

ECON 495
Select Issues in Today's Global Economy
Fall 2017
TR 9:30am, Kyle Hall 167

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During the past three decades the world economy has witnessed an acceleration of globalization and two major financial crises (1997-1999 and 2008-2009) and a severe worldwide recession (Great Recession, 2008-2009). Technological change and the process of globalization – especially in production, in the labor market, and in financial markets – have made the world economy more interconnected and interdependent. They also have distributional consequences resulted in winners and losers. Policies and international institutions have also facilitated the increased integration of the global economy.

Why has globalization become so controversial that it engendered street demonstrations (sometimes violently) at virtually every major meeting of global institutions like the International Monetary Fund, the World Bank, and the World Trade Organization? What concerns motivate the anti-globalization movement? What are the underlying reasons for the globalization discontents? What are the consequences of globalization? Has globalization been mismanaged? Can it be improved? What are the prospects of realizing the positive potential from globalization?

Course Objectives: The purpose of this course is to critically analyze the process of economic integration or globalization, its socio-economic and political consequences, and to explore and assess alternative approaches to make globalization work better with special focus on the U.S. economy. Our learning objectives are:

1. Explain and describe the forces driving the integration of today's global economy and their implications.
2. Critically analyze and assess a number of contemporary global economic issues and policies:
 - A. Trade, investment, labor, and environmental standards
 - B. Financial globalization and the international monetary system
 - C. Technology, globalization and inequality
 - D. International economic institutions: Bretton Woods, GATT, and WTO
 - E. Managing globalization: the political economy of globalization – is global governance feasible, desirable?
3. Explore a new agenda toward reforming globalization

REQUIRED TEXTS AND OTHER USEFUL REFERENCES:

1. Dani Rodrik, *The Globalization Paradox: Democracy and the Future of the World Economy* (New York: W.W. Norton, 2011).

2. Joseph E. Stiglitz, *Rewriting the Rules of the American Economy: An Agenda for Growth and Shared Prosperity* (New York: W.W. Norton & Company, 2016)

3. Additional readings are posted on **D2L** or distributed in class.

4. Some Useful Reference Websites:

- Bureau of Economic Analysis: <http://www.bea.gov/>
- Congressional Budget Office: <https://www.cbo.gov>
- The White House: <https://www.whitehouse.gov>
- U.S. Department of Treasury: <https://www.treasury.gov/Pages/default.aspx>
- Central Intelligence Agency (CIA): <https://www.cia.gov/>
- The World Bank: <http://www.worldbank.org/>
- The International Monetary Fund (IMF): <http://www.imf.org/external/index.htm>
- Organization for Economic Cooperation and Development (OECD): <http://www.oecd.org>
- United Nations Development Programme (UNDP): <http://www.undp.org>
- U.S. Department of State: <http://www.state.gov/http://www.state.gov/>
- U.S. Agency for International Development (USAID): <http://www.usaid.gov/>
- The World Trade Organization (WTO): <http://www.wto.org>
- The World Economic Forum: <http://www.weforum.org>

5. Some Useful Websites for business and economic news:

- The Economist Magazine: <http://www.economist.com>
- The Financial Times: <http://www.ft.com/home/us>
- Bloomberg Business Week: <https://www.bloomberg.com/businessweek>
- New York Times: <http://www.nytimes.com/>
- Washington Post: <http://www.washingtonpost.com/>
- The Wall Street Journal: <http://online.wsj.com/home-page>
- PBS Newshour: <http://www.pbs.org/newshour/>
- BBC News: <http://www.bbc.co.uk/news/>
- CNN Global Public Square: <http://globalpublicsquare.blogs.cnn.com>

Format and Approach: The course will be conducted in a seminar-like manner. It will take a practitioner-oriented, good practice-reinforcing approach with an emphasis on public policy. The format will be primarily presentations, group discussions occasionally led by class members, and small group work. Because of the format, attending class, being willing to share ideas, demonstrating familiarity with the readings, and actively engaging in class exercises and homework are expected.

Course Work and Evaluation:

Grades are determined on the basis of your performance on the exams, research paper, homework, in-class participation. It is divided as follows:

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|----|------------------------------------|------------|
| 1. | Quizzes and exams | 60 percent |
| 2. | Group work and class participation | 20 percent |

3. Short Issues Paper (SIP) 20 percent

(A 90% and higher; B 80-89; C 70-79; D 60-69; and F 59 and lower)

Short Issues Paper (SIP): You will be required to submit four SIPs (about one bi-weekly). Each SIP will not exceed three double-spaced pages. Your SIP will analyze certain topics or points in the readings. Each paper should end with two questions or issues of interest to you. You should be prepared to participate actively in the class discussion.

Small Group Work: No one is an expert in all things. Group work can enhance learning experience. The class will be divided into small groups. Each group will be asked to work together to carry out a project and make presentations in class. There will also be assignments that involve leading discussions of reading materials. Details will be provided in class.

