and International Finance Meet Geopolitics

Fall 2026

Professor Eswar Prasad

This course will provide an overview of key concepts in macroeconomics and international finance, and relate them to current developments and policy debates. The course will cover and discuss the connections between: the redistribution of global economic power; globalization; international trade and exchange rates; monetary policy; Fintech, Bitcoin, and blockchain; Decentralized Finance and Central Bank Digital Currencies; and the evolution of the international monetary system. The course will highlight the relationship between economics and geopolitics in each of these areas, and review how these forces could reshape the world economic and financial order.

Credits: 1.5

Lecture room, time: Sage Graduate Hall B06; Wednesday 8:40 a.m. – 11:20 a.m.
Breazzano Family Center LL23; Thursday 8:40 a.m. – 11:20 a.m.

Teaching Assistant: Rutvik Sitiraju (rs2442)

TA office hours: Uris Hall 447; Fridays, 2:00 p.m. – 4:00 p.m.

Course support: Karin Steigerwald (ks2455)

Prof's office hours: By appointment (through Karin)

Grading: Attendance: 14 percent
In-class presentation: 6 percent
Mid-term exam: 30 percent
Final exam: 50 percent

Mid-term exam: Tuesday, September 22, 2026, 7:30 p.m. – 9:00 p.m.

Final exam: Wednesday, October 21, 2026, 7:30 p.m. – 9:00 p.m.

MAIN READINGS

REQUIRED:

The Doom Loop: Why the World Economic Order Is Spiraling into Disorder, Eswar Prasad, Basic Venture (Hachette), 2026.

The Future of Money: How the Digital Revolution is Transforming Currencies and Finance, Eswar Prasad, Harvard University Press, 2021.

RECOMMENDED:

Gaining Currency: The Rise of the Renminbi, Eswar Prasad, Oxford University Press, October 2016.

The Dollar Trap: How the U.S. Dollar Tightened its Grip on Global Finance, Eswar Prasad, Princeton University Press, 2014.

COURSE STRUCTURE AND EXPECTATIONS

First half of each lecture will cover analytical material. Second half (after ten-minute break) will be more interactive (discussions of news articles, videos) and relate those concepts to current developments and topical policy debates.

Students will be expected to have studied required readings before each class and should be prepared to answer questions or discuss the analysis and findings when called upon.

Starting with lecture #2, 2-3 short articles (newspaper articles, op-ed articles) will be assigned for reading one week in advance. These articles will be critically evaluated by a few chosen students; all other students will be expected to participate in discussions.

Mid-term and final exams will test knowledge of concepts covered in class. Questions will be drawn from material covered in lecture slides and required readings. Mid-term exam will be based on material covered in lectures 1-4. Final exam will be cumulative and based on material covered in lectures 1-7. (No sample exams or past exams available).

COURSE OUTLINE

Topic 1: Redistribution of Economic Power

Required Reading

The Doom Loop: Chapter 1.

Additional Reading

IMF World Economic Outlook, April 2026: Chapters 1 and 2.

World Bank Global Economic Prospects, June 2026: Chapters 1 and 2.

Abdelrahman, Hamza, and Andrew Foerster, 2026, “Have We Entered an Era of High Productivity Growth?” FRBSF Economic Letter 2026, no. 14 (2026), pp. 1-5.

<https://www.frbsf.org/research-and-insights/publications/economic-letter/2026/05/have-we-entered-era-of-high-productivity-growth/>

Nobel Prize Committee, 2025, “From Stagnation to Sustained Growth,” No. 2025-1. *Royal Swedish Academy of Sciences*. <https://www.nobelprize.org/uploads/2025/10/popular-economicsciences2025-3.pdf>

OECD, 2026, “OECD Compendium of Productivity Indicators 2026,” *OECD Publishing*. https://www.oecd.org/en/publications/oecd-compendium-of-productivity-indicators-2026_734a5e68-en/full-report/productivity-growth-in-a-challenging-global-environment_d888e417.html

Prasad, Eswar, 2023, “Has China’s Growth Gone from Miracle to Malady?” *Brookings Papers on Economic Activity*, Spring.

Topic 2: Globalization

Required Reading

The Doom Loop: Chapter 3.

Additional Reading

Aiyar, Shekhar, Jiaqian Chen, Christian Ebeke, Roberto Garcia-Saltos, Tryggvi Gudmundsson, and Anna Ilyina, 2023, “Gеоeconomic Fragmentation and the Future of Multilateralism.” IMF Staff Discussion Note No. 2023/001.

BlackRock Investment Institute, 2025, “Geopolitical Fragmentation and Economic Competition.”

Posen, Adam S., 2025, “Trade Wars Are Easy to Lose: Beijing Has Escalation Dominance in the U.S.-China Tariff Fight.” *Foreign Affairs*, April 9, 2025.

<https://www.foreignaffairs.com/united-states/tariffs-trade-wars-are-easy-lose>

Prasad, Eswar, 2025, “The Age of Tariffs: Trump Is Launching a Turbulent New Era for the Global Economy.” *Foreign Affairs*, April 3, 2025. <https://www.foreignaffairs.com/united-states/age-tariffs-trump-global-economy>

Prasad, Eswar, 2026, “How Geopolitics Overran Globalization: The End of the Dream of Economic Integration,” *Foreign Affairs*, March 31, 2026.

<https://www.foreignaffairs.com/world/how-geopolitics-overran-globalization-prasad>

Topic 3: Trade and Exchange Rates

Required Reading

The Dollar Trap: Chapter 5, pages 63-67. Chapter 4.

