

JOHN JAY COLLEGE OF CRIMINAL JUSTICE - CUNY

ECO 245

INTERNATIONAL ECONOMICS

Spring 2022 Online

**Instructor:** Professor Özgür Orhangazi

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**Office hours:** by appointment

**Course overview**

International economics is the study of all the various economic connections between countries, and the global economics system. It seeks to explain the flows of goods, money and people between countries; the behavior of exchange rates; the ways in which macroeconomic developments in one country or region affect countries elsewhere; the processes by which some countries become rich while others become (or remain) poor; the ways in which societies are shaped and constrained by their economic relations to the rest of the world; and the rules or logic that govern the system as a whole. As in all other fields of economics, there are various competing theories in the international economics field, too. This course aims to give you a broad overview of these different theories on international economics, while at the same time equipping you with the necessary tools and concepts. You will not only learn the fundamentals of the textbook international economics, but also get a chance of studying various critiques as well as their applications to real world issues. We will study basic questions such as: What determines the direction and nature of trade flows? What are the consequences of international trade for national and global income distribution? How do countries gain or lose from trade? How does trade impact economic development? What effects are likely to arise from tariffs and other policy measures? We will also address several contemporary policy issues, including analyses of currency and financial crises, debates around international financial institutions, and the domestic and global implications of U.S. current account deficits. The main objective of this course is to stimulate an intellectual interest in extending the frontiers of our knowledge of international economics related issues and provide a strong background for understanding the main issues related to international trade and imperialism.

**Learning objectives**

By the conclusion of this course, students are expected to:

- Identify definitions for terminology critical to understand international economics
- Describe, compare and contrast different theoretical approaches to international economic issues
- Apply the acquired knowledge to the analysis of the international economic relations of a selected country
- Persuasively argue a position on a policy question concerning international economics

**Course prerequisites**

This course's prerequisite is ECO 101.

## Course materials

*Required text:* International Economics, 7/E James Gerber

Other readings listed below will be posted on Blackboard.

## Course website

Use of the course web site and e-mail is required for all students. The course web site is located on Blackboard: <http://www.jjay.cuny.edu/blackboard> Since I often send out more than one e-mail message per week, you must check your e-mail account and Blackboard account frequently.

## Blackboard support

*Classroom Lab Support Services* (CLSS) forms the **Blackboard Student Support Group** to provide John Jay College students with a dedicated team of staff to smooth students' academic experiences of integrated Blackboard education. Established on September 2009 students with any Blackboard issues or questions may visit and consult with the team located in CLSS office L2.73.10 NB during normal business hours or send their questions to [blackboardstudent@jjay.cuny.edu](mailto:blackboardstudent@jjay.cuny.edu) or call 212-237-8200. For student Blackboard online tutorials and FAQ, please see the link below:

<http://www.jjay.cuny.edu/blackboard-student-support>

## Work requirements

- (1) Each Monday during the semester you must log on to the course website and view the course objectives for that week, readings and assignments. Read the course objectives for that week and the lecture notes before you begin doing the assigned readings.
- (2) Each Sunday, you must submit the assignment for the week through the Blackboard system. Your assignment will be graded within 2 days and you can log back onto Blackboard to see comments and feedback on your assignments. If you submit your assignment/response paper/discussion board post late, you will lose 10/100 points for each day after the deadline. There are no exceptions to this rule.
- (3) There will be two exams, one at the approximate midpoint of the semester and the second during the last week of the semester. You will have three days to complete each of them.

## Grading:

Exam I 30 %

Exam II 30 %

Assignments 40%

Your overall performance will be evaluated using the standard John Jay College grading scale.

A	93.0-100.0	Excellent
A-	90.0- 92.9	
B+	87.1- 89.9	
B	83.0- 87.0	Good
B-	80.0- 82.9	
C+	77.1- 79.9	
C	73.0- 77.0	Satisfactory
C-	70.0- 72.9	
D+	67.1- 69.9	
D	63.0- 67.0	Passing
D-	60.0- 62.9	
F	Below 60.0	Failure

### **Academic Honesty and Plagiarism** (Statement of College's Policy on Plagiarism)

**Plagiarism** is the act of presenting another person's ideas, research or writings as your own. The following are some examples of plagiarism, but by no means is it an exhaustive list:

- Copying another person's actual words without the use of quotation marks and footnotes attributing the words to their source
- Presenting another person's ideas or theories in your own words without acknowledging the source
- Using information that is not common knowledge without acknowledging the source
- Failing to acknowledge collaborators on homework and laboratory assignments

**Internet plagiarism** includes submitting downloaded term papers or part of term papers, paraphrasing or copying information from the Internet without citing the source, and "cutting and pasting" from various sources without proper attribution.

*(From the John Jay College of Criminal Justice Graduate Bulletin, p. 89)*

Students who are unsure how and when to provide documentation are advised to consult with me. The Library has free guides designed to help students with problems of documentation. Plagiarism and other forms of academic dishonesty will result in a grade of 'F' **for the course**, and a formal report of the incident to your department chair and the dean.

### **The Writing Center**

The Writing Center (<http://jjcweb.jjay.cuny.edu/writing/homepage.htm>) is a service that provides free tutoring to students of John Jay College. The Writing Center has a staff of trained tutors who work with you to help you become a more effective writer, from planning and organizing a paper, to writing and then proofreading it as well as applying APA. The Writing Center is a valuable resource, and I encourage you to use it.

