Economics/International Relations 635
The Economics of Globalization

Course Description
This course explores the economic debate surrounding the process of globalization. It examines the historic and current economic causes and consequences of market integration—with respect primarily to domestic labor markets, international trade, the multinationalization of production, the integration of financial markets and the role of international institutions in the developed and developing world.

Learning objectives
The goal of this course is for students to develop a means of critical analysis and understanding of the current globalization issues through utilization of the tool of economic theory and economic methods of thinking.

Reading
- Textbooks: Jeffry A. Frieden, Global Capitalism, W.W. Norton, 2006
- Throughout the semester, articles and other materials will be identified in class and available on the Moss website online.sfsu.edu/jgmoss/

Course Requirements
1. EXAMS - There will be 3 exams. The exams will be extensive essay and problem solving examinations in which material from the readings and lectures will be covered. Each student must take all three exams to complete the requirements of the course. Exams will be based on readings and lectures. Lectures will present subject matter in the written materials and subject matter only presented in class. Class attendance is mandatory to be exposed to all of the required subject matter of the course.
2. CURRENT EVENT REVIEW - Each student will be required to review one current topic in international economics from a newspaper, periodical or journal article in an oral and written form. Each presentation should utilize at least four current information sources. Class presentation dates will be assigned and a short (4-5 page) written summary of the articles will be turned in at that time.

3. Reading Response Papers - Each week students will be required to write a 1-2 page reading response to a series of questions on the assigned readings and email it to the professor, at the latest, by midnight on Monday of each week. Papers sent on the class day will not be counted. You are allowed to miss 2 responses. You will get a maximum of 2 points and a minimum of 0 for each response. Responses will be emailed to the following email: global635@gmail.com.

4. Optional Student Papers - Each student will have the option of writing a 10 page paper. The material should be based on topics from class readings and additional source material readings - journal articles, books and periodicals. If students write a paper it will count as 5% of the grade, with Exam 3 counting as 21.7% .(see below) Paper topics, outlines, and the materials to be utilized must be approved by the instructor by November 4, 2015. Papers due December 9, 2015.

5. Grading – The general requirements for the course are as follows:
The final grade will be determined as follows:
Exam 1 26.7%
Exam 2 26.7%
Exam 3 26.7%
Current event review & class presentation 10.0%
Reading response papers 10.0%
Total 100%

6. Course Prerequisites – This course is open to all upper division students. It is helpful (although not necessary) if students have some previous exposure to the principles of macro- and micro- economics. Students are expected to have the ability to follow the presentation of the basic theoretical concepts as well as graphic and algebraic expositions as they apply to basic economic concepts and to international economics.

Exam Schedule

Exam 1 – September 23, 2015
Exam 2 – November 4, 2015
Exam 3 – December 9, 2015
Partial Course Outline

I. Introduction
- What is globalization?
- What is the globalization debate about?
- Role of changing technology
- How do we measure globalization?
- What are the consequences of globalization?
- Using economic tools in analysis of historic and current issues

II. Globalization from an Historic Perspective
- Golden Age of Globalization, 1840-1914
- The late 19th century and the gold standard through First World War.
- Russian Revolution and the influence of Socialism
- Great Depression and collapse of world trading and financial systems
- Inward autarkic retreat from 1914-1945.
- Post WW II outward oriented economic regimes of OECD countries.
- Influences of the cold war and inward looking economic policies
- Shift towards outward liberalized economic regimes of 21st century
- How did market integration by 2006 compare with that at the end of the last great era of internationalization at the end of the 19th century? Re-visited and re-define current situation to 2010.

III. Economic and Financial Crises 2007-2009
- What factors lead to the meltdown: Market focused thinking, housing market bubble, subprime lending practices, new financial instruments, lax oversight, weak regulation, fraud and deception....(and more)
- International transmission of the financial crisis – role of the US dollar and the US balance of payments
- Tracing the progression of the crises from the financial market to the real economy, domestically and internationally
- Role of the Federal Reserve in crisis and recovery
- History of monetary theory and monetary policy – US
- Financial history – international and domestic financial events
- Integration of world capital markets
- Capital mobility and its consequences – the Asian Crisis and others
- Economic recovery – Monetary and Fiscal Policy
- Return of Keynesian economics, economics of the stimulus package
- Understanding economic bubbles
- Minsky’s analysis of financial instability – Financial instability hypothesis
- Regulation’s role in the modern economy
IV. Sovereign Debt and Economic Austerity
– What is sovereign debt?
– Sovereign debt crisis in Greece, Portugal and Ireland
– The Euro and the European sovereign debt problems
– What does “default” mean in general?
– What does default mean for the US dollar and its role as the key currency
– What has been the recent experience of austerity policies

V. International Trade and Globalization
– Explaining international trade through international trade theory – Absolute advantage, comparative advantage, factor price equalization, etc.
– Why do economists think that free trade is good for everybody?
– Protectionism – winners and losers.
– International trade and the domestic labor market – effects on income distribution.
– Trade, growth and developing countries
– Regional trade agreements
– How international trade has been affected by the economic crisis
– World Trade Organization
   - History of the world trading system
   - GATT and the WTO, what are the differences
   - WTO and its management of world trade

VI. Globalization and the Domestic & International Labor Markets
– How are domestic labor markets affected by globalization?
– Outsourcing and the domestic labor force.
– Who are the winners and losers in the domestic labor market and can or should we protect the losers?
– Has trade increased inequality and insecurity?
– The sweatshop debate
– Thinking in terms of a global labor force
– Linking international trade and domestic labor market conditions
– Economic crisis and labor markets

VII. Reforming and Repairing the Global Economy
– Is there a viable alternative to the current international trade and investment framework?
– Changing the rules of the game – regulatory reform
– Domestic and international safeguards
– Financial reform and regulation in the US and elsewhere