

GLOBAL ECONOMY and INTERNATIONAL ECONOMIC RELATIONS

2016

Syllabus

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Course description

The main goal of the course is to build up the understanding of the theory and policy of the contemporary global economics. The focus of the course is not only on traditional theories of international economics, i.e. on international trade, finance and growth, but on modern trends of the global economic development and on the latest empirical research in the most important spheres of the global economics.

Global economy currently faces damage due to economic, environmental, and political crises, crashes on financial markets, etc. Such problems of sustainable development 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 world economy and international relations agenda.

Methods

The teaching is based on examining theoretical concepts of globalization, trade and economic development. After this the examined economic theories would be demonstrated on the practical examples. The course provides students with understanding the practical aspects of the global economics. The questions of global governance are mostly discussed. Students should prepare presentations about discussed topics and then prove their positions. The approach encourages the development of economic intuition as well as some formal skills.

The following methods and forms of study are used in the course:

- lectures
- seminars
- home assignments
- self-study

You are encouraged to work together on homework assignments, but you must write up the assignment individually. Overall, the course includes hours of lectures and hours of classes. Self-study is an extremely important element of the course. Also the active work on the seminars is crucial for taking practical skills in discussion and standing up your position.

Main reading

1. K 339.9 K85, Krugman, P. R. International economics. Pearson, 2015. - 783 c.
Krugman P., Obstfeld M., Melitz M. (KOM) International Economics: Theory and Policy, 2012.
2. Global Political Economy: Understanding the International Economic Order. by Robert Gilpin and Jean M. Gilpin 2001

3. Architects of austerity: international finance and the politics of growth / Major A. – Stanford: Stanford University Press, 2014. – 254 c.
4. Globalization in an Age of Crisis: Multilateral Economic Cooperation in the Twenty-First Century Robert C. Feenstra and Alan M. Taylor Chicago Scholarship online 2014
5. The Global Economy in Turbulent Times See-Yan Lin ISBN: 978-1-119-05992-91024 pages, Wiley, July 2015

Other readings

1. John Ravenhill (ed.), Global Political Economy. (Oxford, 4th edition, 2014)
2. Theodore H. Cohn Global Political Economy: Theory and Practice. Routledge 2016
3. Thomas Oatley: International Political Economy: Interest and Institutions in the Global Economy (Routledge, 5th edition, 2013),
4. R.Versteeg, International economics, The London School of Economics and Political Science, 2015.
5. V.N. Zuev (editor), Global governance institutions, Magistr, 2016.
6. <http://www.theglobaleconomy.com/>
7. Key Concepts in the New Global Economy Volume I Edited by David A. Baldwin THE INTERNATIONAL LIBRARY OF WRITINGS ON THE NEW GLOBAL ECONOMY <http://www.gbv.de/dms/zbw/723763763.pdf>
8. <http://www.whatiseconomics.org/the-global-economy/>
9. Strategic global outlook. Dynkin
<http://www.imemo.ru/files/File/en/publ/2011/11001.pdf> to be discussed within the seminar

Grade determination

The final grade consists of the following elements:

- Current evaluation for participation in the course -50%
- End-of-module written examination – 50%
- Current evaluation =
 1. Class attendance - 20%
 2. Class activity (assigned by seminar leaders) – 20%
 3. Home assignment reports – 30%
 4. End of the module written paper – 30%

Valid excuses

If you have to miss a homework or mid-semester examination due to illness, the weight of the missed assignments will be shifted onto other course elements (other exams, class activity, and homeworks).

Office hours

Vladimir Zuev: Shabolovskaya, 28/11, Office 332, by appointment.

Changes to the Syllabus

Any changes to this syllabus will be announced in class.

Tentative course outline

1. Introduction

Intro to the global economics

What is global economics about?

Definitions and the origins.

International micro and macroeconomics 323

Global trends in the post international economics

Objective economic necessity to be part of the global economy

2. Global economy

Theory:

National income accounting and the balance of payments –Krugman **Chapter 13**

Competitiveness methodology

Global value chains

Empirical evidence:

A sum of the National economies and a global economy

Major global economies by GDP

Classification and types of economies

3. Basics of the World trade theory and practice

Theory:

Ricardo model

Labor productivity and Comparative advantage

Opportunity cost

The gravity model

Empirical evidence:

Modern trends in global trade

4. Basics of the Global production patterns.

Theory:

Specific Factors of production.

Production Factor International Movements.

Heckscher-Ohlin Factor-proportions theory

Theory:

Economies of scale and international location of production

Limits to the International Labor Mobility

5. Consumption patterns in the global economy

Theory:

- Main consumption theories. Engel curve. Giffen good

- Main trends in consumption. Changes in the structure of consumption

6. Transnational companies

Theory:

International Capital Flows

Main theories of transnational companies

Globalization and low-wage labor 309

Empirical evidence:

The history of TNC development

Main trends in TNC activity

Outsourcing

Offshoring

7. The political economy of trade and development

8. Preferential Trade Arrangements and Economic Integration

Theory:

Trade creation vs trade diversion

Theories of economic integration

Theory on the forms of integration

Empirical evidence:

Global trade negotiations: GATT, WTO, Doha round.

Megaregional trade agreements

Money, interest rates and exchange rates in the open economy

Theory:

Money, interest rates and exchange rates

National currency Exchange rates and international transactions

Empirical evidence:

CB policies

Monetary reserves

Stabilization Fund

International monetary systems

Global currencies

Virtual currency concept

11. Global economic governance

Theory:

Global economics with national governance?

Theoretical concepts of global governance

National, regional and international facets of governance

TNC as governance actors

Empirical evidence:

Building up the system of institutions of global governance

The role of formal and informal international organizations

12. Global finance and global financial governance

Theory:

Financial globalization: opportunity and crisis
Theories of cycles crises
Empirical evidence:
Managing Global economic and financial crisis.
Global supervision of international banking
Global financial regulatory cooperation

13. Global economy major problems

Empirical evidence:
Global inequality and income distribution
Global and regional migration trends
Mineral resources and global energy security
Natural water as a global public good
Global food security. FAO activity
Global infrastructure to assure the functioning of the global economy

14. Technological progress for the global growth

Theory:
Knowledge as a factor of production
Knowledge spillovers. Krugman 172
Empirical evidence:
Intellectual property rights
Knowledge as a global public good

15. Environmental and cultural issues

Theory: 313
The argument of cultural independence and market failure
Empirical evidence:
Ozone layer protection. Montreal protocol
Global warming challenge and response
Ecology – as a global public good
Education with no frontiers
Sports as a part of the global economy