### **Miscellaneous information**

This syllabus contains all the information you need to navigate the course over the term and it is imperative that you use it to plan your course work. It is your responsibility to read and understand all the material in this syllabus. The professor reserves the right to make adjustments and amendments to the syllabus as he sees fit. Before such adjustments and amendments, the professor will provide appropriate notice through Blackboard or email of any such adjustments or amendments.

### **Americans with disabilities act**

Qualified students with disabilities will be provided reasonable academic accommodations if determined eligible by the Office of Accessibility Services (OAS). Prior to granting disability accommodations in this course, the instructor must receive written verification of a student's eligibility from the OAS which is located at L66 in the new building (212-237-8031). It is the student's responsibility to initiate contact with the office and to follow the established procedures for having the accommodation notice sent to the professor.

## COURSE OUTLINE AND READINGS

*This is a tentative outline of course readings. Each week please check the "Weekly Lessons" under Blackboard for that week's readings and other materials. \* indicates required reading \*\* indicates suggested reading*

Dates	Topic and readings	Assignments and exams
<b>Week 1:</b> January 28-February 6	<p><b>The US in the global economy and international economic institutions</b></p> <p>* Gerber, Chapters 1 and 2</p> <p>** Ute Pieper and Lance Taylor, "The Revival of the Liberal Creed: The IMF, the World Bank, and Inequality in a Globalized Economy"</p>	Week 1 assignment due by Sunday midnight.
<b>Week 2:</b> February 7-13	<p><b>Comparative advantage and gains from trade</b></p> <p>* Gerber, Chapter 3</p> <p>* Prasch, R. 1996. "Reassessing the theory of comparative advantage," <i>Review of Political Economy</i> 8(1).</p>	Week 2 assignment due by Sunday midnight.
<b>Week 3:</b> February 14-20	<p><b>Heckscher-Ohlin model</b></p> <p>* Gerber, Chapter 4</p> <p>** Deraniyagala, S., and Fine, Ben, "New Trade Theory Versus Old Trade Policy: A Continuing Enigma," <i>Cambridge Journal of Economics</i>, 25, 809-825, 2001.</p>	Week 3 assignment due by Sunday midnight.
<b>Week 4:</b> February 21-27	<p><b>Beyond comparative advantage</b></p> <p>* Gerber, Chapter 5</p>	Week 4 assignment due by Sunday midnight.
<b>Week 5:</b> February 28-March 6	<p><b>Trade policy</b></p> <p>* Gerber, Chapters 6 and 7</p> <p>* Chang, Ha-Joon, "Once Industrialised, Preach Free Trade", <i>South Bulletin</i> 40, July 30, 2002.</p> <p>* Jomo, K. S., "Globalisation for Whom? A World for All."</p>	Week 5 assignment due by Sunday midnight.
<b>Week 6:</b> March 7-13	<p><b>Trade and labor and environmental standards</b></p> <p>* Gerber, Chapter 8</p> <p>Movie: <i>Mardis Gras: Made in China</i></p>	Week 6 assignment due by Sunday midnight.
<b>Week 7:</b> March 14-20	<b>Midterm exam</b>	
<b>Week 8:</b> March 21-27	<p><b>Balance of Payments</b></p> <p>* Gerber, Chapter 9</p>	Week 8 assignment due by Sunday midnight.

<b>Week 9:</b> March 28-April 3	<b>Exchange rates</b> * Gerber, Chapter 10 * Dani Rodrik, “The Real Exchange Rate and Economic Growth”, 2008; <i>Brookings Papers on Economic Activity</i>	Week 9 assignment due by Sunday midnight.
<b>Week 10:</b> April 4-10	<b>International financial crises - 1</b> * Gerber, Chapter 12	Week 10 assignment due by Sunday midnight.
<b>Week 11:</b> April 11-17	<b>International financial crises - 2</b> * Akyüz, Y. 2015. “Internationalization of finance and changing vulnerabilities in emerging and developing economies,” South Centre Research Papers 60. * James Crotty and Gerald Epstein, 1996. "In Defense of Capital Controls". Socialist Register. pp. 118-149 ** Palma, G. (2013) “How the full opening of capital account to highly liquid and unstable financial markets led Latin America to two and a half cycles of ‘mania, panic and crash’” in Epstein and Wolfson. ** Crotty and Lee (2005) "From East Asian "Miracle" to Neoliberal "Mediocrity": The Effects of Liberalization and Financial Opening on the Post-Crisis Korean Economy " in Epstein.	Week 11 assignment due by Sunday midnight.
April 18-24	<b>SPRING BREAK</b>	
<b>Week 12:</b> April 25-May 1	<b>U.S. in the world economy</b> * Gerber, Chapter 13	No assignment.
<b>Week 13:</b> May 2-May 8	<b>U.S. Current Account Deficit and Global Imbalances</b> * Obstfeld, “Does the Current Account Still Matter?” Richard T. Ely Lecture, 2012 * Junji Tokunaga and Gerald Epstein “The Endogenous Finance of Global Dollar and Global Financial Fragility in the 2000’s: A Minskian Approach”, 2013 ** Hudson (2003) <i>Super Imperialism: The Origin and Fundamentals of U.S. World Dominance</i> chapters 11 to 15. ** William Milberg, 2008. Shifting sources and uses of profits: sustaining US financialization with global value chains	No assignment
<b>Week 14:</b> May 9-15	<b>Final exam week</b>	Final exams due by Sunday midnight