



UNIVERSITY of
DENVER

COLLEGE OF ARTS, HUMANITIES
& SOCIAL SCIENCES
Economics

ECON 2610: INTERNATIONAL ECONOMICS
Department of ECONOMICS
Spring 2020 (4 Credits)
WF 10:00 AM - 11:50 AM

Instructor: Dr. Chiara Piovani
Office Hours: by appointment
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Course Description:

This course is designed to provide students with an analytical framework necessary to understand the development and the functioning of the global economy, in addition to the challenges that world capitalism is currently facing. The analysis will include both the conventional and critical views to obtain a comprehensive understanding of the current debates on trade and financial issues in the context of globalization and internationalization of markets.

The core of this course focuses on international trade. The discussion will present the dominant economic models that are used to show how countries may gain from trade liberalization. The limitations of these models will also be examined by looking at alternative economic perspectives and critical arguments. Policy implications will be explored as well.

The remaining part of the course is devoted to national income accounting, balance of payments, and exchange rates.

Course Objectives:

Upon completion of the course, students should be able to:

- ✓ Critically understand the development of the global economy and its current social, economic and environmental challenges;
- ✓ Know the key economic models used in standard economic theory to explain international trade;
- ✓ Understand what policy tools governments can use in international trade and outline their economic implications;
- ✓ Critically assess the different perspectives on trade liberalization, in particular with reference to developing countries;

- ✓ Define the key concepts and instruments used in international macroeconomics.

Textbook:

International Economics - Theory & Policy, 11th Ed. By P. Krugman, M. Obstfeld, and M. Melitz. Pearson – Addison Wesley, 2018 [this is indicated in the course schedule as “KOM”].

Please note that a previous edition of this textbook works fine as well. If you decide to use a previous edition, however, it is your responsibility to identify the chapters and pages that need to be read – the course outline below is based on the new edition.

Supplementary material (given out in class and posted on Canvas):

Articles & Handouts

Prerequisites:

ECON 1030

Course Website:

<https://canvas.du.edu/> Readings, assignments, tests, discussion questions, grades, and other materials will be posted on Canvas. Emails will be sent through Canvas as well.

Assignments, exams, and grades:

Your final grade will be calculated on the basis of the following components:

- Class participation	15%
- Assignment 1 (due April 29)	5%
- Midterm exam (TAKE-HOME) (May 6)	25%
- SEMINARS (May 15 and June 5)	20%
- Assignment 2 (due June 3)	5%
- Final exam (TAKE-HOME) (June 8)	30%

Total

100%

Grades:

93 – 100	A	73 – 76	C
90 – 92	A-	70 – 72	C-
87 – 89	B+	67 – 69	D+
83 – 86	B	63 – 66	D
80 – 82	B-	60 – 62	D-
77 – 79	C+	< 60	F

Course requirement:

You are expected to complete the assigned readings before coming to class. In class, you are expected to answer questions and actively participate to class discussions.

Attendance

Attendance is very important! The course covers a lot of material quickly and some material will only be covered during the lectures.

If you miss a class meeting (independent of the reason), you are expected to be responsible for catching up with what has been done in class while you were absent.

Class participation

Class participation (15%) is based on (1) your participation during lectures, class discussions, and seminars; (2) your attendance throughout the course; (3) your use of office hours; (4) any obstructive behaviors that interrupt class meetings; and (5) completion of class assignments.

For some of our course topics, discussion questions will be posted under “Discussions” on Canvas (on W for F, or F for W). You are expected to provide your thoughts (bullet points or a few sentences); we’ll then discuss your responses together in class.

Seminars

We will have two round-table seminars throughout the quarter. For each seminar, a separate set of reading assignment (4-5 articles and/or chapters) will be assigned one week in advance. The articles used for the seminar aim to apply the concepts studied in the course to current events or to explore contending viewpoints on current issues.

