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Fall 2019

DIPL 6155 NA Advanced Economic Aspects of the International Relations

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SCHOOL OF DIPLOMACY AND
INTERNATIONAL RELATIONS
SETON HALL UNIVERSITY

DIPL 6155 NA: Advanced Economic Aspects of the International Relations

Fall 2019*

I. MEETING TIME/PLACE

Tuesday 19:35 – 21:45

Room: Alfieri Hall 122

II. INSTRUCTOR

Instructor: Ömer Gokcekus
Office: McQuaid 128
Office hours: Monday, Tuesday: 12:00 – 14:00
Telephone: 973- 313-6272
E-mail: omer.gokcekus@shu.edu

III. COURSE DESCRIPTION

The main premise of graduate level work is **change**. Change requires openness to new ideas. It also requires willingness to abandon old ones. In order to be successful in this course, you should be willing to unlearn and rethink many of the perceptions you might have about international economics or globalization: You already know a great deal, taught by politicians, media, roommates, friends and relatives. Most of these are either incomplete or simply wrong! Accordingly, to better understand the economic aspects of international relations, we will review the economic issues generated by globalization by emphasizing facts as well as theories. In doing so, we will be familiarized with the essential concepts required to understand the issues associated with globalization. In particular, we will address a set of topics including, why nations trade, how nations trade, how and why governments regulate international trade, the relationship between economic integration & labor markets, poverty, and environment.

** The 10 days in advance rule: This course-outline is subject to change. However, in case there is a change, the class will be informed at least 10 days in advance.*

IV. COURSE MATERIALS

1. Text Book: Krugman, P. Obstfeld, M. and M. J. Melitz. **International Economics: Theory and Policy.**

2. **Articles**: All of the assigned articles will be available on-line, free to download.

V. BASIC RULES OF THE GAME

1. Attendance: You are expected to attend class regularly. I take attendance and you are allowed 1 absence out of 10—9 in-class and 1 one-on-one—meetings. Further cuts will result in a 5 percentage point reduction in your final grade average!

2. Involvement—Participation Points & Journal Entries: Class attendance is meaningful if you are involved in what's going on in the course. That requires keeping up with the readings, asking questions (in class, after class, during office hours, or via e-mail), visiting the course web site, and giving thoughts about the current issues.

- I keep track of participation for each session. Keep in mind that quality of participation is as important as quantity. In class, you will find it easier to participate and you will learn more if you read the assigned material before class.
- To encourage you to read the assigned materials, you are required to keep a journal. You will write at least a one page long (double spaced) note summarizing the main points of each of the reading assignments—chapters from the text book, i.e., Krugman & Obstfeld—for five Lectures & Class Discussions, and you will turn in your journal via e-mail, omer.gokcekus@shu.edu, before the class starts. There will be a number of end-of-chapter problems to work on. Turned in journals will receive a “check.”
- For two round table discussion sessions, October 29th and November 5th, you will be assigned to present and discuss the issues. The details for the division of labor will be provided on October 1st.

3. Take-home Exams, Group Report & Research Proposal: Economics explores the implications of living in a world of scarcity in which ‘there is no such thing as free lunch.’ Learning economics takes time, attention, hard work and smart work. In particular, setting the foundation is extremely critical in the early stages of a life-long, continuous learning process. Thus, there will be two exams on the basic concepts. Yet, I don’t want you to spend time for rote memorization. Therefore, these exams will be a take-home exams. You are encouraged to work together on this exam to maximize the benefits of peer learning. However, each one of you will be turning in your own exam.

- Your exams, as all other assignments will be typed: no hand-written exam/assignment will be accepted.

- The **first take-home exam** will be assigned on October 1st and will be turned in on October 22nd at 5 PM promptly.
- The **second take-home exam** will be assigned on November 5th and will be turned in on November 19th at 5 PM promptly.
- Your **group report** on the round table session articles will be turned in at 4 PM promptly on the day you are presenting.
- The **project proposal** will be discussed with the professor at a one-on-one conference not later than November 26th and the written reports will be submitted on December 10th at 5 PM promptly.

• For each assignment, the penalty for late work is 20% points per day!

