

ECON 312: ECONOMICS OF GLOBALIZATION

Fall Semester, 2011-2012

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Topics: Globalization arouses great controversy. This course examines the integration across borders of the markets in goods and the factors of production, and the consequences of these trends. In the first part of the course we discuss the history of globalization and the emergence of international public goods. Next we examine international trade, the migration of labor, and global financial flows. We then assess the implications of globalization for growth and poverty, the environment and governance.

Prerequisite: The prerequisite for the course is ECON 201.

Readings: The main text for the course is:

Reinert, *An Introduction to International Economics: New Perspectives on the World Economy*
(available at <http://mason.gmu.edu/~kreinert/ww.html>)

Rodrik, *The Globalization Paradox*

Other readings are available through Clapp Reserves or are posted on our Sakai conference.

Requirements: The course grade will be determined by the results of four sets of review questions (15% each), a joint presentation (15%), class participation (5%) and a final paper (20%).

Class Conference: We have a Sakai site that we will use to post announcements, answer questions, etc.

Office Hours: Wednesdays from 2:30 – 3:30 and Thursdays from 2 – 3` p.m.

Honor Code: All members of the course are expected to adhere to the Honor Code of Wellesley College.

I.	Introduction	8/26, 8/28
	1. Background	
	2. History	
	Reinert, Ch. 1	
	Rodrik, Chs. 1, 2	
II.	IPGs and IGOs	9/6, 9/9, 9/13
	1. International Public Goods	
	2. Intergovernmental Organizations	
	3. Justice	
	Kaul, Grunberg and Stern, 1999, "Defining Global Public Goods," in Kaul, Grunberg and Stern (eds.), <i>Global Public Goods</i>	
	Sandler, 2004, <i>Global Collective Action</i> , Ch. 2	
	Kapstein, "Models of International Economic Justice," <i>Ethics & International Affairs</i> , 2004	
	REV Qs I	9/20
III.	Trade	9/16, 9/20, 9/27
	1. Comparative Advantage	
	2. Trade Restrictions	
	3. Trade Policies	
	Reinert, Chs. 3, 5, 6, 7	
	Rodrik, Chs. 3, 4, 12: 252-259	
	<i>NO CLASS</i>	9/23
IV.	Migration	9/30
	Reinert, Ch. 12	
	Rodrik, Ch. 12: 266-272	
	Borjas, "Globalization and Immigration," in Weinstein (ed.), <i>Globalization: What's New</i> , Ch. 4	
	TRADE AGENDA	10/4
	MIGRATION AGENDA	10/7
	<i>FALL BREAK</i>	10/11
	REV Qs II	10/12

V.	Finance	10/14, 10/18, 10/21, 10/25
	1. Exchange Rates	
	2. Monetary Unions	
	3. Balance of Payments	
	4. Capital Flows and Crises	
	Reinert, Chs. 13, 16: 1-8, 11-15; 17, 18	
	Rodrik, Chs. 5, 6, 12: 260-266	
	<i>TANNER CONFERENCE</i>	<i>11/1</i>
	FINANCE AGENDA	11/4
VI.	Growth and Poverty	10/28, 11/8
	Reinert, Chs. 20, 21, 23	
	Rodrik, Chs. 7, 8	
	Williamson, “Did the Washington Consensus Fail?” 11/6/02	
	DEVELOPMENT AGENDA	11/15
VII.	Environmentalism	11/11
	Frankel, 2005, “The Environment and Economic Globalization,” in Weinstein (ed.), <i>Globalization: What’s New</i> , Ch. 6	
	REV Qs III	11/15
	<i>THANKSGIVING</i>	<i>11/25</i>
	ENVIRONMENTAL AGENDA I	11/18
	ENVIRONMENTAL AGENDA II	11/22
VIII.	Governments	11/29
	Rodrik, Chs. 10, 11	
	<i>NO CLASS</i>	<i>12/2</i>
	GOVERNANCE AGENDA	12/6
	REV Qs IV	12/7

Supplemental Readings:

Trade:

Bluestein, *Misadventures of the Most Favored Nations*, Ch. 14
Jones, *The Doha Blues: Institutional Crisis and Reform in the WTO*, Chs. 1, 2, 7
Lomborg, *Solutions for the World's Biggest Problems*, Ch. 4

Migration:

Bhagwati, *In Defense of Globalization*, Ch. 14
Goldin, Cameron and Balarajan, *Exceptional People*, Chs. 7, 8
Lomborg (ed.) *Solutions for the World's Biggest Problems*, Ch. 23

Finance:

Bhagwati, *In Defense of Globalization*, Ch. 14
Isard, *Globalization and the International Financial System*, Chs. 7, 8
Lomborg (ed.), *Solutions for the World's Biggest Problems*, Ch. 1
Schmukler, "Financial Globalization: Gain and Pain for Developing Countries," in Frieden, Lake and Broz, *International Political Economy*, Ch. 18

Growth and Poverty:

Bhagwati, *In Defense of Globalization*, Chs. 5, 10
Birdsall, Rodrik and Subramanian, "How to Help Poor Countries." *Foreign Affairs* 2005 (no. 4)
Harrison (ed.), *Globalization and Poverty*
Lomborg (ed.), *Solutions for the World's Biggest Problems*, Chs. 19, 20

Environmental:

Bhagwati, *In Defense of Globalization*, Ch. 11
Lomborg (ed.), *Solutions for the World's Biggest Problems*, Chs. 5, 6, 9
Posner and Weisbach, *Climate Change Justice*, Chs. 1, 2, 3, 8, Afterword

Governance:

Bhagwati, *In Defense of Globalization*, Chs. 16, 17, 18
Drezner, "Globalization and Policy Convergence," in Frieden, Lake and Broz (eds.), *International Political Economy*, Ch. 12
Stiglitz, "The Overselling of Globalization," in Weinstein (ed.), *Globalization: What's New?* Ch. 10