Students are asked to provide, at the minimum, 1) a half-page summary, 2) two well-thought-out comments, and 3) two well-thought-out questions for each article assigned. The writing assignment is **due on the day of the seminar**. On the seminar day, we analyze the reading materials, and consider your comments and questions in a round-table discussion (I may add additional questions too). Specific guidelines will be posted on Canvas.

Exams and assignments

The exams consist of: 1) multiple-choice questions, 2) exercises, and 3) essay questions.

Multiple-choice questions will refer to textbook chapters only (not additional readings). Practice questions will be provided.

The homework assignments and the exercises solved in class are a good preparation for the exams. The problems that you will find in the exams will be similar to either the exercises in the assignments or the exercises solved in class.

In the folder “Essay Questions_Study Guide” on Canvas, you will find a document with the list of essay questions to prepare for the essay component of the exams. The essay questions will primarily be related to the readings in the coursepack (but occasionally they will also include concepts/ideas discussed in the textbook). The list of essay questions will be progressively built over the course of the quarter, in parallel with the discussion of the course readings.

Late work policy

Late homework assignments are not accepted. Only if a serious emergency occurs (and appropriate evidence is submitted), your assignment may be considered.

E-mail policy:

You can expect a fairly rapid reply to e-mails, certainly within 24 hours.

Make-up policy:

Students must take exams on the scheduled dates. In cases of emergency or schedule conflict, appropriate documentation must be presented, and the make-up exam time must be arranged with the instructor.

Note

Please reach out if you have any questions or difficulties. It is important to me that your questions get answered.

COURSE OUTLINE:

NOTE: the following schedule is only tentative. The final set of readings per each topic will be posted on the course website in advance of their discussion. The schedule may also be subject to changes, which would be announced in class and communicated by email.

Please note that it is required to make the readings indicated below before each class.

Topic 1 – Introduction**April 1**

KOM Ch.1 and 2

Topic 2 – Globalization and International Institutions**April 3**

Palley, T. 2004. “From Keynesianism to Neoliberalism: Shifting Paradigms in Economics,” in D. Johnston and A. Saad-Filho (eds), *Neoliberalism: A Critical Reader*, London: Pluto Press.

Robinson, W.I. 2019. *Into the Tempest*. Haymarket Books. Ch.3: “The New Global Economy and the Rise of a Transnational Capitalist Class.”

Topic 3 – The Evolution of the International Trade System: A Historical Overview**April 8**

KOM Ch.10 (pp. 262-76), Ch.11, and Ch.9 (only the meaning of trade policy tools).

Chang, H-J. 2019. “Kicking Away the Ladder – Globalization and Economic Development in Historical Perspective,” in J. Michie (ed), *The Handbook of Globalization*. Edward Elgar Publishing, Inc.

Topic 4 – The Ricardian Model of Trade

April 10

KOM. Ch.3

Assignment 1 – posted on Canvas

April 15

KOM Ch. 3 (cont'd)

April 17

Patnaik, U. 2005. “Ricardo’s Fallacy – Mutual Benefit from Trade Based on Comparative Costs and Specialization” in Jomo K.S. (ed.) *The Pioneers of Development Economics: Great Economists on Development*, p. 31-41. London: Zed Books.

Topic 5 – The Heckscher-Ohlin Theorem

April 17 (second part of the class)

KOM Ch. 5

April 22

KOM Ch. 5 (cont'd)

April 24

Prasch, R. 1996. “Reassessing the Theory of Comparative Advantage,” *Review of Political Economy*. 8(1): 37-55.

Topic 6 – New Trade Theory and Trade Policy

April 29

Gerber, J. 2018. *International Economics*. Pearson. Ch. 5: “Beyond Comparative Advantage.”

Assignment 1 – due date

May 1

KOM. Ch. 12 (pp. 298-305)

Krugman, P.R., ed., *Strategic Trade Policy and the New International Economics*. Cambridge, MA, MIT, 1986.

May 6

Deraniyagala, S., and B. Fine. 2001. “New Trade Theory Versus Old Trade Policy: A Continuing Enigma.” *Cambridge Journal of Economics* 25: 809-825 (Note: skip the crossed sections)

Shaikh, Anwar. 2003. “Globalization and the Myth of Free Trade.” Paper for the Conference on Globalization and the Myths of Free Trade, New School University (Note: skip section II.1).

