

International Economics (Econ 231), Fall 2009
Oxford College of Emory University
TuTh 11:30-12:45

Instructor: Dr. Jasminka Ninkovic
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Office Hours

MW: 1:30 p.m. – 2:30 p.m.
TTh: 10:00 a.m. – 11:00 a.m. or by appointment

Book and Support Materials

Required: James Gerber, *International Economics*, fourth ed., Addison Wesley, 2009;
P. King & S. King, *International Economics, Globalization, and Policy – A Reader*, fifth ed., McGraw-Hill, 2009;
Recommended: *The Economist*

Overview of the Course

Nowadays nations interact in many ways and almost all of these interactions have an economic aspect and/or economic consequence. It is impossible to understand the domestic economy without understanding its interactions with the international economy. In this class we will try to understand the most important theories, policies, and events of international economics.

This is an introductory course to International Economics. Thus, we will not go over the mathematical modeling techniques but we will concentrate on graphic explanations and on economic intuition.

The main players on international scene are individual countries and international institutions. In the first part of this course, we will discuss international institutions as well as the theory and policy issues of International Trade. In this section, we will try to answer questions such as “why do countries trade?” and “why do countries produce certain goods and import others?” “why do countries levy tariffs?”, “what are other kinds of trade restriction?”.

In the second part, we will review the basics of the theory of International Finance and discuss its policy implications. In this section, we will study international macroeconomic issues such as balance of payments accounts, exchange rates and relevant events such as previous and recent financial crises.

Expected Student Conduct:

- be on time
- participate in class discussion
- read over the assigned material before the class
- study on regular basis
- please discuss with me any problems any problems you may have in the course or any suggestions to improve the course

Examinations and Grading Policies

Assignments/projects: 20%

Pop up quizzes: 20%

Midterm exams (2): 40%, Oct 15th and Nov 24th

Final-comprehensive: 20%

Bonus points: assignments, participation, attendance (up to 5%)

Grades are not curved (60-69 is D, 70-79 is C, 80-89 is B and 90 and up is A with pluses and minuses in each range). Details about the assignments/projects will be supplied in class on regular basis. Paper assignments are due at the beginning of the class. Late assignments will not be accepted. You need to be in the class to submit an assignment. Lowest pop up quiz grade will be dropped or, if you missed only one quiz, it will not be counted towards your grade. Failure to take a test will lead to a score of zero for that test. No exception will be made except in medical emergencies where the other exams will be adjusted. Written verification is required in such cases. Bonus points are given for selected assignments, active class participation, attendance and discussion participation.

Honor code

Honor code is strictly enforced in this class. Examples of scholastic dishonesty include (but are not limited to) receiving or giving help on exams or homework and plagiarizing or sabotaging another student's work. The usual penalty for violations of honor code is grade F in this course.

Communication and Attendance

You are responsible for any announcements or assignments made in class.

Class documents, as well as detailed weekly readings will be posted on LearnLink conference.

I strongly encourage you to attend class, participate in class discussion, study regularly, and complete the assigned readings and assignments sets in a timely manner.

Students Athletes, Students with Accommodations and Religious Holidays

If there is an interference with your class schedule because of your athletic commitments or religious reasons, please inform your instructor a.s.a.p. Also, if you have accommodations for the class, you are expected to bring in a letter from the responsible college institution a.s.a.p.

Readings

Week 1 (Aug 26 - Aug 28) & *Week 2* (Aug 31 - Sept 4)

Introduction and Institutions

Readings: Ch 1 & Ch 2 (Gerber),
Bretton-Woods (video CH)
The Global Governance of Trade (Reader: 164 -190 pp.)
Appraising the IMF's Performance (Reader: 349-356 pp.)
Are We Underestimating..(Reader: 190-200 pp.)

Week 3 (Sept 8 - Sept 11) – no class Sept 7

The European Union

Readings: Ch 14 (Gerber)
Integration and Globalization (Reader: 307-318 pp.)
The Euro: Ever More Global (Reader: 300-307 pp.)

Week 4 (Sept 14 - Sept 18)

Comparative Advantage

Readings: Ch 3 (Gerber)
How Costly is Protectionism (Reader: 2-19 pp.)
International Trade: Why We Don't Have more of it? (Reader: 33-44 pp.)

Week 5 (Sept 21 - Sept 25)

Beyond Comparative Advantage

Readings: Ch 4 & Ch 5 (Gerber)
Global Migration...(Reader: 147-155 pp.)
America's Stake (Reader: 155-164 pp.)

Week 6 (Sept 28 - Oct 2)

The Theory of Tariffs and Quotas

Readings: Ch 6 (Gerber)

Week 7 (Oct 5 – Oct 9)

Commercial Policy

Readings: Ch 7 (Gerber)

Week 8 (Oct 12 – Oct 18) - no class Oct 12-13

Spring Break,

Midterm I Oct 15th

Week 9 (Oct 19 – Oct 23)

Export-Oriented Growth in East Asia

Readings: Ch 16 (Gerber)

Week 10 (Oct 26 – Oct 30)

International Trade and Labor Environmental Standards

Readings: Ch 8 (Gerber)

Labor Standards: Where do They Belong...(Reader: 60-80 pp.)

Bridging the Trade-Environment Divide (Reader 44-60 pp.)

Week 11 (Nov 2 – Nov 6)

Trade and Policy Reform in Latin America

Readings: Ch 15 (Gerber)

DeSotto (video CH)

Trade in Americas from NAFTA to Bil...(Reader 111-125.pp)

China and India in the World Economy

Readings: Ch 17 (Gerber)

What is so Special about China's Exports? (Reader: 200-219 pp.)

Week 12 (Nov 9 – Nov 13)

Trade and the Balance of Payments

Readings: Ch 9 (Gerber)

Does FDI Help Emerging Economies? (Reader 125-135 pp.)

Financial-sector FDI and Host Countries: New and Old Lessons

(Reader: 333-349 pp.)

Week 13 (Nov 16 – Nov 20) & *Week 14* (Nov 23 – Nov 24) - no class Nov 25-27

Exchange Rates and Exchange Rate Payments

Readings: Ch 10 (Gerber)

China's Controversial...(Reader: 261-266 pp.)

Have U.S Import Prices Become Less Responsive (Reader: 135-147pp)

To Float or Not to...(Reader: 266-270 pp.)

Moving to ...(Reader: 270-281 pp.)

Midterm II, Nov 24th

Week 15 (Nov 30 – Dec 4)

Open Economy Macroeconomics

Readings: Ch 11 (Gerber)

Twin Deficits...(Reader: 219-228 pp.)

Why a Dollar...(Reader: 228-238 pp.)

Trade Deficits....(Reader 238-253 pp.)

Week 16 (Dec 7-8)

International Financial Crisis

Readings: Ch 12 (Gerber),

Asian Crisis (video CH)

Asia Ten Years After & Financial Crisis of the Future (Reader)

Dec 9th – Reading Day

Final Exam – Comprehensive, Th, Dec 10th 9:00-12:00

Note: this syllabus is tentative and the instructor reserves the right to make any changes during the course as deemed necessary. These might include, but are not restricted to, addition or deletion of readings, assignments and changes in the schedule.