ECON 121: International Economy

Course Objective:

This course, on the one hand, seeks to elucidate what has come to be called the globalization of the international economy and its relationship to what appears to be a fracturing of the political firmament in the aftermath of the Cold War. On the other, it introduces the fundamental dynamics of the world economy. Our focus will be the role of the U.S. in the changing world economy with an emphasis on current issues: e.g., NAFTA, the trade war, protecting the environment, global aid, international finance and banking regulations, etc.

Every country nowadays, it is said, has to submit to the dictates of world competition. Without ‘world class’ products, the thesis goes, the standard of living of one’s own country is likely to stagnate, if not to decline catastrophically. This is a situation, which any country would find insupportable. Many authors believe, for instance, that it was the very failure to live up to this criterion which hastened the demise of the Soviet Union.

The course steadily reminds us the theme of global inequalities. This choice is not arbitrary; such an underlying theme will give us a handle to develop our own position about one of the leading claims of the pro-globalization camp, i.e. more globalization leads to less inequality, especially globally but also domestically.

There are competing globalizations. In fact, one would argue that there is a “clash of globalizations.” In addition to actually existing globalization, there are potential alternatives to this, e.g. the third way (the UK), the fourth way (Australia) and various forms of anti-globalization perspectives (delinking of the Third World from the advanced North). After setting the context and reviewing the leading perspectives on international political economy, first, we will ask whether, as many authors seem to think, this is an unprecedented situation --we will try to put the contemporary epoch in historical context. Second, we will focus on the current dynamics world economy. It is in this context, to the extent that some high degree of international economic integration now exists, we will ask what significant effects it has on the role of the
state in devising and implementing economic policy.

Obviously the largest segment of world population is working people and many of them are poor. Anti-globalization movements attempt to articulate various criticisms and organize actions on behalf of these people. The course will conclude with an assessment of these economic and political responses.

**Learning Outcomes:**

Upon successful completion of the course, the student should be able to:

1. Understand the relationship between power and wealth in the development and functioning of the modern world economy;

2. Explain the ways in which political forces affect the economic choices of states, firms and individuals in international trade, investment, and monetary affairs;

3. Understand how international economic forces influence national politics;

4. Develop a sense of historical specificity of the current conjuncture and a critical stance towards it;

5. Develop a sense of sustainable and fair economic system.

**Electronic Device Policy**

No electronic devices (cell phones, tablets, computers, etc.) may be used in class. Please turn off your cell phone at the beginning of class.

**Note on Academic Honesty**

Penalties for any breach of academic honesty (such as giving or receiving help or using outside material during exams, or plagiarism) are severe and include University disciplinary action. Information on the University's academic honesty policy and examples of academic dishonesty are available under Academic Honesty Policy at http://www.umass.edu/dean_students/academic_policy.

**Course Material:**
Required


*Wall Street Journal*; to be used for clipping theses.

Supplementary


Selected readings, videos, clips and websites will be added during the course of the semester.

Course Website:

The course syllabus and other auxiliary material such as web links, news clippings and analyses, etc. will be made available through [http://www.eatonak.org/S19INTECO/](http://www.eatonak.org/S19INTECO/)

Our textbook also has a website with many additional resources, links, etc. [https://bit.ly/2TPZG79](https://bit.ly/2TPZG79)

Grading:

Mid-term Exam.................................................................25 pts

Final Exam.................................................................30 pts

Clipping Theses (2.5 pts x 10)........................................25 pts
Quiz (5 pts x 3) .........................................................................................15 pts

Participation .................................................................................................5 pts

**Requirements:**

The final and mid-term exams will be based upon pre-circulated essay type study questions and short definitional questions.

The clipping thesis is a two page written assignment consisting of the **WSJ** clipping itself and your own 250 word, 3 paragraph commentary. This assignment will be presented and referred to in class. It is **not** a written exchange between you and me, rather a discussion facilitator (submitted as hardcopy, never by email). The structure of the commentary will be explained in the first class meeting. By following the link below, you can get a reduced student subscription rate for the **WSJ** ($4 for 4 weeks, $12 for the term):

http://r.wsj.net/j8N2T

The **three** quizzes are unannounced. Each will have **two** sets of brief questions (some will be multiple choice); the first set on previously covered material and the other on assigned but uncovered material of the class.

**Course Schedule:**

**Week 1:** Introduction to the course; logistics, etc.; The current state of the world economy.

GPE, Chp. 1.

**Why should one study economics?**

**The 1997 Asian Crisis and Global Contagion** (48’ on)

**Pompeo’s Speech in Davos 2019**

**5 Hidden Ways That Globalization is Changing**

**Week 2:** The evolution of world economy - I; What is globalization?

GPE, Chp. 3
Globalization Theories, World System Theory, etc.

Week 3: The evolution of world economy - II

Week 4: The evolution of world economy - III

Supplementary

IMF. World Economic Outlook 2018

UNCTAD. Trade and Development, Report 2018

Week 5: The dynamics world economy: International trade

Supplementary


International Trade: Cases from the USA (video)

Trading Democracy; NAFTA --PBS-Now

Week 6: MID-TERM EXAM; February 28th
STUDY QUESTIONS

**Week 7:** The dynamics world economy: Transnational production

GPE, Chp. 7

Tonak, E. Ahmet. *The iPhone & the Global Value Chain & the Rate of Exploitation*

RWG, Chp. 3, 3.3

RWG, Chp. 6, 6.4

**Week 8:** The dynamics world economy: Global financial system

GPE, Chp. 8

RWG, Chp. 4, 4.1

RWG, Chp. 4, 4.2

James Henry: *Systematized Tax Evasion: Cheating Competition* (video)

**Week 9:** The dynamics world economy: The global division of labor

GPE, Chp. 9

Video: Van Reenen, *What determines productivity?*

RWG, Chp. 6. 6.2

RWG, Chp. 6, 6.3

**Week 10:** Development and “underdevelopment”

GPE, Chp. 11

RWG, Chp. 8, 8.2

RWG, Chp. 8. 8.4
Supplementary

Chang Hoo-Joon. 2010. *How development has disappeared from today's 'development' discourse*. LSE Lecture (video)

**Week 11: Imperialism**

RWG, Chp. 10, 10.4

RWG, Chp. 13, 13.6

Supplementary


Robert Pollin, Anwar Shaikh, Prabhat Patnaik.


Patnaik, Fraser, Harvey

David Harvey on [Accumulation by Dispossession](https://newschool.bitlab relegated)

**Week 12: Global environmental change**

Tuesday:

GPE, Chp. 12

Thursday:

We will have a guest speaker, Professor Fikret Adaman, Visiting Scholar, Political Economy Research Institute, UMass Amherst.

RWG, Chp. 11, 11.1

RWG, Chp. 11, 11.5
Week 13: Globalization’s future

SEI. 1997. Branch Points: Global Scenarios and Human Choice


—Adam Tooze at WEF, “When Global Orders Fail”

FINAL EXAM; May 3rd