Attendance Policy: If you miss more than **five** classes over the semester, your final grade will be dropped by a full letter grade from what you earn from the course work. If you miss more than **eight** classes, you will automatically receive an F for the course.

Expectations:

- Responsible for all the assigned readings and participate in discussion and in-class exercises. Class attendance is mandatory. If you are not in class, obviously you cannot participate in discussion and in-class exercise.
- To facilitate learning, respect time and efforts of others by avoiding disruptive and discourteous behavior to both your fellow students and instructor. Turn off cell phones and put away laptops or other electronic devices while in class unless you use them for note taking.
- If you miss a class, you are responsible for getting class notes, announcements, assignments, and schedule changes.
- Abide by the RU Honor Code of Integrity and Honesty (for more detail, go to <http://www.radford.edu/~dos-web/academicintegrity.htm>)

If you are seeking academic accommodations under the Americans with Disabilities Act at Radford University, you are required to register with the Disability Resource Office (DRO). To receive academic accommodations for this class, please submit your documentation to the DRO in the lower level of Tyler Hall Suites 54-69, by fax to 540-831-6525, by email to dro@radford.edu. After submitting documentation to our office, you will set up an interview with a Disability Services Specialist to discuss accommodations. You will be notified via email once your accommodation package is complete and ready to be picked up. Once you have picked up your accommodation package, you will need to meet with each course professor during their office hours to review and discuss your package. For more information and/or for documentation guidelines, visit www.radford.edu/dro or call 540-831-6350.

Schedule and Reading Assignment

Week 1 – Jan. 17:

Introduction and Welcome

Overview of the Course

Economic Globalization – meaning, measurement, key drivers, and effects

Readings:

1. D2L: Fareed Zakaria, *The Rise of the Rest*, (an excerpt from his book, *The Post-American World*)
2. KOF Swiss Economic Institute, *KOF Index of Globalization 2010*, <http://globalization.kof.ethz.ch/>
3. Rodrik, Recasting Globalization’s Narrative (pp. ix-xxii)

Week 2 – Jan. 24:

The United States in a global economy

Contemporary Global Issues and Challenges

Readings:

1. D2L: The United States in the World Economy
2. Rodrik, Recasting Globalization’s Narrative (pp. ix-xxii)
3. Stiglitz, introduction (pp.1-25)

Assignment: SIP #1 due Jan. 29

Week 3 – Jan. 31:

Class discussion of topics/issues in SIP #1

Quiz 1

Week 4 – Feb. 7:

International Trade and Commercial Policy

Readings:

D2L: Trade and Globalization

Rodrik, “Why Doesn’t Everyone Get the Case for Free Trade” (pp. 47 – 66)

Rodrik, “Bretton Woods, GATT, and the WTO” (pp. 67 – 88)

Week 5 – Feb. 14

Trade, Growth, and Development

International Trade, Labor and Environmental Standards

Readings:

Rodrik, “Trade Fundamentalism in the Tropics” (pp. 159 – 183)
D2L: International Trade and Labor and Environmental Standards

Assignment: SIP #2 due Feb. 12

Week 6 – Feb. 21:

Class discussion of topics/issues in SIP #2

Quiz 2

Week 7 – Feb. 28:

Financial globalization and international monetary system

Readings:

Rodrik, “Financial Globalization Follies” (pp.89 – 111)
Rodrik, “The Foxes and Hedgehogs of Finance” (pp.112 – 134)

Mid-term Exam

Week 8 – Mar. 7:

Spring Break
(March 4-12)

Week 9 – Mar. 14:

Technology, globalization, wages and inequality

Readings:

Stiglitz, “The Current Rules” (pp. 26 – 96)

Week 10 – Mar. 21:

Toward reforming globalization: the political economy of globalization and global governance

Readings:

Rodrik, “The Political Trilemma of the World Economy” (pp. 184 – 206)
Rodrik, “Is Global Governance Feasible? Is it Desirable?” (pp. 207 – 232)

Assignment SIP #3 due Mar. 19

Week 11 – Mar. 28:

Class discussion of topics/issues in SIP #3

Quiz 3

Week 12 – Apr. 4:

Toward reforming globalization: rewriting the rules for growth and shared prosperity

Readings:

Rodrik, "Designing Capitalism 3.0" (pp. 233 - 250)

Rodrik, "A Sane Globalization" (pp. 251 - 284)

Week 13 – Apr. 11:

Toward reforming globalization: rewriting the rules for growth and shared prosperity
(cont'd)

Readings:

Stiglitz, "Rewriting the Rules" (pp. 97 - 185)

Quiz 4

Assignment SIP #4 due Apr. 9

Week 14 – Apr. 18:

Group project and presentation

Week 15 – Apr. 25:

Group project and presentation

May 2 – Final Exam