The Doom Loop: Chapter 2.

Additional Reading

De Sanctis, Alessandro, Stefan Gebauer, Julian Schumacher, and Flavia Erçin, 2026, “Lower Inflation, Weaker Activity: What Foreign Import Tariffs Mean for the Euro Area,” *ECB Blog*, February 10, 2026.

<https://www.ecb.europa.eu/press/blog/date/2026/html/ecb.blog20260210~187329b5f5.en.html>

International Monetary Fund, 2026, *External Sector Report 2026*, Chapter 1, July 2026.

Pescatori, Andrea, and Krishna Srinivasan, 2025, “Asia’s Economic Growth Is Weathering Tariffs and Uncertainty,” *IMF Blog*, October 16, 2025.

<https://www.imf.org/en/blogs/articles/2025/10/16/asias-economic-growth-is-weathering-tariffs-and-uncertainty>

Prasad, Eswar, 2026, “The Real Reason Behind Trump’s Yen Intervention,” *The New York Times*, August 6, 2026. <https://www.nytimes.com/2026/08/06/opinion/treasury-yen-trump-currency-economy.html>

York, Erica, and Alex Durante, 2026, “Tracking the Impact of the Trump Tariffs & Trade War,” *Tax Foundation*. <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>

Topic 4: Monetary Policy

Required Reading

The Future of Money: Chapter 9.

Additional Reading

“A Day in the Life of the FOMC: An Inside Look at the Federal Reserve’s Monetary Policymaking Body,” Blog, Federal Reserve Bank of Philadelphia.

<https://www.philadelphiafed.org/education/a-day-in-the-life-of-the-fomc>

Brookings Institution, 2025, “The Fed Does Listen: How It Revised the Monetary Policy Framework,” Brookings Institution Commentary. <https://www.brookings.edu/articles/the-fed-does-listen-how-it-revised-the-monetary-policy-framework>

Castillo-Martinez, Laura, and Ricardo Reis, 2024, “How Do Central Banks Control Inflation? A Guide for the Perplexed,” London School of Economics and Political Science, Manuscript.

Powell, Jerome H., 2025, “Monetary Policy and the Fed’s Framework Review,” Speech at the Jackson Hole Economic Symposium, August 22, 2025.

<https://www.federalreserve.gov/newsevents/speech/powell20250822a.htm>

Williams, John C., 2025, “All the Stars We Cannot See,” Speech, Federal Reserve Bank of New York, August 2025.

<https://www.newyorkfed.org/newsevents/speeches/2025/wil250825>

Topic 5: Fintech, Bitcoin, and Blockchain

Required Reading

The Future of Money: Chapters 3, 4.

Nakamoto, Satoshi, 2008, “Bitcoin: A Peer-to-Peer Electronic Cash System,”

<https://bitcoin.org/bitcoin.pdf>

Additional Reading

Adrian, Tobias, 2026, “Tokenized Finance,” *International Monetary Fund*.

Liang, Nellie, and William Dudley, 2026, “Next Steps for GENIUS Payment Stablecoins: What Regulators Need to Do,” Brookings Institution, March 2026.

<https://www.brookings.edu/articles/next-steps-for-genius-payment-stablecoins/>

Prasad, Eswar, 2022, “After the Fall: Bitcoin’s True Legacy May Be Blockchain Technology,” *Bulletin of the Atomic Scientists*, July 2022.

Shin, Hyun Song, 2025, “The Next-Generation Monetary and Financial System,” BIS Annual Economic Report.

Von Luckner, Clemens Graf, Carmen M. Reinhart, and Kenneth Rogoff, 2023, “Decrypting New Age International Capital Flows,” *Journal of Monetary Economics*, Vol. 138, pp. 104-122.

Topic 6: Decentralized Finance, Central Bank Digital Currencies

Required Reading

The Future of Money: Chapters 5, 6.

Additional Reading

Harvey, Campbell R., Ashwin Ramachandran, and Joseph Santoro, 2021, “DeFi and the Future of Finance” (April 5, 2021). <https://ssrn.com/abstract=3711777>

Lane, Philip R., 2025, “Why Europe Needs a Digital Euro,” *Finance & Development*, Vol. 62, no. 3, pp. 10-11. <https://www.imf.org/en/publications/fandd/issues/2025/09/point-of-view-why-europe-needs-a-digital-euro-philip-lane>

Prasad, Eswar, 2022, “A New Era for Money,” *Finance & Development*, September 2022.

Prasad, Eswar, 2022, “Money Is About to Enter a New Era of Competition,” *MIT Technology Review*, May 2022.

Prasad, Eswar, 2023, “Central Banks Must Not Be Blind to the Threats Posed by CBDCs,” *Financial Times*, July 23, 2023.

Topic 7: International Monetary System

Required Reading

The Doom Loop: Chapter 3.

The Future of Money: Chapter 9.

Additional Reading

Liao, Gordon, Eswar Prasad, and Tony Zhang, 2026, “Financial Innovation and the International Monetary System,” paper prepared for the August 2026 Jackson Hole Symposium.

Prasad, Eswar, 2024, “Top Dollar: Why the Dominance of America’s Currency is Harder Than Ever to Overturn,” *Foreign Affairs*, July/August 2024.

Rey, Hélène, 2025, “Stablecoins, Tokens, and Global Dominance,” *F&D Magazine*, September 2025.