May 8
TAKE-HOME MIDTERM

May 8

Fletcher, I. 2010. "Where Does Growth Really Come From?", in *Free Trade Doesn't Work – What Should Replace it and Why*. Washington, DC: US Business and Industrial Council.

Topic 7 – Globalization, Labor and Environment

May 13

KOM. 8 (pp.197-209)

Bieler, A. and C-Y Lee. 2017. "Chinese Labour in the Global Economy: An Introduction," *Globalizations*, Vol. 14, No. 2, 179–188 (Note: skip the crossed section).

Barrientos, S. 2007. "Gender, Codes of Conduct, and Labor Standards in Global Production Systems," in I. van Staveren, D. Elson, C. Grown, and N. Cagatay (eds), *The Feminist Economics of Trade*. Routledge.

To be aware of:

Standing, G. 1999. "Global Feminization through Flexible Labor: A Theme Revisited." *World Development* 27 (3): 583-602.

May 15
SEMINAR

May 20

Speth, J. G. 2008. *The Bridge at the Edge of the World*, Yale University Press. Ch. 2: "Modern Capitalism: Out of Control."

Foster, J.B and B. Clark. 2020. *Capitalism and the Ecological Rift – The Robbery of Nature*. Ch.10: "The Planetary Emergency, 2020-2050." Monthly Review Press.

May 22

Hines, C. 2019. "Time to Replace Globalization with "Progressive Protectionism," in J. Michie (ed), *The Handbook of Globalization*. Edward Elgar Publishing, Inc.

Bello, W. and J. Feffer. 2009. The Virtues of Deglobalization - Has the Time Finally Come to Reverse and End Globalization? *Foreign Policy in Focus*. Available at https://fpif.org/the_virtues_of_deglobalization/

Topic 8 – International Macroeconomics: National Income Accounting, The Balance of Payments, and Exchange Rates

May 27

KOM. Ch.13

Assignment 2 – posted on Canvas

May 29

KOM. Ch.13 (cont'd) and Ch.14

June 3

KOM. Ch. 14 (cont'd)

Assignment 2 – due date

Optional

Harvey, J.T.. 2006. “Psychological and Institutional Forces and the Determination of Exchange Rates,” *Journal of Economic Issues*, 40:1, 153-170.

**June 5
SEMINAR**

**June 8
FINAL EXAM**

Commitment to an inclusive learning environment:

It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students’ learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength and benefit. It is my intent to present materials and activities that are respectful of diversity: race, color, ethnicity, gender, age, disability, religious beliefs, political preference, sexual orientation, gender identity, citizenship, or national origin among other personal characteristics.

I believe that the diversity of student experiences and perspectives is essential to the deepening of knowledge in a course. Any suggestions that you have about other ways to include the value of diversity in this course are welcome.

In order to create a classroom environment that supports respectful, critical inquiry through the free exchange of ideas, the following principles will guide our work:

- Treat every member of the class with respect, even if you disagree with their perspective;
- All viewpoints are welcome;
- No ideas are immune from scrutiny and debate;
- Disagreements can turn into opportunities for intellectual and personal enrichment;

- Both speaking up and respectful listening are valuable tools for inviting participation and thoughtful dialogue;
- You will not be graded on your opinions.

Other Policies & Rules

While I advocate collaborative learning and teamwork, I firmly believe that each individual should maintain the highest ethical standards in all of life's endeavors.

All students are expected to abide by the University of Denver Honor Code. These expectations include the application of academic integrity and honesty in your class participation and assignments. Violations of these policies include, but are not limited to:

- Plagiarism, including any representation of another's work or ideas as one's own in academic and educational submissions;
- Cheating, including any actual or attempted use of resources not authorized by the instructor(s) for academic submissions;
- Fabrication, including any falsification or creation of data, research or resources to support academic submissions.

