

Joint Master in Global Economic Governance & Public Affairs (GEGPA)

SEMINAR DESCRIPTION

Lecturer: Michel Henry Bouchet

Roma, November 3-6, 2025

Seminar: 8 Sessions, 16 hours
(5 ECTS together with Berlin & Nice Seminars)

Global Risk Management & Governance

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Succinct bio:

Michel Henry Bouchet is Module Director at CIFE-GEGPA Master and Emeritus Global Finance Professor at SKEMA Business School. Formerly Chief Strategist of North Sea-Global Equity Management, he specializes in country risk assessment and global financial issues. Dr Bouchet has held high-level positions in international banking, including at BNP, the World Bank, and the Institute of International Finance in Washington, D.C., before becoming CEO of Owen Stanley Financial SA., in charge of sovereign debt restructuring negotiations, while acting as senior adviser of ING Barings. Mhb graduated in Economics from the University of Paris-X and from IEP-Paris. He also holds a Master and a PhD in International Relations from USC, Columbia, USA, while being "HDR" from Paris-Dauphine University. He has published extensively regarding global finance, governance, and risk management issues in the US, Latin America, and Europe: www.developingfinance.org

« Learning Framework »

1.1 General Learning Objectives:

- Understanding the multi-faceted dimensions of global risk management and governance
- Where does turmoil stem from (global recession threats, trade war, regional conflicts, debt crisis?)
- Assessing the root sources of risk in both developed and developing countries
- Identifying the various approaches to global risk management, starting with up-to-date reliable economic intelligence.
- Understanding the regulatory role of IFIs and its limitations due to regional fragmentation
- Assessing the main risks and opportunities arising from the growing integration of international financial markets
- Assessing governance across countries and across time while understanding the relationships between governance, corruption, institutional stability, inclusive development prospects, and country risk

1.2. Specific Objectives:

At the end of the seminar, the students will be expected to gauge the risks and opportunities in the global economy, including:

1. To identify the various risks of global volatility and crisis contamination
2. To identify the key sources of information and economic intelligence for the analysis of country risk
3. To contribute substantively to the product of a group and demonstrate leadership skills
4. To implement an enhanced multi-cultural approach to global risk
5. To write a high-quality report on country risk assessment, with clear conclusions and policy recommendations

1.3. Learning Outcomes:

At the end of the 4-day seminar in Roma, the students will be able to:

1. Analyzing and anticipating how globalization impacts on country risk strategy
2. Understanding the key steps of rising country risk and the emergence of “failed states”
3. Measuring corruption and analyzing governance across time and across countries
4. Analyzing the key issues regarding global governance in a market economic system, in both developed and developing countries.
5. Analyzing the role of institutional quality in the process of socio-economic development, political turmoil, and crises

Warming up is recommended to stay abreast of country risk & governance developments with:

www.developingfinance.org ,

<https://www.linkedin.com/in/michel-henry-bouchet-7b72b629/recent-activity/all/>

Bouchet, Fishkin & Goguel: Country Risk in an age of Globalization, Palgrave-MacMillan, 2020

<https://www.amazon.fr/Managing-Country-Risk-Age-Globalization/dp/3319897519>

+ daily lectures : Financial Times, The Economist, Brookings, World Bank and IMF reports

A **welcome letter** is being sent to each student with a list of recommended readings before the seminar, while a 160-question quiz is made available at the beginning of the seminars.

The seminar is backed up by two MOOC available on UDEMY:

Country Risk: <https://www.udemy.com/course/country-risk-in-the-age-of-global-turbulences/>

Globalization: <https://www.udemy.com/course/globalizationskema/>

Roma Seminar November 3-6, 2025 = 16 hours

November 3, 9:00–13:00

SESSION 1: Introduction: What is risk? What is uncertainty?

- Introduction: **The risk of Great Collapse?** The convergence of economic, financial, and security threats at end-2025
- Democratic backsliding and the brutal emergence of realpolitik: the risk of geopolitical subordination in Europe
- Risk versus uncertainty: **Where does Risk come from?** Risk & Globalization: an echo chamber?
- A historical perspective and the discovery of risk, from Pascal to Keynes, Knight, Markowics, Taleb, Beck, and Mandelbrot and Stiglitz
- Global spillover and risk contamination: Why is globalization a turbulent socio-economic process?
- How do geopolitical tensions and Trump 's presidency impose a full reassessment of country risk, coupled with democratic backsliding and rising autocratization?
- **Debate & overview of the summary of preliminary readings**

Warming up Test 1 -Testing your country risk knowledge in 18 questions

TEST 2: Check your understanding of the historical emergence of risk taking: the various stances of Keynes, Knight, Mandelbrot, Stieglitz, and Krugman regarding risk.

