

Syllabus is subject to change. Email updates by Prof. Kaya override syllabus.

BEPP289/789: Economic Globalization
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Class Schedule: Tuesdays and Thursdays
BEPP 289/789: TR 1:45-3:15 PM ; JMHH 254

Office hours for Prof. Kaya: TR 3:30-4:30PM; Vance Hall 315

Office Hours for the TA: TBA on Canvas.

Course Description & Objectives:

This course is intended to deepen understanding of the history, evolution, governance, and the current state of economic globalization, i.e. the cross-border movement of goods, services, money, and people. Through this prism, the course provides an insight into economic crises and how to tackle such crises through the use of fiscal and monetary policy as well as economic development. International financial institutions, such as the World Bank and the International Monetary Fund (IMF), are examined given their importance to these issues. The course also integrates dueling economic ideas that have aimed to govern economic globalization and its repercussions in its analysis of the evolution of economic globalization and its governance.

The time period covers: the Roaring Twenties; the Great Depression; the post war Golden Age (1945-1973); the stagflation of the 1970s; the Thatcher-Reagan-Greenspan-Bush era of market liberalization (1980-2007); the financial crisis and Great Recession of 2007-2010; and the Brexit-Trump rejection of globalization. Student presentations (for undergraduates) or group projects (for MBAs) will chronicle and compare economic policy and performance of different countries and regions across the world.

Many economics courses focus on economic theory or statistical methods with some applications to the real world. This course is the opposite: a minimum of formal theory with the focus on key analytical concepts, institutions, alternative schools of thought, historical developments, and current issues. The emphasis is on the “big picture” of global economic developments over the last one hundred years. While it doesn’t emphasize formal theory, the course is nonetheless chock full of information about economic concepts and ideas, such as monetary policy; it approaches them in an applied manner.

The course is particularly suited to students interested in a career in international business or public affairs.

Prerequisite: Introductory Economics.

Note about Lecture Slides:

I will post my pre-lecture slides on Canvas by 9.30am, the morning of our class. Please check Canvas for post-lecture slides as well (I will not always want to reveal every single slide *before* the class so as not to inhibit class discussion).

Please also note that my slides are going to be more wordy than if I were presenting to a different audience; since you will be using the slides to review the material and prepare for exams, I will include more words than ideal.

All this said, you will definitely need to take notes in class (all the information cannot be contained on the slides). Students who attend class do better in terms of analytical reasoning and in exams than students who do not.

Readings

We will rely on the following book. The decision whether or not to purchase is up to you.

Please check e-reserves through Canvas for readings that you can access through Penn libraries.

- Nouriel Roubini and Stephen Mihm, *Crisis Economics*, Penguin 2010.

All readings are required except *those readings designated by # which are recommended but not required*. Please come to class having done the readings and prepared to engage with one another and with the instructor. You are also expected to keep up with current events by reading the *Financial Times*, *Wall Street Journal*, *NY Times*, or other major news sources.

For each session, I include a list of fundamental questions below after the list of readings. You should think of these questions while you are doing the readings and should be able to answer them (with greater sophistication over time) *by the end* of the lecture.

Grading: Check the Syllabus for Dates, Deadlines, and Explanations.

A. Two in-class exams	25% each
B. Short Essay	15%
C. Class Attendance/Participation	15%
D. Group Presentation or Group Project*	20%

* MBAs will do a group project (since they have had more opportunity to present regularly by this point); undergraduates will do a group presentation. Please note that since the learning goal (applying the concepts learned to a specific region/group of countries) is the same, I have the same topics for MBAs and undergraduates (listed at the end of the syllabus). Dates for presentations apply only to undergraduates.

Grades: I typically do not curve in order to encourage a less-competitive learning environment, but if the average is not around B+, I will curve up. I write my exams and questions such that the average grade falls somewhere between a B+ and A-. I will email after everyone has completed an assignment or an exam to let you know the class average, the standard deviation, and the maximum grade. Here is a *rough guide/reference point*:

94 - 100: A
90 - 93: A-
89 - 86: B+
85 - 83: B
82 - 80: B-
79 - 76: C+
75 - 73: C
72 - 70: C-
69 - 67: D+
66 - 64: D
63 - 60: D-
Below 60: F

A. Exams: I will post practice questions on Canvas approximately two-three weeks before the exam. To preview, each exam will contain three types of questions. Type I question will be evaluating your understanding of key concepts and asking you to write a limited number of sentences in answering a question related to the concept. Type II question will have you read something short, which we didn't directly discuss in class (but obviously pertaining to the topics under analysis in the class) and ask you to explain it concisely. Type III question will involve a graph/figure/numbers (as always done in class) and ask you a specific question. You may also be asked to draw a graph based on what you have learned in the class.

