

UNIVERSITY OF CONNECTICUT
AUTUMN 2012
ECON 2440: ECONOMICS OF THE GLOBAL ECONOMY
COURSE DESIGNER AND INSTRUCTOR: PAUL HALLWOOD Ph.D.
TuTh 1:20 – 2:35 pm

Office hours: Tu and Th 11am-1:00pm, or after class or by appointment

Email: paulhallwood@msn.com

Course grade calculated according to:

- | | |
|-----------------------------------|-------|
| i) 5 short examinations @ 8% each | = 40% |
| ii) 1 essay | = 10% |
| iii) Classroom discussion | = 10% |
| iv) Final examination | = 40% |

i) The five classroom exams begin at 1:20 pm.

1. Th Sept 13th
2. Th Sept 27th
3. Th Oct 11th
4. Th Oct 25th
5. Th Nov 15th

ii) One 1,500 word essays on topics selected from the list below

Due date for essay: December 6th

iii) Classroom discussion: You are also expected to join in classroom discussion.

iv) The Final Examination is comprehensive and will be held Friday December 14th, 1:00-3:00 pm.

Essay topics

GLOBALIZATION: BROAD PERSPECTIVE

1. What is globalization and how far can it go?
2. Is globalization inevitable? (supplying global public goods)
3. What is the payoff from global governance?
4. What accounts for disparity in world economic growth and income distribution?
5. Why is it so hard to form international treaties?
6. Is globalization reversible?
7. What is the world dollar standard and what does it mean for the global economy?
8. Who are the winners and losers from global goods/services market integration?
9. Is the mercantilist view of international trade correct after all?
10. Can we survive global capital market integration?
11. Will the global corporation trump the nation state?
12. Offshore Financial Centers: 'Sunny places for shady people' – what is their role?
13. How resilient is the global economy?
14. Where should people live?
15. To whom does the future belong – India, China, EU, USA?
16. World oil dependency?
17. Can intellectual property rights be properly protected?
18. Are regional monetary standards (like the euro-zone) worth it?

ECONOMICS OF THE GLOBAL ECONOMY

CHAPTER 1: WORLD ECONOMIC DEPRESSION BEGINNING 2008 page 5

1. What do the data tell us? page 5
2. Policy Response: then and now page 8
3. Corporate power is holding the state hostage page 9
4. Understanding the accounting identities and why the US budget deficit had to rise in
2009 page 12

CHAPTER 2: INTERNATIONAL FINANCIAL CRISES 16

1. Introduction 16
2. Recent Emerging Market Financial Crises 16
3. Interest Rate, Foreign Exchange, and Credit Risk 17
4. Contagion 18
5. Euro-zone 2011 and onwards 19
6. **Cross border financial flows**
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CHAPTER 3: SOME POLITICAL CONSEQUENCES OF INTERNATIONAL ECONOMIC INTEGRATION 25

1. The world's hunger for public goods 19
2. Golden straightjacket 21
3. The impossible trinity 23
4. Inflation and wages under different international currency regimes 26
5. Euro-zone membership, the nation state and the voice of mass politics 27
6. Could democracy overwhelm the euro? 29

CHAPTER 4: INTERNATIONAL TRADE 40

1. Benefits of international trade: comparative advantage 40
2. Not so absolutely fabulous: low wages don't guarantee economic success 42
3. The great unbundling 44
4. Regional trade agreements: a second best choice 46
5. After Doha 48
6. Chains of gold – supply chains make it easier to industrialize 51
7. Hackett research forecasts: moving jobs abroad 54
8. China bashing syndrome 56

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3. Holding hands: alliances	62
4. Alive and kicking: advantages of multinational corporations	65
5. World market for corporate HQs emerging	68
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2. Emerging at last	98
3. More pain than gain	103
4. How big should a nation-state be?	110