Group research work introduction: **Country risk & governance report** (7 groups of 4/5 students)

Background reading for those who want to get prepared to tackle the challenges of Global Risk assessment!

- <https://credendo.com/en/knowledge-hub/us-foreign-policy-under-trump-impacts-geopolitical-risks>
- <https://www.bakerinstitute.org/research/how-will-geopolitics-shape-north-american-relations-trumps-second-term>
- <https://www.brookings.edu/articles/strobe-talbotts-diplomatic-legacy/>
- Accenture Global Risk Management survey: “In a world of risk, pace comes from preparation”:
https://www.accenture.com/_acnmedia/PDF-159/Accenture-2021-Global-Risk-Management-Study2.pdf#zoom=40
- Mandelbrot and Nassim Taleb: Mastering Uncertainty in a world of volatility : FT March 24, 2006 Part II
<http://steveambler.uqam.ca/6080/articles/mandelbrot.taleb.2006.pdf>
- Why Growth in Emerging Economies Is Likely to Fall (Anders Aslund, Peterson Institute for International Economics-) <http://www.iie.com/publications/interstitial.cfm?ResearchID=2513>
- Summers on secular stagnation: <http://larrysummers.com/2016/02/17/the-age-of-secular-stagnation/>

Additional preparatory readings:

- Bouchet et alii. Palgrave, chapter 1
- IMF : Risk and Complexity (PDF)

<https://www.imf.org/external/pubs/ft/fandd/2017/09/goldin.htm>

- Peter Bernstein: “Against the Gods: The Remarkable Story of Risk”. From Fermat and Pascal to Keynes and Markowitz: <http://www.ams.org/notices/199901/rev-zabell.pdf>

• Ulrich Beck: “World at Risk”. Modernization challenges the institutions and structures of traditional societies in the name of individual freedom and autonomy. :

<http://www.nextreformation.com/wp-admin/resources/risk-society.pdf>

• Mandelbrot-Taleb: <http://steveambler.uqam.ca/6080/articles/mandelbrot.taleb.2006.pdf>

• B. Mandelbrot & Nassim Taleb: Fractal approach to risk and crisis: Book review:

<https://www.fooledbyrandomness.com/mandelbrotandhudson.pdf>

• J. Stiglitz: Homepage : <http://www-1.gsb.columbia.edu/faculty/jstiglitz/>

<http://www.anderson.ucla.edu/faculty/sebastian.edwards/Stiglitz.pdf>

November 3 : 11:00–13:00

SESSION 2: What is Country Risk all about?

- ✓ The key components of Country Risk and the main types of Risk exposure
- ✓ Country risk, sovereign risk and the various types of cross-border risk: economic, sovereign transfer, socio-political, legal and regulatory, regional and systemic: secular stagnation and mounting wealth gaps
- ✓ Country risk is not the monopoly of cross-border exposure: domestic economic agents also face country risk. Country risk is not the monopoly of emerging market countries!
- ✓ How does the Trump presidency affect Global risk volatility?

TEST 3: Country Risk components in the globalization and the main categories of risks faced by economic agents

TEST 4: Country risk and wealth gaps

Main preparatory readings:

- Bouchet et alii. Palgrave, chapter 2 & 3
- <https://www.brookings.edu/articles/what-comes-after-a-usaid-shutdown/>
- <https://www.weforum.org/publications/global-risks-report-2025/> Summary
- <https://www.eurasiagroup.net/issues/top-risks-2025> Summary
- <https://www.marsh.com/en/risks/global-risk/insights/global-risks-report.html> Marsh Global Risk

Report 2025 Key takeaways !

• Globalization and Inequality : <https://www.aeaweb.org/research/globalization-income-inequality-trade-policy>

• COFACE 2025 <https://www.coface.com/news-economy-and-insights/business-risk-dashboard>

• IMF World Economic Outlook Summer-2025:

<https://www.imf.org/en/News/Articles/2025/07/29/sp072925-pierre-olivier-gourinchas-opening-remarks-world-economic-outlook-update-july-2025>

Optional reading for the bravest:

• OECD Inequality : <https://www.oecd.org/els/soc/dividedwestandwhyinequalitykeepsrising.htm> and <https://www.oecd.org/social/inequality.htm> and How measuring inequality?