4. Guidelines for the Project Proposal:

- You will choose a very specific topic from international economics that interests you. Before you start reading articles on your specific topic, you have to get my approval. Reports and presentations on unapproved topics will not be accepted and will result in “zero” points.
- Once I approve your topic, you need to pick 10 articles on your topic. **All** of these articles should be from peer-reviewed academic economics journals.
- Once I approve your ten articles, you need to read them carefully and prepare your brief literature survey. To do so, you should answer the following questions for each of your articles: (1) What is the practical problem? (2) What is the research question? (3) What is the research problem? (4) What kind of analyses are conducted? and (5) What are the research answers?
- You will submit your project report on December 10th, at 5 PM promptly. (Guidelines for submitting your final report will be made available on Tuesday, November 19th.)

5. Grading: The following table summarizes the weights for grading. *Please keep in mind that, in fairness to each of you, no other criteria whatsoever will be used in determining any grade in this course!*

<u>Weights</u>	
• Attendance and Participation (5% points for role play)	15% of course grade
• Journal Entries	10% of course grade
• Take-home Exams (15% each)	30% of course grade
• Presentation and report on a current issue	15% of course grade
• Project report	30% of course grade
A = 95 +; A - = 90 – 94; B + = 85 – 89; B = 80 – 84; B - = 75 – 79; C = 70 – 75; D= 60 – 69; F = less than 60.	

6. Etiquette: The usual rules of polite behavior apply—activities which disturb others, including the instructor, are not acceptable. This includes late arrival, early departure, activated electronic devices, and conversation during class.

7. Plagiarism & Honor Code: In this course, academic integrity is of highest importance.

Plagiarism and other forms of academic dishonesty will be reported to the administration, and may result in a lowered or failing grade for the course and up to possible dismissal from the School of Diplomacy. See University and School standards for academic conduct here: <https://www.shu.edu/student-life/upload/Student-Code-of-Conduct.pdf> and <http://www.shu.edu/academics/diplomacy/academic-conduct.cfm>

8. Disability Services Statement: It is the policy and practice of Seton Hall University to promote inclusive learning environments. If you have a documented disability you may be eligible for reasonable accommodations in compliance with University policy, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and/or the New Jersey Law against Discrimination. Please note, students are not permitted to negotiate accommodations directly with professors. To request accommodations or assistance, please self-identify with the Office for Disability Support Services (DSS), Duffy Hall, Room 67 at the beginning of the semester. For more information or to register for services, contact DSS at [\(973\) 313-6003](tel:9733136003) or by e-mail at DSS@shu.edu.

9. Policy on Incompletes: Incompletes will be given only in exceptional cases for emergencies. Students wishing to request a grade of Incomplete must provide documentation to support the request accompanied by a Course Adjustment Form (available from the Diplomacy Main Office) to the professor *before* the date of the final examination. If the incomplete request is approved, the professor reserves the right to specify the new submission date for all missing coursework. Students who fail to submit the missing course work within this time period will receive a failing grade for all missing coursework and a final grade based on all coursework assigned. Any Incomplete not resolved within one calendar year of receiving the Incomplete or by the time of graduation (whichever comes first) automatically becomes an “FI” (which is equivalent to an F). It is the responsibility of the student to make sure they have completed all course requirements within the timeframe allotted. Please be aware that Incompletes on your transcript will impact financial aid and academic standing.

VI. COURSE OUTLINE AND READING ASSIGNMENTS

This semester, we will have 14 sessions. After the introductory session, at the beginning, five sessions will be devoted to introduce formal tools and ideas of international economics. Then, the following two sessions will be utilized to read/discuss articles on current issues in a round table format. There will be a session of international economics negotiation. The main goal is to put what is learned into work. In these sessions, everybody will have equal opportunity to contribute. Two sessions will be devoted for the take-home exam. Finally, to allow each one of you to further focus on a specific topic of your interest, the last three sessions will be used to focus on particular topics.

