

# Athabasca University in partnership with Grande Prairie Regional College

## **Economics 401 (ECN 401) The Changing Global Economy Fall 2006**

### **Course Outline (subject to change) (September 6, 2005)**

**Instructor:** Jeff Nutting

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**Class times:** Tuesday: 18:00 – 20:50

**Location:** TBA

**Dates:** September 6 – December 6

### **Overview**

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**ECN 401** examines the economic, social, and institutional changes that have occurred as a result of the integration of economic regions into a single global entity. The views of a wide range of prominent economists, historians, and management theorists are explored to better understand the “new global economy” and the effects of globalization.

*Prerequisite:* an introductory economics course or permission of instructor.

### **Course objectives**

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Upon successful completion of this course the student should be able to answer the following major questions:

- a. What is globalization and what forces drive globalization?
- b. Why is there trade and investment between nations?
- c. How do foreign exchange rates and the international monetary system work?
- d. How is globalization affecting less developed countries?
- e. In this era of globalization, what are the viable public policy options for national governments?

## Textbooks

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There is one required textbook for the course:

Charles W.L. Hill, *International business: Competing in the global marketplace*, 5<sup>th</sup> edition. (New York: McGraw-Hill), 2005

There is one required reading package for this course:

Athabasca University, *The Changing global economy*, Reading file for Economics 401 (Edmonton: Athabasca University), 2005

Other required readings are available in the Athabasca University Digital Reading Room identified for this course.

<http://sb.athabascau.ca/gsi/econ401d1.nsf>

## Student rights and responsibilities

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1. Regular attendance is expected. Students who miss class are responsible for getting notes, assignments, etc. from classmates.
2. The instructor is available for consultation during regular scheduled office hours.
3. In order to contribute usefully to class discussions, students are expected to have done the required readings before class.
4. Students are expected to be respectful of the opinions of others, and to ensure that all members of the class have reasonable opportunity to voice opinions and participate in discussions.
5. The students and instructor in this course are governed by the academic policies in the Athabasca University Calendar. Students should be familiar with Section 12: Student Code of Conduct and Right to Appeal.
6. **Plagiarism:** Students shall not submit words, ideas, images or data of another person as their own in any academic writing, essay, thesis, research, project or assignment in a course or program of study. Plagiarism and cheating are serious academic offences that will be dealt with severely in this course.

## Evaluation

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To receive credit for ECN 401, the student must achieve a composite course grade of at least 50 percent and a grade of at least 50 percent on the final exam.

Assignments	30%	Throughout term – Two (2)
Mid-term exam	30%	Week of October 17
Final exam	40%	TBD

**Note:**

Assignments submitted late by no more than one week will be penalized 10%. Assignments that are overdue by more than one week will not be accepted unless prior arrangement has been made with the instructor.

## **Course syllabus**

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The following is a tentative schedule, followed by specific reading assignments for each unit.

<b>Week beginning:</b>	<b>General topic area</b>	<b>Comments</b>
September 5	Unit 1	Introduction
September 12	Unit 1	Assignment #1 Out
September 19	Unit 2	
September 26	Unit 2	
October 3	Unit 3	Assignment #1 In
October 10	Unit 3	Thanksgiving
October 17	Unit 4	Mid-term
October 24	Unit 4	
October 31	Unit 5	Assignment #2 Out
November 7	Unit 5	Remembrance Day
November 14	Unit 6	Assignment #2 In
November 21	Unit 6	
December 5	Review	Last day December 9
TBD	Final exam	

## **Reading assignments**

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### **Unit 1: The meaning of globalization**

- i. Charles W.L. Hill, *International Business*, Chapters 1 (pp. 2 – 33) and 2 (pp. 40 – 87)
- ii. A Survey of Globalisation, *The Economist*, September 29, 2001, pp. 3–6, 9, 14–18, in the *Reader*
  - Globalisation and its Critics
  - Profits over People
  - Is Government Disappearing?
- iii. *The clash of civilizations?*, by Samuel P. Huntington, *Foreign Policy*, 1993, pp. 22 – 49, in the *Reader*

