

University of Vermont
Department of Economics
Course Outline

		Term:	Fall 2012
Course:	Economics 40 [Economics of Globalization]	Section:	A
Time:	MWF 11:45 – 12:35	Place:	Fleming 101
Instructor:	R. Sicotte		
Office:	Old Mill 336	Tel. no.:	656-0184
Office hours:	MW 1:00 – 2:00	E-mail:	richard.sicotte@uvm.edu

Description:

This course is an introduction to the economics of globalization. We will cover the fundamental material about international trade, foreign direct investment, international migration, exchange rates and global finance. We will combine study of basic economic theory as applied to these topics, with the discussion of historical and contemporary experiences. We will relate the concepts we learn to contemporary issues such as the Euro-zone debt crisis, the international dimensions of the U.S. economic crisis, the ratification of bilateral trade agreements (e.g. US-South Korea or US-Colombia), and the lack of progress on a new multilateral trade treaty, illegal immigration, and the offshoring of manufacturing and service jobs. We will conclude the course with a study how economics illuminates the difficulties in reaching an international accord to deal with climate change.

Required Textbook:

The textbook is Kenneth Reinert, *An Introduction to International Economics*, 1st edition, Cambridge University Press, 2012. You can either purchase the textbook in the bookstore, or online at Amazon, Barnes and Noble or at Cambridge University Press. An e-book version is available. ISBN-13: 9780521177108

Additional readings will be available for download on Blackboard.

Grade Determination:

Your grade will depend on five homework assignments (5% each), two midterm exams (20% each) and a final exam (35%). The final exam is cumulative, but questions will be disproportionately from topics covered after the second midterm exam.

Work is marked on a numerical (percentage) basis. The course grade is then calculated using the weights indicated above. The grading scale is as follows:

A: 93-100.	A-: 90-92.		
B+: 87-89.	B: 83-86.	B-: 80-82.	
C+: 77-79.	C: 73-76.	C-: 70-72.	
D+: 67-69.	D: 63-66.	D-: 60-62.	F: Below 60.

A passing grade on any particular component of the course is not required for a student to pass the course as a whole.

Students seeking reappraisal of a piece of graded work should discuss their work with the Instructor within two weeks of the work being returned to the class.

Tentative Course Outline:

August 27, 29: Introduction. Patterns of World Trade. Appleyard, et al; Reinert, ch. 1.

August 31, September 5: Comparative advantage. Reinert, chapters 2-3.

September 7: Intra-Industry Trade 1. Reinert, chapter 4.

September 10: Intra-Industry Trade 2. Feenstra and Taylor pdf.

September 12: Homework #1 Due.

September 12: The Political Economy of Trade. Reinert, chapter 5.

September 14: Globalization and US Wages. Haskel, Lawrence, Leamer and Slaughter, pdf.

September 17-19: Trade Policy Analysis. Reinert, chapter 6.

September 21: TBA.

September 24: The World Trade Organization. Reinert, chapter 7.

September 26: Preferential Trading Agreements. Reinert, chapter 8.

September 28: Homework #2 Due. Midterm #1.

October 1: Foreign Direct Investment. Reinert, chapters 9-10.

October 3: Offshoring. Feenstra and Taylor, pdf.

October 5: International Migration 1. Reinert, chapter 12.

October 8: International Migration 2. *New York Times* article; Hansen pdf.

October 10: Homework #3 Due.

October 10: Balance of Payments. Reinert, chapter 13; Bernanke html.

October 12: Exchange Rates 1. Reinert, chapter 14.

October 15: Exchange Rates 2. Reinert, chapter 15.

October 17: Exchange Rates 3. Reinert, chapter 16.

October 19: Exchange Rates 4: Review.

October 22: Homework #4 Due. Midterm Exam #2.

October 24: International Monetary Fund. Reinert, chapter 17.

October 26: TBA.

October 29: International Financial Crises 1. Reinert, chapter 18.

October 31: International Financial Crises 2. Eichengreen pdf.

November 2: European Monetary Integration. Reinert, chapter 19.

November 5, 7: The Euro-zone crisis. Readings tba.

November 9, 12, 14, 16: Homework #5 Due November 9. The Environment and Globalization. Frankel pdf.

November 26, 28, 30: Global Collective Action. Sandler pdf.

December 3, 5: Review.

December 7: Final Exam. 8:00am – 10:00am