Weekly Agenda and Reading Materials

Day	Agenda & Reading Materials
1. August 27	Introduction
	Contents; format; rules of the game; expectations; ...
<i>I. Lectures & Class Discussions: INTRODUCING ESSENTIAL CONCEPTS</i>	
2. Sept 10	Why nations trade: International Trade Theory I
	Gravity and Ricardian Models <ul style="list-style-type: none"> • <i>Krugman & Obstfeld Ch 2 & Ch 3</i> • Ricardo David. <u>The Principles of Political Economy and Taxation</u>, 1971, Penguin. [Ch 7].
3. Sept 17	Why nations trade: International Trade Theory II
	Specific Factor Model and Heckscher-Ohlin Model <ul style="list-style-type: none"> • <i>Krugman & Obstfeld Ch 4 & Ch 5</i> • Gokcekus, Omer and Bengyak, Kevin, Learning Heckscher-Ohlin Model in Five Easy Steps (January 1, 2013). Available at SSRN: http://ssrn.com/abstract=2209874 or http://dx.doi.org/10.2139/ssrn.2209874 • Mill J.S. <u>Principles of Political Economy</u>, 1909, Longman • Jones R.W. "Factor Proportions and the Heckscher-Ohlin Theorem," <u>Review of Economic Studies</u>, 1956, pp. 1-10. • Rybczynski T. M. "Factor Endowment and Relative Commodity Prices," <u>Economica</u>, 1955, pp 336-341. • Samuelson P. A. "International Factor-Price Equalization Once Again," <u>Economic Journal</u>, 1949, pp. 181-197. • Stolper W. F. & P.A. Samuelson "Protection and Real Wages," <u>Review of Economic Studies</u>, 1, 1941, pp. 58-73.
4. Sept 24	Why nations trade: International Trade Theory III
	Economies of Scale and Imperfect Competition <ul style="list-style-type: none"> • <i>Krugman & Obstfeld Ch 7</i> • Graham, F.D. "Some Aspects of Protection Further Considered," <u>Quarterly Journal of Economics</u>, 1923, pp. 199-227

	<ul style="list-style-type: none"> • Helpman E. & P. Krugman <u>Market Structure and Foreign Trade</u>, 1990, MIT Press. [Ch 1 – 5]. • Mundell R. "International Trade and Factor Mobility," <u>American Economic Review</u>, 1957, pp. 321-335.
5. Oct 1	Using Trade Theory I: How Nations Restrict Trade
	<p>Tariffs, Export Subsidies, VER, Local Content Requirements</p> <ul style="list-style-type: none"> • Krugman & Obstfeld Ch 9 • Vousden N. <u>The Economics of Trade Protection</u>, 1990, Cambridge University Press. [Ch 2 & 4]. • Gokcekus O & E. Tower "Can a Periodic VER Raise Importing Country Welfare?" <u>Journal of Economic Integration</u> 12(4), pp. 485-504, 1997.
6. Oct 8	Take home exam I
7. Oct 22	Using Trade Theory II: Why Nations Restrict Trade
	<p>Political Economy of Trade Policy</p> <ul style="list-style-type: none"> • Krugman & Obstfeld Ch 10 • Baldwin, R. E. The Political Economy of Trade Policy, <i>The Journal of Economic Perspectives</i>, Vol. 3, No. 4. (Autumn, 1989), pp. 119-135. • Fisher R. C., O. Gokcekus, and E. Tower. "Steeling' Votes at Low Prices: Congressional Voting Patterns on the Steel Import Quota Bill of 1999" in Doug Nelson, ed., <u>The Political Economy of Policy Reform</u>. Cambridge University Press. 2004, pp. 105-129. • Gibbs, R. O. Gokcekus, and E. Tower. "'Is Talk Cheap? Buying Congressional Testimony with Campaign Contributions" <u>Journal of Policy Reform</u>, 2002, pp. 127-131. • Gokcekus, Adams, Grabowski, and Tower. "How did the 2003 Prescription Drug Re-importation Bill Pass the House?" <u>Economics and Politics</u> 18(1), pp. 27-45, 2006. • Gokcekus, O. and A. Barth "Political Economy of the US Temporary Duty Suspension Program: An Empirical Note." <u>Public Choice</u>, June 2007, 131 (3-3): pp. 345-350.
<p>II. Round Table Discussions: READINGS on CURRENT ISSUES</p> <p>*** Additional readings will be assigned ***</p>	
8. Oct 29	Does the US Really Gain From Trade? – Session I (Journal of Economic Perspectives, Vol. 32 No. 2 Spring 2018)
	<ul style="list-style-type: none"> • <u>The US Gains from Trade: Valuation Using the Demand for Foreign Factor Services.</u> Arnaud Costinot and Andrés Rodríguez-Clare. (pp. 3-24) • <u>Alternative Sources of the Gains from International Trade: Variety, Creative Destruction, and Markups.</u> Robert C. Feenstra. (pp. 25-46)
9. Nov 5	Does the US Really Gain From Trade? – Session II (Journal of Economic Perspectives, Vol. 32 No. 2 Spring 2018)