## **Unit 2: Trade and Globalization**

- iv. Charles W.L. Hill, *International Business*, Chapter 4 (pp. 142 – 153; 162 – 169; 175 - 176) and Chapter 5
- v. *Schools brief: The miracle of trade* in the *Economist*, January 27, 1996, in the *Reader*
- vi. *Schools brief: Worldbeater, Inc.* in the *Economist*, November 22, 1997, pp. 93 - 95, in the *DRR*
- vii. The New Global Job Shift. *BusinessWeek online*, February 3, 2003, in the *DRR*
- viii. The Outsourcing Bogyman, by Daniel Drezner. *Foreign Affairs*, May/June 2004, in the *DRR*

## **Unit 3: Foreign Direct Investment**

- ix. Charles W.L. Hill, *International Business*, Chapter 6 and Chapter 7 (pp. 244 – 257; 263 - 264)
- x. Age of the Multinational, by Robert Gilpin. *The Challenge of Global Capitalism: The World Economy in the 21st Century*, pp. 163–192, in the *Reader*
- xi. *Schools brief: Worldbeater, Inc.* in the *Economist*, November 22, 1997, pp. 93 - 95, in the *DRR*

## **Unit 4: The global monetary system**

- xii. Charles W.L. Hill, *International Business*, Chapter 9, Chapter 10 (pp. 342 – 364; 374 – 376) and Chapter 11

## **Unit 5: Globalization and the less developed countries**

- xiii. A Survey of Globalisation. *The Economist*, September 29, 2001, pp. 10–13, in the *Reader*
  - Grinding the Poor
- xiv. The New Wave of Globalization and Its Economic Effects, by P. Collier & D. Dollar, (World Bank). *Globalization, Growth and Poverty: Building an Inclusive World Economy*, pp. 23–51, in the *Reader*
- xv. Improving the International Architecture for Integration, by P. Collier & D. Dollar, (World Bank). *Globalization, Growth and Poverty: Building an Inclusive World Economy*, pp. 53–66, in the *Reader*
- xvi. A Survey of Global Finance. *The Economist*, May 3, 2003, pp. 3–6, 8–12, 14–17, in the *Reader*
  - A Cruel Sea of Capital
  - Catching the Tide
  - Hot and Cold Running Money
  - The Trouble with Banks
  - Sudden Storms
- xvii. A Survey of Globalisation. *The Economist*, September 29, 2001, pp. 21-22, 25, in the *Reader*
  - A plague of finance

- xviii. The Capital Myth: The Difference Between Trade in Widgets and Dollars, by J. Bhagwati. *Foreign Affairs*, May/June 1993, pp. 7–12, in the *DRR*
- xix. Charles W.L. Hill, *International Business*, Chapter 10 (pp. 364 - 368)

**Unit 6: Globalization and public policy**

- xx. Ostry, S., Globalization and the Nation State. In *The Nation State in a Global/Information Era: Policy Challenges*, (Thomas J. Courchene, editor), pp. 57–65, in the *Reader*
- xxi. Banting, K.G., The Internationalization of the Social Contract, by Keith G. Banting. In *The Nation State in a Global/Information Era: Policy Challenges*, (Thomas J. Courchene, editor), pp. 255–285, in the *Reader*
- xxii. A Survey of sub-Saharan Africa. *The Economist*, January 17, 2004, pp. 3–16, in the *Reader*
- First Get the Basics Right
  - The Rule of Big Men or the Rule of Law?
  - Breathing Life into Dead Capital
  - Coping with Conflict
  - Love and Death
  - Opportunities, Mostly Missed
  - An Addictive Lullaby
  - Africa’s Engine
  - Plenty of Mistakes to Learn From
- xxiii. By Invitation: Doing the Sums on Africa, by Jeffrey Sachs. *The Economist*, May 20, 2004, in the *Reader*
- xxiv. The Heart of the Matter. *The Economist*, May 13, 2000, in the *DRR*