

ECON 312: ECONOMICS OF GLOBALIZATION

Fall Semester, 2018-2019

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Goals: This course provides an introduction to the causes and consequences of economic globalization. The topics include the history of globalization and the role of international public goods, international trade, the migration of labor, and global financial flows. We also assess the implications of globalization for growth and poverty, the environment and governance. Students will use economic analysis and data to understand the economic consequences of the movements of goods and services, people and capital. They will also be able to discuss the implications of public policies related to globalization.

Prerequisite: The prerequisite for the course is ECON 201.

Readings: The texts for the course are:

Reinert, *An Introduction to International Economics: New Perspectives on the World Economy*

Rodrik, *The Globalization Paradox*

Weisman, *The Great Tradeoff: Confronting Moral Conflicts in the Era of Globalization*

Other readings are available are posted on our Sakai conference.

Requirements: The course grade will be determined by the results of five sets of review questions (50%), a joint presentation (20%), class participation (5%) and a final paper (25%).

Sakai Site: We will use our site to make announcements, post news stories and problem sets, answer questions, etc. Please post any items that you think would be of interest. All class notes, problem sets, and exams are the intellectual property of instructor and should not be given or forwarded to any other party without prior consent.

Office Hours: Wednesdays 2:30 – 4 p.m. and Thursdays 2:00 – 3:30 p.m.

Classroom Environment: We meet in the classroom to collectively learn the material. Do not check text messages or e-mails. Please refrain from leaving the room unless necessary.

Honor Code: Members of the course are expected to adhere to the College's Honor Code.

Disabilities: If you have a disability or condition, either long-term or temporary, and need reasonable academic adjustments in this course, please contact Disability Services to get a letter outlining your accommodation needs, and submit that letter to me. You should request accommodations as early as possible in the semester, or before the semester begins, since some situations can require significant time for review and accommodation design. If you need immediate accommodations, please arrange to meet with me as soon as possible. If you are unsure but suspect you may have an undocumented need for accommodations, you are encouraged to contact Disability Services. They can provide assistance including screening and referral for assessments.

Disability Services can be reached at disabilityservices@wellesley.edu, at 781-283-2434, by scheduling an appointment online at their website www.Wellesley.edu/disability, or by visiting their offices on the 3rd floor of Clapp Library, rooms 316 and 315.

READINGS AND ASSIGNMENTS

I. Introduction

Sept. 4: History: 1st Era of Globalization

Sept. 7: History: 2nd, 3rd Eras of Globalization

Rodrik, Chs. 1, 2

II. IPGs and IGOs

Sept. 11: International Public Goods

Sept. 14: Intergovernmental Organizations and Hegemons

Kaul, Grunberg and Stern, 1999, "Defining Global Public Goods," in Kaul, Grunberg and Stern (eds.), *Global Public Goods*

Sandler, 2004, *Global Collective Action*, Chs. 2, 3: 60-68

Sept. 19: Review Questions #1

Sept. 19: Current Issues

Wolf, "The Long and Painful Journey to World Disorder," *Financial Times*, 1/5/2017

Bordo, "The Second Era of Globalization is Not Yet Over," NBER Working Paper no. 23786, 9/17

Weisman, Ch. 1, 3, 9

Deaton, "Rethinking Robin Hood," *Project Syndicate*, 6/13/2016]

III. Trade

Sept. 18: Comparative Advantage

Reinert, Chs. 3, 5

Rodrik, Ch. 3

The Economist, “An Inconvenient Iota of Truth,” 8/6/2016

Salvatore, *Introduction to International Economics*, Ch. 4

Sept. 21: Trade Restrictions

Reinert, Ch. 6

Sept. 25: Trade Policies

Reinert, Chs. 7, 8

Rodrik, Chs. 4, 12: 252-259

IV. Migration

Sept. 28: Migration

Reinert, Ch. 12

Rodrik, Ch. 12: 266-272

National Academies of Sciences, Engineering and Medicine, “The Economic and Fiscal Consequences of Immigration,” 9/2016

Oct. 2: TRADE AGENDA

Oct. 3: Review Questions #2

Oct. 3: Current Issues

Weisman, Ch. 10, 11: 162-164

Irwin, “The Truth About Trade,” *Foreign Affairs*, 7/2016

Rodrik, “The WTO Has Become Dysfunctional,” *Financial Times*, 8/5/2018

The Economist, “In My Backyard,” 10/12/2013

Applebaum, “A Look Inside Airbus’s Epic Assembly Line,” *New York Times*, 5/7/2017