Exam 2 is non-cumulative and will have the same structure as Exam 1, but with the following difference: I will ask you a basic question based on a student presentation. (I will have multiple questions and will naturally not accept answers on your own topic of presentation.) Slides for the student presentations will be posted on Canvas. While Exam 2 is non-cumulative, knowledge is necessarily cumulative, and you need to understand the concepts as class proceeds.

B. Short Essay: There is a strict 750-word limit on this essay (no appendices please, but figures are not included in the word count). Please edit your work, so that your sentences are concise and precise. See Canvas for further suggestions, how we will evaluate the paper, and the questions (posted the first week of the semester). For the paper, you shouldn't need to do

extensive outside research (i.e. beyond class lectures and readings), but you may find it useful to do some supplementary readings or read major news sources, such as *The Financial Times*, *The Wall Street Journal*, or *The New York Times*.

C. Class Attendance/Participation:

The course's success doesn't depend just on the instructor, it depends on the collective environment, which is why I really value collegiality and preparation and your contribution to a constructive learning environment for everyone. Please don't be an impatient consumer of knowledge, but a patient participant in its generation and analysis. If there is something you are unhappy about, please come talk to me directly in a timely manner: I am always open to talking with students.

Please come to class prepared: The required readings should be completed before class, and you should be ready to discuss the economic concepts and the details of the cases when you arrive. Successful participation in class and in your presentation group will reflect positively on your class participation grade, as will regular attendance and on-time arrival. Submission of student presentation peer feedback forms will also reflect on your class participation grade.

If you are going to miss class for a medical or non-medical reason please do not contact the Professor directly, but instead use the official Course Absence Report system through the UPenn Registrar.

- You will have 2 excused absences – I don't need to know why you missed/will miss the class (it could be a personal day, illness, interview, religious holiday, etc.). Beyond these 2 days, please let me know of the reason for your absence. Again, please use the Course Absence Report system.
- If you miss 4 or more classes without being excused for a serious reason (with proper note from the Deans), you will lose the Attendance/Participation grade.

. A rough guide for your participation grade is as follows (all grades are recorded numerically until final grade calculation):

- You will automatically receive a B for attending all the classes even if you never participate.
- Those that participate from time to time (see the criteria above and below) and have not missed more than 2 classes will *typically* receive a B+.
- Those that participate frequently (see the criteria above) and have not missed more than 2 classes will *typically* receive an A-.
- Top contributors (taking different facets of contribution into consideration) will receive As.
 - Someone who dominates discussions at the expense of others asking questions or developing their own ideas will not be considered a top contributor. (see below)
- Midpoints (e.g., between a B+ and A-) may be used to settle the grades of students who do not neatly fit into these categories. For instance, the grade of someone who frequently

participated in the first half of the course, but rarely spoke in the second half may be decided by assigning the student the numerical equivalent of a midpoint.

- Guest lecture attendance, if relevant, will be considered.

- I value collegiality, engagement with the material and with your peers. Mundane (non-substantive) and organizational questions do not count. Non-collegial and non-constructive comments also do not gain anyone points.
- I value improvement over the course of the semester (and will provide an opportunity for you to self-assess). If you are shy, use this opportunity to try to improve your participation skills. If you are always raising your hand, take this opportunity to be more selective about when you should talk, or work on leading others to think about issues.
- I cannot accommodate exam date changes for individual students due to travel schedules.

D. Student (Team) Presentations or Group Projects:

To reiterate, undergraduates will make presentations, whereas MBAs will produce written group projects, i.e. a case application. The **Appendix** indicates “options” for topics: please choose 1 option: ideally, as the semester progresses, you should develop your interests and form your own groups of 4 maximum. If this doesn’t happen, I will talk with you and sign you up with a group. I may also add a 5th person to your group depending on class size.

Please fill out this form any time in the semester, but *no later than 02/22/22* for Undergraduates and *no later than 03/19/22* for MBAs. The form will also be linked on Canvas.

Each student needs to individually fill out this form for consent-purposes, even if you have predetermined the groups.

