

## **Global Economics**

---

### **COURSE INFORMATION**

---

ECON | 300-level | 3 credits | 45 contact hours

**Professor:** Xabier Gainza, Ph.D.

| **Email:** Provided onsite

---

### **REQUIRED TEXTBOOKS & COURSE MATERIALS**

---

Dicken, P. (2015). *Global shift: Reshaping the global economic map in the 21st century*, 7<sup>th</sup> Edition. Sage.

Hill, C. W. L. (2019). *International Business: competing in the global marketplace*, 12<sup>th</sup> Edition. MacGraw-Hill, Irwin.

Oatley, Thomas H. *Debates in international political economy*. Longman, 2012

Ravenhill, J. (2017). *Global political economy*. Oxford University Press.

Course materials will be available in Moodle.

---

### **DESCRIPTION**

---

This course introduces students to major debates surrounding the contemporary global economic order. The course will provide an overview of the global economy, characterized by globalization and regional integration processes. Main trends and institutions in the global economy will also be covered, such as the monetary system, the foreign exchange market, and the trade regime. The last part will deal with transnational corporations, ranging from the impact of FDI in home and host economies, to the ways that contemporary firms trans nationalize.

---

### **STUDENT LEARNING OUTCOMES**

---

Upon successful completion of this course, students will be able to:

- Understand globalization and regionalization processes, as well as how they impact the global economy.
- Discuss the various advantages/disadvantages of different monetary systems.
- Demonstrate an understanding of how the foreign exchange market works.
- Compare free-trade versus trade policies, both from a theoretical perspective and as they relate to policy.
- Discuss the strategies available to Transnational Corporations (TNCs): Greenfield investment vs. M&As; how, where and when enter foreign markets; and the impact of TNCs in home and host economies.
- Describe the role of international economic and monetary institutions.

---

## OUTLINE

---

Term-specific information provided onsite.

### **1<sup>st</sup> Part: The Global Economic Context**

#### **Chapter 1: An overview: changing patterns in the global economy**

*Global shift: Reshaping the global economic map in the 21st century, Chapter 1 and Chapter 2; Global political economy, Chapter 9.*

#### **Chapter 2: Regional economic integration**

*International Business, Chapter 9; Global political economy, Chapter 6.*

Debate 1: FTAs are stepping stones vs. FTAs are stumbling blocks.

### **2<sup>nd</sup> Part: Institutions in the Global Economy**

#### **Chapter 3: The Global Monetary System, part 1.**

Bretton Woods and the Golden Rule. The IMF, the World Bank and SDRs  
*International Business, Chapter 11; Global political economy, Chapter 7*

#### **Chapter 4: The Global Monetary System, part 2.**

Fixed or floating exchange rates  
ER-Regimes in practice  
*International Business, Chapter 11*

Debate 2: China must revalue to correct global imbalances vs. Chinese revaluation will not correct global imbalances

#### **Chapter 5: The Foreign Exchange Market**

*International Business, Chapter 10*

### **Midterm 1: Chapters 1-5**

#### **Chapter 6: International Trade Theory**

*International Business, Chapter 5*

#### **Chapter 7: The Political Economy of International Trade**

Instruments of trade policies. Free trade vs. Fair Trade  
The global trading system: from GATT to the WTO  
*International Business, Chapter 6; Global political economy, Chapter 5*

Debate 3: Trade Deficits Reduce Total Jobs v. Trade Deficits Produce Different Jobs

### **3<sup>rd</sup> Part: Transnational Corporations (TNCs)**

#### **Chapter 8: Foreign Direct Investment**

Types of FDI  
The impact of FDI in the global economy

Basic entry decisions: Where? When?  
Methods of entry: How? Level of commitment? Control?  
*International Business, Chapter 8*

### **Chapter 9: The relationship between TNCs and States**

Costs and benefits of FDI to the Nation-States  
Policies to encourage/discourage FDI  
*International Business, Chapter 8*

Debate 4: Regulating Multinational Corporations.

### **Chapter 10: How to develop a global strategy**

Why and how firms transnationalize  
TNCs as networks  
*Global shift: Reshaping the global economic map in the 21st century, Chapter 5*

### **4<sup>th</sup> Part: The Picture in Different Sectors (case studies)**

*Global shift: Reshaping the global economic map in the 21st century, Chapters 12-17*

### **Midterm 2: Chapters 6-10**

---

#### **GRADES**

---

#### **Course Requirements:**

Midterm 1 will be held after Chapters 1-5 are completed. The exact exam date will be announced in advance.

Midterm 2 will be held on the final exam day.

Do not forget the 1:2 study-ratio. It implies about 6 hours a week.

Attendance is expected for all classes (this is USCA policy). Don't arrive late.

#### **Assessment:**

Grades will be based on the following items:

Midterm 1: 30%

Midterm 2: 30%

Record book: 10%

Informed debates: 10%

Students are expected to defend different positions in a debate, based on a proposed reading.

Case Study/Homework: 20%

Case studies are group projects, 3-4 students (no more, no less) and they will cover the performance of different sectors in the global economy. You are expected to use Dicken (2017, p.393-565), but you can complement your analysis using complementary data and bibliography. Bring them to class in a hard copy (printed and stapled). **Do not email them.** Case studies will be shortly presented in class.

#### **Grade Scale:**

A	100-93	C	76-73
---	--------	---	-------

A-	92-90	C-	72-70
B+	89-87	D+	69-67
B	86-83	D	66-63
B-	82-80	D-	62-60
C+	79-77	F	59-00

---

**DISABILITY POLICY**

---

Every effort will be made to accommodate students with disabilities or special learning needs. If you have a documented disability for which you have already requested accommodations through the USAC Central office, your instructor will have been notified so that arrangements can be made early in the term.

---

**ACADEMIC HONESTY POLICY**

---

Plagiarism, cheating, submitting work of another person or work previously used and other forms of academic dishonesty will lead to lowered course grades, failure of the course or more severe measures, depending on judgments of the gravity of the individual case.

---

**STATEMENT ON AUDIO AND VIDEO RECORDING**

---

Surreptitious or covert video-taping of class or unauthorized audio recording of class is prohibited by law and by USAC policy. This class may be videotaped or audio recorded only with the written permission of the instructor. In order to accommodate students with disabilities, some students may have been given permission to record class lectures and discussions. Therefore, students should understand that their comments during class may be recorded.