

ECN 591: Globalization, Business and Economic Policy
Fall, 2013

Overview of the Course

This is a seminar course in globalization, with an emphasis on the design of global economic policy, and the role of the private sector and business in the process. More specifically, we will study how the design of public policy alters the structure of business decisions, as well the implications of those decisions along political, economic, cultural, and environmental dimensions of the Global Economy. The organization of the course is somewhat novel, and involves both lecture and extensive student panel discussions. The lectures are used to provide a survey of the conceptual background for the underlying economic questions at hand (as well as providing an introduction to key economic concepts that are implicit in the policy discussions that we shall consider). The central focus of the class, though, is actually on the panel presentations and discussions, as well as the readings posted on Blackboard that pertain to the topics discussed in the panels. The central motivation for this course design is to encourage the development of informed conversation, discussion, and debate on many of the important topics that are critical to our understanding how economic decisions of firms impact the world in which we all live (as well as the global economy), and how those decisions can be altered by different approaches to public policy that have emerged among the world's major economies.

Students will be responsible not only for studying lecture materials (and material in the textbooks related to this lecture material), but also will be asked to work in groups to post, distribute, and present information on the selected specialized topics that will be discussed in the course. Students will also be asked to *participate*. That is, be part of our ongoing conversation in class on our topics of interest, as well as reading current periodical materials (i.e., magazines, newspapers, internet reports, etc.) on the topics we are discussing in class.

By globalization, we mean the historical process by which diverse economic, political, social, cultural, financial, and legal systems actually merge and integrate. In a sense, globalization means breaking down the barriers that sustain differences along relevant economic, social, cultural, political, and legal dimensions. The drivers of the trend toward globalization over the last 25 years are as diverse as the dimensions being integrated. Some of the forces moving the world toward globalization are political, seeking integration along the lines of policy-making (e.g., the European Union, G-20 and UN). Some alliances are economic, for example, preferential trade arrangements seeking to take advantage of comparative advantages in production and economic organization. The World Trade Organization (WTO) and North American Free Trade Agreement (NAFTA) are examples of this, but many other forms of alliances exist. Also, Europe is facing serious issues related to default on sovereign debt (e.g., Greece last summer, and Ireland, Portugal, and Spain currently). These are issues of great interest. Some other key issues involve the control of global/transnational environmental pollution or climate issues such as this year's Durban Climate Change Conference, as well recent past rounds

in Cancun and Copenhagen. Some organizations seek to coordinate Global financial systems (the International Monetary Fund (IMF), European Central Bank (ECB) and various central/reserve banks are examples, as well as the recent Global economic summits that have met in response to the Global Financial crisis of 2008 plus the current sovereign debt issues in the European Union). In all examples, positions can be taken for both the "pro" and "con" side of the question at hand.

One final thing: we want the course to be relatively *informal*. This is critical. This is *not* a core MBA course; it is a seminar course and an elective. Our objective is to introduce important issues at hand, as well as the complexities involved in understanding those issues; not to preach answers to these questions. Hopefully one thing each of you will appreciate upon concluding the course is how difficult and subtle the issue of globalization can actually be.

Professor Office Hours and Contact

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It is always best to first try to reach us by email. Also, we can set up office hours, if needed. It is best to set up appointments, as needed, or discuss before or after class.

Course Layout

The material covered in this class is organized by topic. By the beginning of afternoon break on first day of class, students should try to form 7 groups: each group consisting of at least 3 students.

Each topic will be covered as follows: (i) a background/related lecture will be given by the professors (if needed), (ii) a panel discussion lead by student groups, moderated by the professors, will be conducted. Participation (via questions and discussion) by all students is required during (ii). The lecture will highlight the material needed for the panels. The panels will start with a presentation by students, and open for class discussion. That is the basic idea.

Panel Organization

(i) Each group will sub-divide into two sub-groups of roughly equal size, one subgroup representing the "pro" side of the topic/issue, the other representing the "con" side.

(ii) Each subgroup will then be responsible for posting on Blackboard in some appropriate readings and other materials related to their panel discussion. We suggest 4-5 articles, but no more (and not less). These postings are to be completed 2 days prior to their panel discussion. One day before the presentations, students should also post preliminary versions of their power-point slides. All students and professors are then to review all the posted material, and perhaps read other related materials on the presentations topic, at that point, and be ready to discuss the issue on the day of the presentation.