Grades for Presentations/Group Projects: The professor will grade each presentation/team project, also reviewing the feedback of your fellow students (in the case of presentations). The grading sheets for the presentations/groups projects are posted on Canvas (first week of the semester). Each presentation/team project will receive one group grade, i.e. all students in the team will receive the same grade for their team assignment. Students who fail to participate fully in team presentations/group projects will lose credit on their class participation grade.

Please visit my office hours or the TA’s office hours for feedback as you are crafting your group presentations/ group projects.

D1. Overview for Presentations (undergraduates only): Students will be in teams of about 3 to 4 for each presentation, depending on class size. Presentations should explore and communicate your research on the topic as it relates to concepts and themes from relevant sessions in this course. I may need to adjust both presentation topics and the number of topics

depending on class size, which may also affect lecture dates. I will send an email once class size is finalized.

Format for Presentation: You are (essentially) free to choose the format of your presentation. It is acceptable to use a straight-forward Power Point presentation, but you are encouraged to consider other formats, such as:

- A media hearing, a game show, a press interview
- A congressional or regulatory hearing enactment (real or imagined), negotiations between government officials and international bureaucrats or financiers
- An internal business strategy deliberation among a firm's decision-makers and advisors

You should try to be creative in choosing the format that best communicates the substantive issues involved and how they relate to the topics of this course. Presentations that emphasize analytical thinking (by you, the firms involved, the policy-makers, opponents to a policy change, etc.) are better than factual summaries of the issue. Make sure to clearly explain any course concepts you use as opposed to mentioning but not providing complete explanations. Do not include videos produced by other organizations (it is fine to include videos produced by your presentation group). I encourage you to integrate insights from other Wharton classes, research, reports, etc. but your slides should be your own work and you should cite all sources you use. Try to make it fun, but keep it clean, and keep it professional.

Each group presentation should run 40 minutes in total. This includes both time for the presentation and audience participation through either a Q&A session or other means. *In a team presentation, this time should ideally be distributed (approximately) equally across the team members.*

The TA is there to provide feedback at both the formulation and the rehearsal phases. Ideally, you should rehearse, reformulate, and rehearse again in the last few days before your presentation.

Citations: You are allowed to use figures, graphs, etc. from existing research but you should put a citation on the slide whenever you use such materials to indicate attribution. You should also include a works cited at the end of the presentation. We expect that you will not copy whole slides or longer portions of other presentations for use in this class.

Hand in: Team participants must hand in a PowerPoint (or pdf) of the full presentation via email (cc'ing all teammates) latest by 10am the morning of the presentation. Please name the file with your section and topic.

Topics, Dates, and Sign-up Logistics: Team group assignments will be handled through Canvas. Presentation sign up will be announced in class and electronically. *Please note the following:*

- Sign-up will be on a first-come-first-serve basis.
- Students not signed up by the presentation sign-up deadline will be randomly assigned to one of the remaining groups.

- No student will be permitted to change groups after the presentation sign-up deadline. There are no exceptions to this policy (this is to maintain fairness to all students who might want to switch after the deadline and the difficulties in re-organizing groups).

D2. Overview of Group Projects (MBAs only):

Please treat this as a case study, where you contextualize the big picture issues discussed in class in the context of a region/set of countries. The case analysis should consist of the following sections: 1) Overview of key events: for instance, if you are writing about the Asian financial crisis (1997) you need to provide a synopsis and brief history of the event. 2). Core argument: this is where you outline your primary diagnosis/argument related to the event: continuing with the Asian Financial Crisis example, what explains the crisis? What are some competing theories (i.e. alternatives to your core explanation). Why have you ruled these out? 3). Impacts/Repercussions/Implications: this is where you explain the lasting or non-enduring impact of the event/case you analyze: detail and explain the major implications of the case. 4) Conclusion: what does your case illuminate about like-cases or does it have idiosyncratic characteristics that suggest the limitations of applying your case to other contexts? Please throughout make sure to use analytical concepts, theories, and figures/tables appropriately. Make sure you the different parts of your project are well-integrated. Maximum word: 2,800. Please see Canvas for the grading rubric.

While the actual numbers will depend on class size, projects will ideally be limited to 4 people.

Tutoring Support

Students experiencing difficulty in this course should seek assistance from the Penn Tutoring Resource Center. Refer to the Wharton Undergraduate homepage for the schedule of walk-in tutoring hours. Private tutors from the Tutoring Center can be obtained (without cost) through the recommendation of a professor or professional advisor in the Undergraduate Division. Students who wish to inquire more about tutoring, study skills, learning disabilities, test-taking strategies, time management, or reading/writing coaching should call 215-573-9235 for more information.