Oct. 5: MIGRATION AGENDA

Oct. 9: FALL BREAK

V. Finance

Oct. 11: Global Imbalances

Reinert, Ch. 13

Chinn, "Are Global Imbalances a Source of Concern," *Econofact*, 9/29/2017

Oct. 16: Exchange Rates

Reinert, Ch. 16: p. 266-271, 274-277

The Economist, "Not Floating, But Flailing," 7/5/2014

The Economist, "Two Out of Three Ain't Bad," 8/27/2016

Oct. 17: Review Questions #3

Oct. 17: Current Issues

Weisman, Ch. 11: 162-164

The Economist, "Wage War," 8/27/2016

The Economist, "Like Manna from Heaven," 9/5/2015

Chami, Ernsset, Fullenkamp and Oeking, "Is There a Remittance Trap?" *Finance & Development*, 9/2018

Oct. 19: Monetary Unions

Reinert, Ch. 19

The Economist, "Members Agree That the Single Currency Needs More Integration," 3/25/2017

Oct. 23: Capital Flows and Crises

Reinert, Ch. 18

Rodrik, Chs. 5, 6, 12: 260-266

The Economist, "Just in Case," 10/12/2013

Oct. 24: Douglas Irwin, Dartmouth College, 12:30 - 2

Oct. 31: Review Questions #4

Oct. 31: Current Issues

Weisman, Chs. 5, 7

Ostry, Loungani and Furceri, "Neoliberalism: Oversold?" *Finance & Development*, 6/2016

The Economist, "Too Much of a Good Thing?", 10/12/2013

Cohen, "How Stable Is the Global Financial System?" *Project Syndicate*, 9/29/2017

Oct. 26: IMF

Reinert, Ch. 17

Joyce, *The IMF and Global Financial Crises*, Ch. 10

Nov. 2: FINANCE AGENDA

VI. Poverty and Inequality

Nov. 6: Poverty and Growth

Reinert, Chs. 20, 23

Rodrik, Chs. 7, 8

The Economist, "The World Has Made Great Progress in Eradicating Extreme Poverty,"
3/30/2017

Williamson, "Did the Washington Consensus Fail?" 11/6/2002

Nov. 9: Inequality

Milanovic, "The Greatest Reshuffle of Individual Incomes Since the Industrial Revolution," *Vox*,
7/1/2016

The Economist, "As You Were," 10/13/2012

Nov. 14: Review Questions #5

Nov. 14: Current Issues

Weisman, Ch. 4

Pavcnik, "How Has Globalization Benefited the Poor?" *Yale Insights*, 4/28/2009

The Economist, "The Journey of an African Cotton Boll," 3/4/2017

Rodrik, "Good and Bad Inequality," *Project Syndicate*, 12/11/2014

Wolf, "Inequality Is a Threat to Our Democracies," *Financial Times*, 12/19/2017

VII. Environmentalism

Nov. 13: Global Environmentalism

Frankel, 2005, "The Environment and Economic Globalization," in Weinstein (ed.),

Globalization: What's New, Ch. 6

The Economist, "Pigouvian Taxes," 8/9/2017

Nov. 16: DEVELOPMENT AGENDA

VIII. Governance

Nov. 20: Governance in Open Economy

Rodrik, Chs. 9, 10, 11

Nov. 23: Thanksgiving

Nov. 27: ENVIRONMENTAL AGENDA I

Nov. 30: ENVIRONMENTAL AGENDA II

Dec. 4: International Governance

Weisman, Ch. 12

Frieden, Pettis, Rodrik and Zedillo, 2012, *After the Fall: The Future of Global Cooperation*,
Chs. 4, 6, 7

Dec. 5: Current Issues

The Economist, "Climate Change and Inequality," 7/13/2017

Wolf, "Donald Trump'd Clash of Civilisations Versus the Global Community," 7/11/2017

The Economist, "Countries Team Up To Save the Liberal Order from Donald Trump, 8/2/2018

Sandhu, "Three Reasons Why Globalisation Will Survive Protectionist Rebellions," 3/9/2017

O'Neill, "Why the G7 Is a Zero?" *Project Syndicate*, 6/12/2018

Dec. 7: GOVERNANCE AGENDA

Dec. 20: Final Paper