(iii) On the relevant day the panel discussion is held, each subgroup will be responsible for putting together a 25 minute presentation on their side of the question (no more than 50 minutes total). Upon the conclusion of these presentations, the professors will moderate a discussion, with students asking questions of both sides, and engaging the discussion with respect to the issues at hand. The class members not in the group will be graded for participation at this stage.

(iv) On the last day of class, each group will be responsible for submitting a summary of their presentation finding in written form. In this phase, the group speaks as a single entity, reviewing the dimensions of the question at hand. The length of the document should be around 10 pages, not more than 15.

Assigning topics: On the first day of class, 1 student from each group will submit an ordering of the topics to the professors via email. Professors will then over the next few days try to match these preferences as closely as possible to the topics. *This will be an imperfect matching.* We will allow the possibility of modifications of topics, if needed (although this will only be done *rare* circumstances).

Grading

There will be a midterm and a final exam. These exams will be essay-type, and will cover the material in both the lectures and panel discussions (including material posted on Blackboard). A few days before the exam, we intend to post review sheets with questions related to the exam. The exam will be culled from these review sheets. Students can feel free to work in groups in studying these questions. As the exam is formed from these review sheets, during the week only questions of clarification are allowed. Before the exam, we will conduct a review session on the exam. At this time, more detailed questions specific to the questions on the review can be asked.

The exams will be closed book, closed notes, and no laptop computers (i.e., handwritten in blue books).

The breakdown for percentages will be as follows:

Midterm (25%)
Final (25%)
Panel Projects (25%)
Class Contribution/Participation (25%)

Panel Projects will be graded for both presentations and papers. Participation will be based on your participation during panel discussions, and also in class. On the last night of class, you will be asked to submit a short explanation as to what you believe your participation grade should be. We will then match your impressions with ours to arrive at the grade.

We will use a "plus/minus" grading system. Grades on exams and projects will be curved, if needed.

Materials

Ritzer, G. 2011. *Globalization: The Essentials*. Wiley-Blackwell.

Helpman, E. 2011. *Understanding Global Trade*. Belknap Press (Harvard)

Plus material posted on Blackboard (per lectures and/or presentations).

Slides posted on Blackboard.

Outline for Course by Meeting

First Meeting (Saturday, October 26, 2013): 1-5 PM

Morning:

1. Introductory Remarks
2. Lecture 1: Overview of Course and Some Key Economic Concepts (Kevin Reffett)

Second Meeting (Saturday, November 2, 2013): 1-5PM

3. Lecture 2: Key Topics in Trade Theory (Manjira Datta)

Third Meeting (Saturday, Nov 9, 2013)

Morning:

4. Lecture 3: Additional Economic Concepts/Dimensions of Globalization (Kevin Reffett)
5. Panel 1: Are International Organizations (e.g., WTO, ASEAN, G-20, etc.) successful in promoting Global Trade? (75 minutes)

Afternoon:

6. Panel 2: Will China be the dominant economic power of the 21st Century, and should their economy be the blueprint for Economic Growth Around the world? (75 minutes)
7. Panel 3: Are the goals of Globalization of Trade and Robust Domestic Employment Compatible? And, if not, which should be favored? (75 minutes)

Fourth meeting (Saturday, Nov 16, 2013)

Morning:

7. Lecture Four: The Environment and Globalization: (Kevin Reffett)

Afternoon:

9. Panel 4: Do Global Climate Accords Accomplish Anything, and should we care? (75 minutes)

10. Midterm

Fifth Meeting (Saturday, November 23, 2013)

Morning:

12. Lecture Five: Globalization and Wealth Inequality. (Manjira Datta)

13. Panel 5: What have been the successes and failures of Global programs that promote Wealth equality in the Developing World? (75 minutes)

Afternoon:

14: Lecture Six: Financial Coordination and Globalization. (Kevin Reffett)

15: Panel 6: Can the EU Survive in the Long run? (75 minutes)

Sixth Meeting (Saturday, Dec 7, 2013)

Morning:

16. Lecture Seven: Labor Markets, Immigration, and Globalization (Manjira Datta)

17. Panel 7: Does Immigration Promote Innovation and Higher Wages? (75 minutes)

Afternoon:

18. Final Exam/Turn in Panel Project Papers