Please follow this schedule – note undergraduates and MBAs are differentiated and Session numbers are included below as 1, 2, etc.

SPRING 2022		
	Undergraduate	MBA
	TR	TR
	Meeting only with Undergraduates during this time for an informal chat and going over the syllabus	
Session 1		T 1/18
Session 2	T 1/18	R 1/20
Session 3	R 1/20	T 1/25
Session 4	T 1/25	R 1/27
Session 5	R 1/27	T 2/1
Session 6	T 2/1	R 2/3
Session 7	R 2/3	T 2/8
Session 8	T 2/8	R 2/10
Session 9	R 2/10	T 2/15
Session 10	T 2/15	R 2/17
Session 11	R 2/17	T 2/22
Session 12	T 2/22	R 2/24
Session 13	R 2/24	T 3/15
Session 14 – undergraduates only	T 3/1	R 3/17
Session 15- undergraduates only	R 3/3	T 3/22
Session 16	T 3/15	R 3/24
Session 17	R 3/17	T 3/29
Session 18	T 3/22	R 3/31
Session 19	R 3/24	T 4/5
Session 20	T 3/29	R 4/7
Session 21	R 3/31	T 4/12
Session 22	T 4/5	R 4/14
Session 23	R 4/7	T 4/19
Session 24	T 4/12	R 4/21
Session 25-	R 4/14	
Session 26-	T 4/19	
Session 27- last session for MBAs	R 4/21	
Session 28- undergraduates only	T 4/26	

Part I: Overview of Main Epochs and Issues

The overview portion of the course provides a broad synopsis of eras and issues we will examine in detail in the rest of the course. For example, you will get a sense of the major periods of economic integration (high levels of international trade and financial globalization), but the details of some of these epochs will be examined later in the course.

1. I will do a meet and greet for the **undergraduates only** in Session 1. The whole class –i.e. undergraduates and MBAs will meet for the first time for a formal lecture during Session 2.

2. The *Highs* and *Lows* of Global Economic Integration I

- Richard Baldwin and Philippe Martin, “Two Waves of Globalization: Superficial Similarities Fundamental Differences,” NBER Working Paper No. 6904, February 1999.

Michael Bordo, "The Second Era of Globalization is not yet Over: a Historical Perspective," *NBER Working Paper 23786, September 2017*.

3. The *Highs* and *Lows* of Global Economic Integration II

- John Gerard Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” Volume 36(2), *International Organization* (Spring, 1982). Focus on sections 1-3 (pp. 385-404).

#Douglas Irwin, *Free Trade Under Fire*, Ch. 7, pages 239-259.

#Barry Eichengreen and Pablo Vazquez, “Institutions and Economic Growth in Post-War-Europe, September 1999. <http://www.econ.berkeley.edu/~eichengr/research/vanark.pdf>

Questions:

- ⇒ By the end of these sessions, you should be able to identify key periods of integration and disintegration in the global economy and how to measure them.
- ⇒ What are the major similarities and differences in the different episodes of global economic integration, namely economic globalization? Be ready to list at least 3 differences and similarities.
- ⇒ What is the “embedded liberalism compromise”? Why is it important? Is it still a valid concept?

Sessions 3 and 4 usually the most difficult topic for students but they are absolutely necessary, so I am going to go very slowly here and do in-class exercises. You are not expected to become an expert in exchange rates or balance of payment, but merely understand what is discussed in lectures. We will come back to it under European debt crisis and Europe in particular.

4. Historical Overview of International Monetary Relations and Exchange Rate Regimes I: The Gold Standard (also known as the Classic Gold Standard)

- Bordo, Michael. “Gold Standard.” Available here: <https://www.econlib.org/library/Enc1/GoldStandard.html>

5. Historical Overview of International Monetary Relations and Exchange Rate Regimes II: Bretton Woods and its Demise

- Bordo, Michael. 2017. “The operation and demise of the Bretton Woods system: 1958 to 1971.” Voxeu. Available here: <https://voxeu.org/article/operation-and-demise-bretton-woods-system>
- Jeffrey Frankel, “No Single Currency Regime is Right For All Countries or At All Times,” *Princeton Essays in International Finance* No. 215, December 1998. (section 5 optional).