<https://data.oecd.org/inequality/income-inequality.htm>

• Risk and Inequality: World Wealth and Income database : <https://wid.world/methodology/>

November 4 : 9:00-13:00 AM
SESSION 3: Country Risk Assessment

Information and Economic intelligence gathering

- ✓ **Country Risk Hotspots**
- ✓ Uncertainty = a by-product of a deficit of information and economic intelligence
- ✓ Key Public information sources: IFIs & Regional development banks (World Bank, UNCTAD, UNDP and IMF)
- ✓ National sources, central banks and Paris Club, National intelligence agencies
- ✓ Key Private sources: Private commercial and investment banks: the role of the IIF
- ✓ Specialized agencies, ratings and rankings, think tanks, and NGOs (IIE, Heritage, Coface, Cato, Euromoney, and Brookings)

TEST 5: The main sources of information regarding Country Risk assessment

Main reparatory readings :

- Bouchet et alii. Palgrave, chapters 4 & 5
- Sept 27, 2022 : [The cost of China's information vacuum | Financial Times \(ft.com\)](#)
- IMF: Definition and Measurement of Sovereign Risk :
<https://www.imf.org/en/News/Articles/2015/09/14/01/49/pr1191>
- D. Strauss-Kahn: Peace and Economic Stability are interconnected
<http://www.imf.org/external/pubs/ft/survey/so/2009/NEW102309A.htm>
- KPMG: Global Financial Crisis (PDF):
<https://assets.kpmg/content/dam/kpmg/au/pdf/2017/global-financial-crisis-10-years-on.pdf>

November 4 : 11:00-13:00 AM

SESSION 4: Rating agencies and Country risk Assessment

- **Country Risk Hotspots**
 - The role of risk rating agencies and their pitfalls
 - The main indices to measure political turmoil and institutional destabilization
 - ICRG, Coface, Marsh, AON, CPI and rating agencies...
 - Q&A and debate: Wrap up session and conclusion
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- Bouchet et alii. Palgrave, chapters 9 & 10
 - <https://www.controlrisks.com/our-thinking/insights/the-ukraine-russia-conflict-reawakens-business-to-the-importance-of-political-risk>
 - MIGA REPORT 2025: <https://www.miga.org/report/sustainability-report-2024> :
 - MIGA: <https://www.miga.org/political-risk-insurance>
 - Marsh Political Risk map : <https://marshmamidwest.com/blog-post/navigating-political-risks-insights-from-marshs-political-risk-report/>

November 5 : 9:00-13:00 AM
SESSION 5: Assessment Methodologies
Measuring Political Risk

- **Country Risk Hotspots**
- Measuring Political risk: ratings and the Prince Model
- Information sources for political risk ratings: OECD, World Bank's governance indicators, PRS-ICRG, Euromoney and Institutional Investor, Transparency International, Opacity Index, Heritage Foundation, Frost & Sullivan, EIU, CIA, PRS/ICRG, Coface, Credit Risk International, www.groupegeos.com
- Sources for country's political analysis : Frost & Sullivan, EIU, CIA, PRS/ICRG, Coface, Credit Risk International, www.groupegeos.com

Political risk videos: VIDEO-X: FT Business <https://www.youtube.com/watch?v=xeSFxXlLnZg>
VIDEO : Nassim Taleb: Keynote on Managing Political Risk:
<https://www.youtube.com/watch?v=QCGtz6TtyU>

TEST 10: Where does political turmoil come from?

Main preparatory readings:

- <http://www.vcc.columbia.edu/content/how-bric-mnes-deal-international-political-risk>
- Samuel P. Huntington: "Political order in changing societies":
(PDF)http://markweatherall.wordpress.com/2009/10/12/political_order_in_changing/

November 5 : 11:00-13:00 AM
SESSION 6: Governance and cross-country risk comparisons

- **Country Risk Hotspots**
- The challenge of measuring governance
- Measuring corruption in 2025: ICRG, World Bank, and TI-CPI
- Rating of governance and governance of rating: World Bank 's Doing Business meltdown
- Country's rating agencies: Moody's, S&Ps, Fitch, DAGONG, Euromoney, Institutional Investor, COFACE, PRS-ICRG, CPI, World Bank, Marsh, WEF

TEST 11: Risk ratings, country rankings, and crisis prediction

Main preparatory readings:

