

Seton Hall University

eRepository @ Seton Hall

Diplomacy Syllabi

School of Diplomacy and International
Relations

Fall 2015

DIPL 6155 Economic Aspects of International Relations

Robert Chandross PhD
Seton Hall University

Follow this and additional works at: <https://scholarship.shu.edu/diplomacy-syllabi>

Recommended Citation

Chandross, Robert PhD, "DIPL 6155 Economic Aspects of International Relations" (2015). *Diplomacy Syllabi*. 159.

<https://scholarship.shu.edu/diplomacy-syllabi/159>

THE SCHOOL OF DIPLOMACY AND INTERNATIONAL RELATIONS
SETON HALL UNIVERSITY

DIPL 6155: ECONOMIC ASPECTS OF INTERNATIONAL RELATIONS

Fall 2015

Tuesday 5:00 to 7:10 P.M.

Professor Robert Chandross

Office Hours: Tuesday 4:00 - 5:00 P.M. and by appointment

Email: robert.chandross@shu.edu

Description of the Course:

One goal of graduate level work in international economics is to provide students with a framework in which to analyze concepts and issues that may have previously been assumed to be obvious or extremely complicated. In pursuing this objective you are likely to discover that many of the ideas and perceptions you have about international economics are incomplete or wrong.

During the course we will focus attention on hot button issues in the subject of international trade. Among the items we will look at are outsourcing, is China outcompeting us, the large U.S. external debt and the implications of the move toward regional or preferential trade agreements.

We will start by examining the size of the global economy and various models of trade beginning with Ricardian model. Among the topics that will be covered are the effect of trade on relative wages and income distribution and the potential role of immigration. From the beginning, students will read articles that raise questions about the relevance of historical theories and issues that are very germane to the modern world. Following this, the course will consider government interference in the market system through various trade policies such as tariffs, quotas and the manipulation of exchange rates. Throughout the course emphasis will be placed on real world analyses and developments. Frequently, both sides of controversial issues will be explored.

The format of the course will emphasize interactive discourse among students and between the students and the instructor. Students are expected to have read the material assigned for each class and to be prepared for a spirited discussion.

Students will be expected to be aware of current international economic developments and to be prepared to discuss them at each class. Each class will start with a short student presentation of a current interest topic and class discussion of the issue.

As preparation for this part of the course students should read regularly *The Economist* and a good daily newspaper such as the *Financial Times* or *The Wall Street Journal*.

Course Text:

Feenstra, Robert and Taylor Alan, *Essentials of International Economics*, third edition, Worth Publishers. This book is available in various formats including an ebook.

Students will be expected to read various articles and reports included in this syllabus and to be added. Each item should be accessible through the internet. Some Ground Rules.

Since this is a graduate course, the instructor assumes that students are aware of the benefits of regular class attendance. Attendance will be taken and unexcused absences will be detrimental to course grades. Students are expected to come to class prepared and to be capable of answering questions when called on. Participation in class will count for 25% of the course grade.

Students are expected to turn off cell phones and other electronic devices when in class and to treat other class members respectfully.

Each of the supplemental articles and papers listed in the syllabus should be accessible through the internet, including the library's E-journal site.

Exams, Presentations and Research Papers.

It is anticipated that there will be one in class exam during the semester and a final. In consultation with the instructor, each student will select a topic for a research paper relating to a topic of interest in international economics. The first step in the process will be the selection of a topic to be approved by me. Once the proposal is approved, students will submit a list of academic journal articles or books that will be utilized. A short outline of the paper including a list of books and academic articles will be discussed. The purpose of the oral presentations, which will not be graded, is to obtain feedback on the work. Drafts of the paper will be reviewed provided that

they are turned in one week before the deadline for submitting the final version. Plagiarism and the Honor Code.

It goes without saying that as in all courses at Seton Hall academic integrity is a high priority in this course. Plagiarism will not be tolerated and will result in a failing grade and likely damage to academic standing and enrolment.

Students with Special Needs:

Under the Americans With Disabilities Act and Section 504 of the Civil Rights Restoration Act, Students at Seton Hall University who have a disability may be eligible for accommodations in this course. Should a student require such accommodations, he or she must self identify at the Office for Disability Support Services (DSS) and work with DSS to develop a plan for accommodations.

Grading:

Each exam will have a weight of 25% in the calculation of the final grade. Class participation, including the selection and presentation of a current developments topic will have a weight of 25%. The final version of the research paper will be weighted 25%. While this is not a writing course, students are expected to follow a reasonable standard in their papers and to seek assistance in grammar and form where necessary.

When examining the topic list below you will notice that items are listed by roman numerals rather than dates. This is because some will involve more than one class and others less. I reserve the right to make changes in the syllabus during the semester.

Note: This class will not meet on Tuesday, September 22.

I. Course Introduction and Overview

Feenstra ch. 1

Measuring global economies, World Bank World Development Indicators Table1.1; World Bank website.

Lil Andersen and Ronald Babula, "The Link Between Openness and Long-Run Economic Growth", Journal of International Commerce and Economics, access

through www.usitc.gov

OECD, "Trade and the Economic Recovery: Why Open Markets Matter" May 2010
Amadou Sy "Chinese yuan devaluation is not the real concern for Africa: A weakened Chinese economy is!" Africa in focus, The Brookings Institution, Aug. 21, 2015

II. Why trade occurs, Comparative Advantage

Feenstra, chapters 2 & 3.