Questions:

- ⇒ What was appealing about the Gold Standard?
- ⇒ Why did the Gold Standard end up failing?
- ⇒ What are the primary differences between the Gold Standard and the Bretton Woods regime?
- ⇒ What is the balance of payments and how does it basically relate to a country’s exchange rate regime?
- ⇒ What is the monetary trilemma and what explains its importance?

I will have intentional repetition in the first four sessions.

Short paper due on the Friday of Session 5.

II. ECONOMIC CRISES & POLICY RESPONSES TO CRISES

We are going to go from empirical examples to more theoretical issues, such as types of crises or how monetary and fiscal policy can respond to them.

6. The Great Depression versus the Great Recession

on the Great Depression:

- John Kenneth Galbraith. 1954/1997. *The Great Crash: 1929*. Chapters 5, 6, 7.

(“The Crash”, “Things Become More Serious”, “Aftermath I”)

7. The Great Depression versus the Great Recession

on the Great Recession:

- Roubini and Mihm, Chs. 3-4. (skim if you are very familiar with the anatomy of the 2008 crisis.)
- Gillian Tett, “Faith-Based Finance: How Wall Street Became a Culture of Risk,” *Foreign Affairs* July/August 2019.

#Paul Krugman, “How did Economics Get it So Wrong?” *NY Times Magazine*, September 2, 2009 http://www.nytimes.com/2009/09/06/magazine/06Economic-t.html?_r=1

#Roubini and Mihm, Chs. 8-9.

#John Taylor, “Getting Back on Track: Macroeconomic Lessons from the Financial Crisis,” Federal Reserve Bank of Saint Louis *Review*, May-June 2010.

Questions:

- ⇒ What are the similarities and differences between the Great Depression and the Great Recession?
- ⇒ What was the role the Federal Reserve played in these two economic crises?
- ⇒ Was either the GD or the GR anticipated?

8. Fiscal Policy

- Roubini and Mihm, Chapter 7: *up to* “Let the Bailouts Begin”.
- Jason Furman, “The New View of Fiscal Policy and its Application” *VoxEU*, Nov 2016.

Cassidy, John. 2013. The Reinhart and Rogoff Controversy: A Summing Up. *The New Yorker*. [Link here](#).

Willem Buiter, “Why Fiscal Sustainability Matters,” *VoxEU*, January 2014.

#Carlos Vegh, “Fiscal Policy in Emerging Markets: Procyclicality and Graduation,” *NBER Reporter* 2015. <http://www.nber.org/reporter/2015number4/vegh.html>

Bernard Akitoby, “Raising Revenue,” *Finance and Development*, March 2018.

#Alberto Alesina et al, “Climbing Out of Debt,” *Finance and Development*, March 2018.

Questions:

- ⇒ What are the different fiscal interventions a government can do? What are the different benefits and costs associated with these interventions?
- ⇒ What are some indicators you would use in assessing a country’s fiscal health? Think of the upsides and downsides of these measures.
- ⇒ What does fiscal space mean?

9. Monetary Policy I: Rise and Fall of Keynesianism

- Brad DeLong, “America’s Only Peacetime Inflation: The 1970s,” in Christina Romer and David Romer, eds., *Reducing Inflation: Motivation and Strategy* (University of Chicago Press), 1995. http://www.j-bradford-delong.net/pdf_files/Peacetime_Inflation.pdf.
- “The Battle of the Letters: Keynes vs Hayek, 1932, Skidelsky vs Besley 2010,” <http://www.cobdencentre.org/2010/07/the-battle-of-the-letters/>.

#Peter Temin and David Vines, “Why Keynes is Important Today,” *VoxEU*, November 14, 2014.

#J. M. Keynes, *The General Theory*, Ch. 12.

James Tobin, “Keynesian Policies in Theory and Practice,” reprinted in Tobin, *Policies for Prosperity*, 1987.

Questions:

- ⇒ Having learned about both fiscal and monetary policy, what is your synopsis of Keynesianism relates to these two instruments of economic intervention?
- ⇒ What has unseated Keynesianism? Or, do you think it has been unseated?
- ⇒ What are the multiple legacies of Keynesianism?