- Bouchet et alii. Palgrave Chapter 6
- WEF 2022: The Fraying Fundamentals: Risks to Economic Stability and Social Cohesion pp.18-27
- <https://www.marshmclennan.com/content/dam/mmc-web/insights/publications/2020/january/WEF%20-%20Global%20Risks%20Report%202020%20-%20full%20-%20web.pdf#page=23>
- World Bank-IFC: Doing Business : <https://www.worldbank.org/en/programs/business-enabling-environment/alternative-existing-indicators>
- World Bank and Governance: <https://www.worldbank.org/en/topic/governance/overview>
- OECD Country risk rating: <http://www.oecd.org/trade/xcred/crc.htm>
- <https://www.transparency.org/en/gcb/eu/european-union-2021>

November 6 : 9:00-13:00 AM

➤ **Session 7: Where does political turmoil come from?**

- **Country Risk Hotspots**
- The role of institutions in the socio-political process of development
- Huntington, Stiglitz and Krugman... inter alii
- Governance, growth and sustainable development: the unstable triangle
- Wealth gaps and socio-political turbulences in 2025

TEST 13: Check your understanding of the links between corruption, governance and country risk

Main preparatory readings:

- Bouchet et alii. Palgrave Chapter 14
- Bouchet & Landi, September 2025 : JRMFI Global Governance Barometer
- Goldman Sachs: Damocles sword and Early Warning Indicator:
<https://finance.yahoo.com/news/goldman-sachs-bear-market-indicator-112923817.html?guccounter=1>
- Bouchet and Kharrat: Governance and Capital Flight: Econometric analysis

FINAL TEST 14: Wrap up time: an overall check of your understanding of the whole issue of Country Risk Assessment

November 6 : 11:00-13:00 AM

SESSION 8: Conclusion: Growth, socio-political stability, and development

- **Country Risk Hotspots**
- How transforming growing GDP into inclusive and sustainable development?
- Are democratic frameworks more performing to sustain economic growth?
 - Debate, Q&As, and wrap up

Academic assessment and Grading:

1. Group country risk Reports (due May 2026) 35%
2. Country risk Hot spots and Breaking news 25%
3. Final quiz (end-April 2026) 40%

10 Suggested research topics in Global Risk & Governance

The following research topics are suggested for GEGPAZ Master thesis:

1. Governance, corruption and socio-economic inclusiveness:
Possible research questions: the correlation between bad governance, income inequality and wealth gap, and sustainable development. A cross-country comparison!
Background readings: Bouchet Springer, 2019, Piketty 2022, World Bank report 2023, Bouchet NOMOS 2023
2. Ratings of governance and governance of ratings in 2025
Possible research questions: what about the governance issue in the World Bank Doing Business Report? **Background readings:** World Bank 2023 alternative risk indicators
<https://www.worldbank.org/en/programs/business-enabling-environment/alternative-existing-indicators>
3. Does a debt crisis “always” lead to socio-economic development recovery?
Possible research questions: A study of successful debt restructuring negotiations paving the way toward sustainable development recovery? **Background readings:** PRS-ICRG 2023-26
4. Does a debt crisis “always” lead to socio-economic crisis?
Possible research questions: A study of debt restructuring failures paving the way toward a cycle of borrowing, financial crisis, and economic recession **Background readings:** Rogoff and Reinhart
5. China’s “new model of socio-economic development” with its new external creditor status:
Possible research questions: Is China showing the path toward a new model of socio-economic development with its centralized decision-making system and its external financial extension in EMCs?
Background readings: <https://carnegieendowment.org/chinafinancialmarkets/87007>
6. What about the Maghreb revolutions ten years after? Protracted turmoil, enforced stabilization, or inclusive development?
Possible research questions: A cross-country comparison: Egypt-Tunisia-Morocco
Background readings: Brookings, World Bank, IMF, Bouchet
7. Capital flight in emerging market countries.
Possible research questions: A study at African countries combining poverty, wealth gaps, corruption, and capital flight **Background readings:** Bouchet’s papers and research
8. Pandemic, institutional stability, and socio-economic development:
Possible research questions: where state failure come from?
Background readings: CIFE Seminar research references!
9. In search of early warning signals of socio-political crisis in emerging and developed countries: A cross-country comparison
Possible research questions: how anticipating turmoil and turbulences before a full-fledge crisis?
Background readings: List of references in Bouchet’s seminar
<https://developingfinance.org/courses/2024-2025-english>
10. Has the global pandemic increased the roots of state failure in several developed and developing countries? What about rising autocratization?
Possible research questions: Wealth gaps and health crises as revelatory of institutional deficiencies?
Background readings: Bouchet’s Cife papers and JRMFI