Федеральное государственное автономное образовательное учреждение высшего образования "Национальный исследовательский университет "Высшая школа экономики"

Кафедра торговой политики
при участии
Департамента теоретической экономики,
Школы востоковедения

Рабочая программа общеуниверситетского факультатива
Introduction to Global Economy and International Economic Relations

для уровней подготовки – бакалавриат, магистратура, аспирантура

Разработчики программы:
Зуев В.Н., профессор, vzuev@hse.ru
Медведков М.Ю., профессор, mmedvedkov@hse.ru
Кукушкина Ю.М., преподаватель, ykukushkina@hse.ru
Гальченко Е.А., эксперт, egalchenko@hse.ru

Одобрена к реализации на заседании комиссии
«28» апреля 2017 г.
Председатель __________ / Радаев В.В./

Утверждена
«13» сентября 2017 г.
Руководитель Методического центра ДООП
__________ / Серова А.В./

Москва, 2017

Настоящая программа не может быть использована другими подразделениями университета и другими вузами без разрешения подразделения-разработчика программы.
Course description

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.

Learning objectives

The main goal of the course is to build up the understanding of the theory and policy of the contemporary global economics. The course provides students with understanding the practical aspects of the global economics.

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 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.

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

M. Ordynka 17, Office 407, by appointment.

Changes to the Syllabus

Any changes to this syllabus will be announced in class.
## Course Outline

<table>
<thead>
<tr>
<th>№</th>
<th>Topic</th>
<th>Lectures</th>
<th>Self-study hours</th>
<th>Total hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Basics of the World trade theory and practice</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Basics of the Global production pattern</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>New trends of the global economy</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Consumption patterns in the global economy</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>6</td>
<td>Transnational companies</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>The political economy of trade and development</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Money, interest rates and exchange rates in the open economy</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>Global economy major problems</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Study Topic</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>10</td>
<td>Global migration challenge</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>11</td>
<td>Global energy security</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>12</td>
<td>Global economic governance</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>13</td>
<td>Global finance and global financial governance</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>14</td>
<td>Technological progress for the global growth</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>15</td>
<td>Environmental and cultural issues</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>16</td>
<td>Preferential Trade Agreements and Economic Integration</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>17</td>
<td>Regionalization and new regionalism</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>18</td>
<td>Institutional economics</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>48</td>
<td>66</td>
<td>114</td>
</tr>
</tbody>
</table>

**Assessment**

The final grade consists of the following elements:
- Current evaluation of participation in the course - 50%
- Final paper – 50%
- Current evaluation =
  1. Class attendance - 10%
2. Class activity – 30%
3. Home assignment reports – 30%
4. End of the module written paper – 30%

**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. **Basics of the Word trade theory and practice**
   - **Theory:**
     - Ricardo model
     - Labor productivity and Comparative advantage
     - Opportunity cost
     - The gravity model
     - **Empirical evidence:**
     - Modern trends in global trade
     - Global trade negotiations: GATT, WTO, Doha round.

3. **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

4. **New trends of the 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
     - Emerging markets. Asian economies
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
   Theory:
   Economic growth models

8. 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

9. 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

    Theory:
    Theories on migration effects
    Types of migration
Empirical evidence
Demographic challenges
Global and regional migration trends
National, regional and global response to migration challenges

11. Global energy security
Shifts on the energy markets
New challenges to the energy security
National, regional and global response to energy security challenges

12. 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

13. 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

14. Technological progress for the global growth
Theory:
Knowledge as a factor of production
Knowledge spillovers. Krugman 172
Empirical evidence:
Intellectual property rights, patents
Knowledge as a global public good

15. Environmental and cultural issues
Theory: Krugman 313
The argument of cultural independence and market failure
Human rights and economic development
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

16. Preferential Trade Agreements and Economic Integration
   Theory:
   Trade creation vs trade diversion
   Theories of economic integration
   Theory on the forms of integration

   Empirical evidence:
   EAEU, EEA, NAFTA

17. Regionalization and new regionalism
   RTA multiplication
   Mega-regional trade agreements

18. Institutional economics
   Theory:
   Homo economicus
   Contract theory
   Market failures
   States as actors of the global economy

   Empirical evidence:
   Emergence of railroads in the US, the UK, and France
   Water resources deficit in the Middle East
   Comparative analysis of corruption

Assessment criteria
The grading system is based at the “10-point” approach to evaluating students’ knowledge.
The form of the final control is a final paper.

Main reading
Other readings
6. V.N. Zuev (editor), Global governance institutions, Magistr, 2016. (in Russian)
   http://www.theglobaleconomy.com/
9. Strategic global outlook. Dynkin
11. Боулз, С.Р. Микроэкономика. Поведение, институты и эволюция. Нуреев, Р.М. Очерки по истории институционализма.

Special Equipment and Software Support (if required): computer, projector, access to the Internet.