10. Monetary Policy II: The Federal Reserve

- Roubini and Mihm, Chapter 6.
- Jane Ihrig, Ellen Meade and Gretchen Weinbach, “Rewriting Monetary Policy 101: What’s the Fed’s Preferred Post-Crisis Approach to Raising Interest Rates,” *Journal of Economic Perspectives*, Fall 2015. : *do your best with this reading.*

#Giovanni Dell’Arica, Pau Rabanal and Damiano Sandri, “Unconventional Monetary Policies in the Euro Area, Japan and the United Kingdom,” *Journal of Economic Perspectives*, Fall 2018.

Milton Friedman, “The Role of Monetary Policy,” *American Economic Review*, 1968.

#Robert Solow, “On Theories of Unemployment,” *American Economic Review* 70(1), March 1980.

Kaya, Ayse, Stephen Golub, Mark Kuperberg, and Feng Lin. 2019. “The Federal Reserve’s Dual Mandate and the Inflation-Unemployment Tradeoff.” *Contemporary Economic Policy* 37(4): 641-651.

Questions:

- ⇒ What are the advantages of using monetary policy to handle an economic downturn?
- ⇒ What are the disadvantages of using monetary policy?
- ⇒ How has the Fed’s usage of monetary policy shifted over time?

11. Review for Exam 1

12. Exam 1 in class.

13. Theories of Financial Crises

- Charles Kindleberger, *Manias Panics and Crashes*, 1978, Chapter 2, “Anatomy of a Typical Financial Crisis”, Chapter 3 “Speculative Manias.”
- Roubini and Mihm, Chs. 1, 2.
- Minsky, Hyman. 1992. “The Financial Instability Hypothesis.” The Jerome Levy Economics Institute of Bard College.

James Tobin, “On the Efficiency of the Financial System,” reprinted in Tobin, *Policies for Prosperity*, 1987.

Thomas Friedman, *The Lexus and the Olive Tree*, Ch. 7 “The Electronic Herd” 2000.

Basic Questions (you may be able to better answer some of these questions after my lecture):

- ⇒ What are the similarities and differences in the theories you have learned about as to why financial crises happen?
- ⇒ What are different types of financial crises and what are their primary manifestations?

III. CONTEMPORARY ISSUES IN ECONOMIC GLOBALIZATION

14. Undergraduate Student Presentations I

15. Undergraduate Student Presentations II

16. Sovereign Debt Crises: Theory and Application to Europe

- Reinhardt, Carmen M. and Kenneth S. Rogoff. 2009. *This Time is Different. Part III*.
- Lane, Philip R. 2012. “The European Sovereign Debt Crisis.” *Journal of Economic Perspectives*, 26 (3): 49-68.

#Martin Feldstein, “The Case Against EMU,” *The Economist*, June 13, 1992. DeGrawe et al, “Reply to Feldstein” *The Economist*, July 4, 1992.

#Eichengreen, Barry and Charles Wyplosz. 2016. “Minimal conditions for the survival of the euro”. A VoxEU.Org online book.

#Barry Eichengreen, “Euro Malaise: From Remission to Cure,” *The Milken Review*, January 2018. www.relooney.info/0_New_7688.pdf

Questions:

- ⇒ What are the similarities or connections between the European debt crisis and the 2008 American (global) financial crisis?
- ⇒ Why is Europe fundamentally different than the American context?
- ⇒ How did pre-crisis rules in Europe affect the crisis?
- ⇒ How did some of these rules change in the course of/due to the crisis?

17. Lenders of Last Resort

My lecture will predominantly focus on the IMF.

- Morgenthau, Henry. US Secretary of the Treasury’s closing address to the 1944 Bretton Woods conference (where the IMF and the World Bank were created).
- Reinhardt, Carmen M. and Christoph Trebesch. 2016. “The International Monetary Fund: 70 Years of Reinvention.” *Journal of Economic Perspectives* 30(1): 3- 28.
- Charles Kindleberger, *Manias Panics and Crashes*, 1978. Chapter 10. “International Lender of Last Resort”

Aditi Sahasrabudde. 2019. Drawing the line: the politics of federal currency swaps in the global financial crisis, *Review of International Political Economy*, 26:3, 461-489

Questions:

- ⇒ How has IMF lending changed over time?
- ⇒ Who is the main international lender of last resort?
- ⇒ Do you think IMF should be reformed to be a more effective lender of last resort? What are those reforms you would recommend?

18. Uneven Economic Globalization and Development I

- **ADD**

- Douglas North, “Institutions and Economic Growth: A Historical Introduction,” *World Development*, 1989.
- Daron Acemoglu and James Robinson, “Ten Reasons Countries Fall Apart,” *Foreign Policy* 2012.

