

This course follows the College credit hour policy for a four-credit (standard) course. The course meets for lectures twice per week for 75 minutes each

Course Outline

1. Wednesday, January 17: Division of labor, gains from trade and protectionism
Introduces the concepts of comparative advantage, gains from trade and opportunity cost, the Ricardian model of trade, effects of a tariff, and political-economy explanations for protection.
Mankiw, Principles of Economics, Chapters 3, 9
Rodrik, Dani. 1997. Sense and Nonsense in the Globalization Debate.
107 (Summer): 19-37.
2. Monday, January 22: Factors of production and distributive consequences of trade
Introduces labor supply and demand, markets for factors of production, the Stolper-Samuelson Theorem, and Rogowski's argument from
Mankiw, Principles of Economics, Chapter 19 (supply and demand of labor)

9. Wednesday, February 14: The Developmental State
Introduces structuralist critiques of free trade, the infant-industry argument, monopoly, and strategic trade theory.
Oatley, Chapters 5 and 6
Mankiw, Principles of Economics, Chapter 16 (monopoly)
10. Monday, February 19: Foreign investment, commitment and property rights
Introduces the economics of FDI, commitment problems and institutional responses.
Oatley, Chapter 8
FLB Chapter 9 (Caves)
11. Monday, February 26: MNCs, monopolistic competition and politics
Introduces the model of monopolistic competition, describes multinational corporations, and surveys aspects of the politics of MNCs.
Mankiw, Principles of Economics, Chapter 17 (monopolistic competition)
Oatley, Chapter 9
FLB Chapter 12 (Li and Resnick)
12. Wednesday, February 28: Open-economy macroeconomics
Introduces the concepts of open and closed economies, national income accounting, and the real exchange rate, and discusses application to US trade deficits and Chinese currency manipulation.
Mankiw, Principles of Economics, Chapter 32 (Open-economy macroeconomics)
13. Monday, March 4: Exchange rates
Introduces the model of the open economy, the market for loanable funds, and the market for foreign-currency exchange; illustrates the effects of a budget deficit, a trade restriction, and capital flight on the real exchange rate and the real interest rate; introduces fixed and flexible exchange rates.
Mankiw, Principles of Economics, Chapter 33 (A macroeconomic theory of the open economy)
14. Wednesday, March 6: The Keynesian revolution
Introduces aggregate supply and demand, long-run aggregate supply, the theory of liquidity preference, the effects of monetary and fiscal policy, and open-economy effects. Applications to the Great Depression and the Gold Standard.
Mankiw, Principles of Economics, Chapters 34-35 (Aggregated supply and demand; influence of fiscal and monetary policy).
Oatley, Chapter 12.

21. Wednesday, April 10: Banking, exchange rate and financial crises
Introduces the basics of banking, macroeconomic imbalances underlying the Asian financial crisis, international contagion, linked currency and banking crises, and the cases of Indonesia, Korea, Russia and Brazil.
Mankiw, Principles of Economics, Chapter 30 (The monetary system)
Oatley, Chapter 15
22. Monday, April 15: International environmental regulation
Categorizes international environmental problems in terms of externalities (public goods, transboundary concerns, common-pool resources, and local problems) and in terms of coordinating, contracting and bargaining problems. Discusses the politics and IOs of the climate change regime.
FLB Chapter 31 (Keohane and Victor)
23. Wednesday, April 17: European integration
Discusses the history of European integration up to Economic and Monetary Union (EMU), the disciplining effect of the European Monetary System (EMS) on inflationary policies, and the concept of an optimum currency area.
24. Monday, April 22: The Great Recession and the Euro Crisis
Covers the background and causes of the Great Recession of 2008-09 and the subsequent Euro Crisis, and policy responses to both.
FLB Chapter 15 (Chinn and Frieden) and 16 (Copelovitch, Frieden and Walter)
Oatley, Chapter 11
Frieden, Jeffrey, and Stefanie Walter. 2017. Understanding the Political Economy of the Eurozone Crisis. 20: 371-90.
25. Wednesday, April 24: The rise of China
Discusses the causes and likely trajectory of China's economic growth and its consequences for the global economy, global security and global governance.
26. Monday, April 29: Ethics and international political economy
Reviews topics covered in the course and raises ethical questions about the design of international organizations.

Final Exam: May

Exam Grading

Exams will consist of conceptual economics questions and essays.

The economics questions will focus on key concepts covered in the lectures, and may