	<ul style="list-style-type: none"> • <i><u>New Perspectives on the Decline of US Manufacturing Employment.</u></i> <i>Teresa C. Fort, Justin R. Pierce and Peter K. Schott. (pp. 47-72)</i> • <i><u>What Do Trade Agreements Really Do?</u></i> <i>Dani Rodrik. (pp. 73-90)</i>
10. Nov 12	Take home exam II
11. Nov 19	Role Play: Negotiating international economics – <u>Oil Pricing Exercise</u>
III. Individual Assignments: SPECIAL TOPICS	
12. Nov 26	One—on—one session with the professor/No class—meeting
13. Dec 3	Drafting your final report/ No class—meeting
14. Dec 10	Final report submission/ No class—meeting

VII. ACADEMIC RESOURCES FOR STUDENTS

Academic Resource Center

Website: <http://www.shu.edu/academic-resource-center/index.cfm>

Phone: (973) 761-9108

Email: arc@shu.edu

Location: Arts & Sciences Hall Rm. 242

Online Writing Lab

Online Tutoring is available for seniors and graduate students at the following link:

<http://academic.shu.edu/owl/>.

Email: owl@shu.edu

Writing Center

Website: <http://www.shu.edu/writing-center/index.cfm>

Phone: (973) 761-7501

Location: Walsh Library, 3rd Floor

Sign up for an appointment using Compass

Math Learning Lab

Website: <http://www.shu.edu/math-compsci/math-learning-lab.cfm>

Phone: (973) 761-9765

Location: **Arts & Sciences Hall Rm. 239**

Sign up for an appointment using Compass

All of these are available through: <http://www.shu.edu/student-services/toolkit.cfm>

VIII. SOME IMPORTANT DAYS TO KEEP IN MIND

August 26	Monday	Classes Begin - Add/Drop continues and late registration begins
September 2	Monday	Labor Day - University Closed
September 3	Tuesday	Add-drop and late registration end
September 27	Friday	Last day to request course withdrawal without professor/dean approval; Deadline for pass-fail and audit requests; Last day for December 2019 degree candidates to add a major or minor
October 1	Tuesday	Deadline for Fall 2019 undergraduate and graduate degree candidates to file online Application for Degree for Fall 2019 in Banner Self Service
October 14 – 15	Monday - Tuesday	Fall Break - No Classes
October 18	Friday	Last day to request course withdrawal with professor/dean approval
November 1	Friday	All Saints Day - Masses throughout the day
November 27	Wednesday	No Classes
November 28 - 29	Thursday – Friday	Thanksgiving Recess - University Closed
November 30	Saturday	No Classes
December 8	Sunday	Solemnity of the Immaculate Conception - Masses scheduled throughout the day
December 9	Monday	Last day of classes; Last day to submit assignments to resolve Fall 2018 Incomplete grade; Unresolved Fall 2018 Incomplete grades will convert to failing grades (F); Online grading opens for faculty
December 11 - 17	Wednesday – Tuesday	Final Examinations (n.b., Requests for 'Incomplete' grade must be submitted before final examination)
December 19	Thursday	Deadline for faculty to enter Fall 2019 grades on-line via Banner Self-Service

Source: <https://www.shu.edu/academics/academic-calendar.cfm> (Accessed on August 19, 2019)