#Frank Levy and Peter Temin, “Inequality and Institutions in 20th Century America,” MIT Department of Economics Working Paper No. 07-17, 2007.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=984330

#Claudia Goldin and Lawrence Katz, “The Future of Inequality,” *The Milken Institute Review*, Third Quarter 2009.
http://www.economics.harvard.edu/faculty/goldin/files/GoldinKatz_Milken.pdf

19. Uneven Economic Globalization and Development II

- Rodrik, Dani. 2007. *One Economics, Many Recipes: Globalization, Institutions, and Economic Growth*. Princeton: Princeton University Press. Chapter 1.
- Banerjee, Abhijit V. and Esther Duflo. 2019. *Good Economics for Hard Times*. “From the Mouth of the Shark”. Chapter 2.

#Robert Wade, “After the Crisis: Industrial Policy and the Developmental State in Low-Income Countries,” *Global Policy* 1(2), 2010.

#Anne Krueger, “Government Failures in Development,” *Journal of Economic Perspectives* 4(3), Summer 1990.

Questions:

- ⇒ What would you tell a Martian as to what engenders economic development?
- ⇒ How does corruption hamper economic growth? (lecture)
- ⇒ How does migration relate to economic development?
- ⇒ What is total factor productivity growth?
- ⇒ What are the primary patterns of inter-country inequality versus intra-country inequality?

20. **Foreign Direct Investment**

- **ADD here.**
- Pew Research Center. “Globally, views of foreign direct investment vary depending on type of investment.” [Link here.](#)

Questions:

- ⇒ What are the different types of FDI?
- ⇒ What are business concerns when they decide to invest abroad?
- ⇒ What are the primary determinants of FDI?

21. **Rise of Chinese Lending**

- Kaya, Ayse, Christopher Kilby, Jonathan Kay. 2021. “Asian Infrastructure Investment Bank as an instrument for Chinese influence? Supplementary versus remedial multilateralism” *World Development* 145.
- **Add**

22. **Backlash Against Globalization I: The Rise and Fall of International Trade I**

- Bowen, Renee and Lawrence Broz. 2020. Designing an International Economic Order: A Research Agenda. [Link.](#)
- Clyde Prestowitz, “Free Trade is Dead,” *Washington Monthly*, July-August 2016.

Banerjee, Abhijit V. and Esther Duflo. 2019. *Good Economics for Hard Times*. “The Pains from Trade”. Chapter 3.

Questions:

- ⇒ By this session, you should be clear when international trade was relatively high.
- ⇒ Was trade ever “free”? If yes, when was the heyday of free trade?
- ⇒ What theory best explains the obstacles to maintain free trade (across borders)?
- ⇒ Does free trade benefit developing countries as much as advanced economies?

23. Backlash Against Globalization II: Populism

- Rodrik, Dani. 2019. Many Forms of Populism. [Link here](#).
- Colantone, Italo and Piero Stanig. 2016. Globalization and Brexit. [Link here](#).

#Ranaldi, Marco and Branko Milanovic. 2020. Capitalist systems and income inequality. VoxEu. [Link here](#).

Questions:

- ⇒ What is populism?
- ⇒ What are different forms of populism?
- ⇒ To what extent do material factors explain the backlash against economic globalization?
- ⇒ What is a survey experiment? What are the promises and pitfalls of this method in ascertaining the backlash against economic globalization?

24. Future of Economic Globalization : Covid-19 and beyond

- Reinhart, Carmen and Vincent Reinhart. 2018. “The Crisis Next Time”. *Foreign Affairs* [Link here](#). (You can listen instead of reading if you wish)
- Hongyong Zhang. 2021. “The Impact of Covid-19 on Global Production.” VoxEu.
- Wren-Lewis, Simon. “ The economic effects of a pandemic.”
In *Economics in the Time of COVID-19* edited by Richard Baldwin, Beatrice Weder di Mauro 06 March 2020. [Link](#).

#Christopher McNally, “Sino-Capitalism: China’s Emergence and the International Political Economy,” *World Politics*, October 2012.

#Bollky, Thomas J. and Chad P. Bown. 2020. “The Tragedy of Vaccine Nationalism.” *Foreign Affairs* 99(5).

#Martin Wolf, “The Long and Painful Journey to World Disorder,” *Financial Times*, January 5, 2017.

