

Course Outline

2017

ECON 232: DEVELOPMENT OF THE INTERNATIONAL ECONOMY (15 POINTS) Semester 2 (1175)

Course Prescription

This course considers the development of the international economy— its overall organisation and the main international economic relationships that have taken place since the early twentieth-century. The causes and consequences of growing economic interdependencies among nations are examined. The meaning of international economic and financial integration is explored in detail. Changing patterns of trade, cross-border capital flows, and international migration of labour are analysed. Cyclical and secular trends in global output, employment and investment are also considered. International monetary reform issues are explained. The course focus is on the development of institutions as well as the economic and social conditions that induce and validate economic development.

Programme and Course Advice

Prerequisites: ECON 101 Microeconomics or ECON 191 Business Economics, and ECON 111 Macroeconomics.

A good performance in general studies ECON 151G Understanding the Global Economy, will enable you to enrol in this course if you make a personal request to the lecturer for approval/ course concession: a.endres@auckland.ac.nz. This course will provide good foundations for Stage III and Honours/Master's courses in economic history, economic policy, international economics and finance.

This course *may* be used as a prerequisite for ECON 342 International Economic Policy Studies, ECON 343 East Asian Growth and Trade and ECON 352 International Finance. It will also be of benefit to students in international business, management studies, sociology, political studies and philosophy.

Goals of the Course

The course aims to examine the development of the international economy and changing economic relationships that have taken place especially since the early twentieth-century. The course endeavours to provide an understanding of recent developments and problems in the international financial system. Case studies of recent trends in selected Asian and European economies will also be provided.

Learning Outcomes

By the end of this course it is expected that the student will:

1. be equipped with a broad understanding of the origins and causes of the development of the modern global economy.
2. gain a better understanding of the ideas and issues associated with the present arrangement of the international financial system.

Content Outline (a more specific lecture outline will be provided in the first lecture)

- Week 1: International economic integration: An overview
- Week 2: International financial crises: Banking, currency, sovereign debt and financial contagion crises
- Week 3: Global economic integration and its consequences; The international gold standard; Depressions, financial booms, market manias, panics and market 'bubbles' since the 1930s
- Week 4: The Bretton Woods international monetary system
- Week 5: The economic and political functions of international financial institutions: IMF and World Bank
- Week 6: Crises of the 1970s, 1980s and 1990s: fixed versus flexible exchange rates
- Week 7: International capital flows
- Week 8: Climate change and the world economy
- Week 9: The Asian economic boom: case studies of China and India
- Week 10: Currency and monetary unions
- Week 11: The European economies: growth prospects and problems
- Week 12: Revision lectures

Learning and Teaching

This course will be taught in the second semester. Only **3 hours** of the officially allotted hours will be used. Lectures will be held on Tuesday 3pm to 4pm and Thursday 3pm to 4pm. A full class tutorial session (optional) will be held on Thursday 4pm-5pm.

- Students will be introduced to a range of general background reading together with more specific material for individual topics.
- Summary lecture notes will be provided in class each week.
- There is no course book and no single course text.
- Texts and set readings will be available from the University Library Short Loan Collection and electronic access to most readings will be available on the special ECON 232 course Library website (accessed via CANVAS).
- An electronic file of recommended, up-to-date articles will be available in the CANVAS system to those enrolled in the course.

Teaching Staff

Professor Tony Endres, Room 669, 6th Floor, Owen G. Glenn Building,
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Learning Resources

1. Set readings for lectures and essays.
2. Set readings in an electronic file available on CANVAS and a special ECON 232 course website.
3. Background reading for the course can be found on IMF website: www.imf.org.

Assessment

Coursework consists of two (2) Essays worth 20% each.

The Final mark consists of

Either: 60% on the Final Exam and 40% on the Coursework.

Or: 100% Final Exam

Plussage *applies*.

Learning Outcome	Essay 1	Essay 2	Final Examination
1	X	X	X
2	X	X	X