Feenstra, R. "New Evidence on the Gains from Trade," Review of World Economics, 2006

David Ricardo, "The Principles of Political Economy and Taxation" chapter 7.

Alan Deardorf, "Gains from Trade and Fragmentation" July 2005,

<http://www.Fordschool.umich.edu/rsie/workingpapers.html>

III The Standard Trade Model, Heckscher-Ohlin Model.

Feenstra, chapters 4, 5

Stopler W.F. and Samuelson P.A., "Protection and Real Wages", Review of Economic Studies 1941, pp. 58-73.

Samuelson, P.A. "International Trade and the Equalization of Factor Prices" The Economic Journal, June 1948.

•

Samuelson, P.A. "International Factor Price Equalization Once Again", The Economic Journal, June 1949.

Jones, R. W., "Protection and Real Wages": The History of an Idea, unpublished paper, available on the Internet.

IV. Questioning Comparative Advantage

Samuelson, P., Where Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization, Journal of Economic Perspectives, summer 2004. This very important article can be accessed directly on the internet by typing in the title.

Freeman, R., Are Your Wages Being Set in Beijing? "Journal of Economic Perspectives," Summer 1995, pp.15-32.

Mary Amiti and Kevin Stiroh, "Is the United States Losing Its Productivity Advantage?" Current Issues in Economics and Finance, Federal Reserve Bank of New York, September 2007

Ceglowski, J. and Golub, S., "Just How Low are China's Labour Costs?" The World Economy, April 2007.

Adams, F.G., Gagnes, B, and Shochinurove, Y," Why is China so Productive? "The World Economy January 1996

Golub S., Does Trade with Low-Wage Countries Hurt American Workers? "Business Review" Federal Reserve Bank of Philadelphia, March/April 1998. This can be found on Philadelphia Fed website.

V. Offshoring

Blinder, A."Offshoring, the Next Industrial Revolution:" Foreign Affairs, March/April 2006

Lael Brainard and Robert Litan, "Offshoring Service Jobs: Boon or Bane and What to Do?" Brookings Institute Policy Brief #132, www.brookings.edu

Grossman, G. and Rossi-Hansberg, E., The Rise of Offshoring: It's Not Wine for Cloth Anymore, Federal Reserve Bank of Kansas City Jackson Hole Symposium 2006. This can be accessed directly on the internet by typing in the title.

Blinder, A. "How Many US Jobs Might be Offshored?" Princeton University Center for Economic Policy Studies, working paper #149

Bailey, M. and Lawrence, R., "Can America Still Compete or Does it Need a New Trade Paradigm?" Policy Briefs in International Economics" Peterson Institute for International Economics, December 2006

Schrever, K. and Slaughter, M., "A New Deal For Globalization," Foreign Affairs, July/August 2007.

VI . October 20

midterm exam; deadline for students to turn in topic and brief outline of research paper

Feenstra, chapter 6

Mundell, R. International Trade and Factor Mobility, "American Economic Review", June 1957

VIII. Tariffs and Export Subsidies

Feenstra, chapters 7 & 8

IX. Trade Agreements

Feenstra, chapter 9

Anne Krueger, "Are Preferential Trading Arrangements Trade-Liberalizing or Protectionist?" Journal of Economic Perspectives, Fall 1999

Ross Garnaut and David Vines, "Regional free-trade areas: sorting out the tangled Spaghetti", Oxford Review of Economic Policy, Volume 23, Number 23, 2007, pp. 508-527.

Alan Deardorf and Robert Stern, "What Should the Developing Countries Do in the Context of the Current Impasse of the Doha Round?", Discussion paper 559, Research Seminar in International Economics, Ford School of Public Policy, The University of Michigan, 2007. www.fordschool.umich.edu/rsie/workingpapers/wp.html

Will Martin and Patrick Messerlin, "Why is it so difficult? Trade Liberalization under the Doha Agenda, Oxford Review of Economic Policy, Volume 23, Number 3, pp. 347-366.

Patrick Messerlin "Walking a Tightrope: World Trade in Manufacturing and the Benefits of Binding," Policy Brief, The German Marshall Fund, 2008

X. Globalization

IMF Staff, "Globalization: Threat or Opportunity," April 12, 2000.

C. Deardorf, A. and Stern, R, "What You Should Know About Globalization and the World Trade Organization", Review of International Economics, Aug. 2006

D. Deardorf, A. "What Might Globalization's Critics Believe?" World Economy Annual Lecture, Leverhume Center, University of Nottingham, December, 2002 this paper can be accessed directly on the Internet.

Feenstra, R., "Globalization and its Impact on Labour," WIIW working paper, can be accessed directly by typing in the title.

Branstetter L., and Lardy, N., "China's Embrace of Globalization," National Bureau of Economic Research Working Paper 12373, will be provided by instructor.

Hillman, Arye, "Trade liberalization and globalization: A survey." This can be accessed directly through the internet.

Bradford, S., Greico, P., and Hufbauer, G., "The Payoff to America from Globalisation" The World Economy July 2006

Graham, Carol, Stemming the Backlash Against Globalization, "Brookings Policy Briefings no. 78," April 2001

Harrison A, and McMillan M., "On the Links between Globalization and Poverty," Journal of Economic Inequality" 2007

XI. Exchange Rates

Feenstra chapters 11 & 12

William Cline, Estimates of Fundamental Equilibrium Exchange Rates, May 2015. Peterson Institute for International Economics policy brief.

XII. Fixed vs. Floating Exchange Rates and the Euro

Feenstra, ch. 15 & 16

Is the current structure of the Euro sustainable?