Jannick Damgaard et al, “The Rise of Phantom Investments,” *Finance and Development*, September 2019.

Aditi Kumar and Eric Rosenbach, “The Truth about the Dark Web,” *Finance and Development*, September 2019.

<https://www.cnbc.com/2019/04/11/what-happened-to-brazil-russia-india-and-china-as-the-brics.html>

Sharma, Ruchir. 2012. “Broken BRICs: Why the Rest Stopped Rising”. *Foreign Affairs*, November/December.

Questions:

1. How is the genesis of Covid-19 similar or different to other issues we have examined?
2. Is Covid-19 a threat to economic globalization? How so? How not?

25. Climate Change and “Green Growth”

- Joseph Stiglitz. 2020. “GDP is the Wrong Tool for Measuring What Matters.” *Scientific American*. <https://www.scientificamerican.com/article/gdp-is-the-wrong-tool-for-measuring-what-matters/>.
- Shannon Osaka. 2020. “Growing Pains Post-COVID, should countries rethink their obsession with economic growth?” *Grist*. <https://grist.org/politics/post-covid-should-countries-rethink-their-obsession-with-economic-growth/>

26. Review for Exam 2.

27. Exam 2 in class.

28. Guest Lecture for Undergraduates on Zoom (MBAs are welcome too).

APPENDIX for Group Projects/Presentations on the next page.

APPENDIX

OPTIONS: Student Presentations for Undergraduates / Group Projects for MBAs

Students should conduct their own research for these issues. I recommend using the assigned readings as well as the *Financial Times*, *The New York Times*, and *The Wall Street Journal* to begin your research. The goal is to apply the concepts and themes to specific regions. You may find that the region's experience reflects the macro discussions we have had, or it diverts from it in important ways. Inevitably, there is variation within regions. If you choose specific countries to focus on, please make sure you are clear why you chose these countries (personal connections do not suffice). For instance, consider whether they are representative/emblematic of countries' experiences? Ultimately, you also need to address how the experiences of this country may be unique, idiosyncratic.

If there are topics you feel passionately about that are not included below, feel free to let me know. These list potential topics to choose from:

<i>Topic – Choose 1 Option for your Presentation or Case Analysis</i>
<i>Regions in the Global Economy</i>
<u>Option 1) Transition Economies</u> How have the experience of formerly communist countries been different in the global economy? How can we map their experience onto main epochs we discussed in class?
<u>Option 2) Sub-Saharan Africa</u> How has the experience of Sub-Saharan Africa been different in the global economy? How can we map their experience onto main epochs we discussed in class? Make sure to be clear on the legacy of colonization.
<u>Option 3) The Middle East</u> How has the experience of the Middle East been different in the global economy? How can we map their experience onto main epochs we discussed in class? Make sure to be clear on the legacy of colonization and empires.
<i>Multilateral Economic Institutions and Regions</i>
<u>Option 4) Latin America & The Bretton Woods Institutions</u> Both historically and contemporarily, Latin America has borrowed from the IMF and the World Bank. Discuss this experience. You can narrow down your question, but make sure your reasoning and justification (in narrowing down) are clear.
<u>Option 5) Sub-Saharan Africa & The Bretton Woods Institutions</u>

Both historically and contemporarily, Sub-Saharan Africa has borrowed from the IMF and the World Bank. Discuss this experience. You can narrow down your question, but make sure your reasoning and justification (in narrowing down) are clear.

Option 6) Regional Development Banks

AIIB is a regional development bank we discussed in class, but there are others. Teach the audience about these regional development banks. What is your key questions in analyzing these banks? Why?

Asian Economic Growth and Integration

Option 7) “Asian Economic Miracle”

Focus on the debates about how Asia grew (see the World Bank report on the Asian economic miracle and controversies surrounding it). Teach the reader about this region and its economic growth over time. Consider variation within the reason, the Chinese economic liberalization, and other key dimensions.

Option 8) Trade Relations in Asia

How has trade within the region and between the region and other parts of the world evolved over time? (Do not neglect colonization). What are its main features today?

Option 9) Asian Experience with the IMF and Regional Monetary Cooperation

The 1997 financial crisis in Asia is hugely important for the region, for the world, and for the region’s relations with the IMF. Give the reader a detailed (since lecture will discuss it at points) of this crisis, focusing on its short- and long-term implications and how it still affects the region’s relations.

END OF SYLLABUS.