For the consequences of violating the University of Denver Honor Code and for general information about conduct expectations, please refer to the University of Denver website on *Students Rights and Responsibilities*: <https://www.du.edu/studentlife/studentconduct/index.html>.

Student Athletes:

If you are a student-athlete, you should inform me of any class days to be missed due to DU sponsored varsity athletic events in which you are participating. Please provide me with an absence policy form by the end of the first week of class. You will need to make up any missed lectures, assignments, and/or exams.

Students with Disabilities:

Students who have disabilities (i.e., physical, medical, mental, emotional and learning) should feel free to contact me privately to discuss his/her specific needs.

Students with documented disabilities who want to request accommodations should contact the Disability Services Program (DSP) located in room 440 of Ruffatto Hall; 1999 E. Evans Ave. Phone: 303.871.3241. Information is also available online from the Disability Services website: <https://www.du.edu/studentlife/disability-services/index.html>.

Writing Center:

The Writing Center provides writing support for undergraduate and graduate students at all levels, on all kinds of projects, and at any stage of the process: from generating ideas to learning new editing strategies. Consultants take a collaborative approach, working with you to help you develop your writing in light of your specific goals and assignments. For additional information or to make an appointment for a free, 45-minute consultation, call 303-871-7456 or go to MyWeb > Student > Writing Center (www.du.edu/writing/writingcenter/)

Mental Health & Wellness:

DU provides resources to support students' safety, health, and well-being. Student may experience a range of issues that can cause barriers to learning (e.g. strained relationships, increased anxiety, alcohol/drug concerns, depression, difficulty concentrating and/or lack of motivation). These stressful moments can impact academic performance or reduce your ability to engage. If you or someone you know are suffering from any challenges, you should reach out for support. You can seek confidential mental health services available on campus in the Health & Counseling Center (HCC) and My Student Support System (My SSP). Another helpful campus office is Student Outreach & Support (SOS), where staff work with you to connect to all the appropriate campus resources, develop a plan of action, and guide you in navigating challenging situations. If you are concerned about yourself and/or one of your peers you can send a SOS referral.

More information about HCC, MY SSP, and SOS can be found at:

[Health & Counseling Services](#)

[My SSP 24/7 confidential services for students](#) (Links to an external site.)

[Student Outreach & Support \(SOS\) and SOS Referrals](#)

Religious Accommodation Policy:

As part of its commitment to diversity and Inclusive Excellence, the University provides reasonable accommodations for students' sincerely held religious beliefs or practices. Students are expected to examine the course syllabus for potential conflicts with religious beliefs or practices and submit the Religious Accommodation Request webform to seek accommodation. For full details, including request process, visit the Religious and Spiritual Life web page: <https://www.du.edu/studentlife/religiouslife/index.html>

Title IX:

The University of Denver is committed to providing an environment free of discrimination on the basis of sex (gender), including sexual misconduct, sexual assault, relationship violence, and stalking. [The Center for Advocacy, Prevention and Empowerment \(CAPE\)](#) provides programs and resources to help promote healthy relationships, teach non-violence and equality, and foster a respectful and safe environment for all members of the University of Denver community. All services are confidential and free of charge.

For assistance during business hours, call 303-871-3853 and ask to speak to the Director of CAPE. After hours, please call 303-871-2205.

Restriction of Audio and Video Student Classroom Recording

Students may not photograph or use audio or video devices to record classroom lectures or discussions or visual materials that accompany them. This restriction also includes visual materials that accompany the lecture/discussion, such as lecture slides, whiteboard notes/equations, etc.

Students with disabilities who need to record classroom lectures or discussions must contact the Disability Services Program to register, request and be approved for an accommodation. Such recordings are to be used solely for the purposes of individual or group study with other students

enrolled in the class in that quarter. They may not be reproduced, shared in any way (including electronically or posting in any web environment) with those not in the class in that quarter. Students who violate this policy will be reported to The Office of Student Rights & Responsibilities and may be subject to both legal sanctions for violations of copyright law and disciplinary action under *Student Rights & Responsibilities Policies*.