

ECON 385-102: International Economic Policy

I. Overview

Instructor

Gregory W. Caskey

Location/Time

Thursdays, 3:00-4:15 PM
James Buchanan Hall,
D023¹

Email²

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Office Location

James Buchanan Hall,
PPE, 1A1

Office Hours

Via Zoom, Wednesdays
(11:30-12:30), or by
appointment via email.

Course Description

The objective of this course is to provide students a firm grasp of the analytical toolkit used by economists to think about the world. With respect to this course, that will be done via analysis of the international economy, globalization, and trade policy. To begin the semester, we'll start with the nuts and bolts of economic analysis (e.g. thinking like an economist, the price system, supply and demand analysis, comparative and absolute advantage, etc.). As students will see, this toolkit can take one very far in interpreting the world.

The remainder of the course will be devoted to the application of these tools to understanding topics including (but not limited to) economic development, the economics of international trade, trade in historical perspective, the institutional framework facilitating trade, why and how governments intervene in trade, immigration policy, foreign aid, outsourcing, sweatshops, and exchange rates/currency stabilization. Additionally, we'll apply these tools to various current event topics related to international trade and globalization, particularly China's *Belt and Road Initiative*, as well as examine how international trade and globalization impact the world's cultures.

Especially as of late, international trade and globalization have been challenged by figures across the political spectrum (and across the globe, as well). Despite this, economists agree on trade policy more than any other issue. As such, this course is intended to help students make sound, economic judgments regarding policy issues. Learning outcomes will be demonstrated through written assignments, a paper, quizzes, exams, and classroom participation.

Required Texts³

- *Modern Principles of Economics* (4th edition), Tyler Cowen & Alex Tabarrok
- *The Great Convergence*, Richard Baldwin
- *Creative Destruction*, Tyler Cowen
- *From Subsistence to Exchange and Other Essays*, Peter Bauer

Recommended texts

- *China's Asian Dream*, Tom Miller

Additional Reading Assignments

- Additional readings, podcasts, and video links will be uploaded to Blackboard periodically.
- As such, make sure to pay attention to the course reading reschedule located on Blackboard. If you are not in class, it is your responsibility to keep track of assignments and announcements on Blackboard.

¹ This is a hybrid course, meeting in-person one day, with an asynchronous online component to complete the rest of the contact hours. Online content (readings, slides, etc.) will be typically uploaded the day following the in-person meeting. **Note: The course will move to all-online instruction on November 30, following the Thanksgiving holiday.**

² Students must use their MasonLive email account to receive important University information, including communications related to this class.

³ Please simply buy textbooks online through your favorite vendor. For the Cowen/Tabarrok textbook, the e-book edition is fine, and Sapling Plus is not required.

Important Dates

Item	Date
Last day to drop (with 100% tuition refund)	Tuesday, September 8 th
Midterm	Thursday, October 1 st
Papers Due	Sunday, December 13 th by 11:59 PM
Final Exam	Thursday, December 10 th , 1:30 – 4:15 PM (email)

II. Grading & Coursework

Grading Scale (%)					
A+	100-97	B	86-83	C-	72-70
A	96-93	B-	82-80	D	69-60
A-	92-90	C+	79-77	F	59-0
B+	89-87	C	76-73		

Grading Categories/Weights (As % of Final Grade)	
Category	Percentage
Quizzes	15%
Participation	10%
Midterm	20%
Final Exam	35%
Paper	20%

Your grade will be comprised of quizzes, participation, a midterm, a final exam, and a final paper, distributed as shown in the tables. In the event of the course being switched to 100% due to covid-19, grading categories/weights may be subject to change.

- **Quizzes:** Starting in Week 2, quizzes will be taken at the beginning of each (in-person) class on the assigned reading for that class period according to course reading schedule (on Blackboard). No late quizzes will be administered, so if you are late to class, you will not receive the quiz.
 - Your lowest quiz score will be dropped and not counted in your final grade. In addition to incentivizing you to keep up with the readings (and show up for class), these quizzes will give you a chance to see the type of questions that may show up in the multiple choice and true/false sections of the midterms and final. Quizzes cannot be made up but can be exempted from if you have an excuse from the school or health office.
 - **Note:** In the event that all courses are moved online, weekly quizzes may be supplemented or replaced with 300-word weekly reading summary responses. More information will be provided as necessary.
- **Participation:** Most days will consist of a discussion of the readings and the material covered in class following the lecture. You will be graded on the quality and quantity of your contributions. To earn high marks, you should strive to be actively engaged in the discussion, making a reasonable number of high quality contributions during discussion, as well as posing questions based upon the readings to prompt further discussion.
- **Midterm:** The midterm will be taken during the class period on Thursday, September 29th and will cover material from the readings and class lectures. You will have the full class time to complete the exam. Electronic devices are prohibited.
- **Final Paper:** Your paper is due by **Sunday, December 13th at 11:59 PM**. Late submissions will not be accepted. A successful paper will engage the material covered before the midterm in the area concerning their policy.
 - **Topic:** Write a short paper answering the question of “how globalization changes the world's cultures? Draw upon Tyler Cowen’s *Creative Destruction: How Globalization is Changing the World’s*

Cultures (2002) as the basis of the discussion. Is globalization a positive development for the world's cultures? A negative? What economic arguments and empirical evidence support your claim? You will be expected to draw upon material from course readings/required texts (as well as additional sources) to address the paper prompt in support of your arguments.

- ***Note*: I don't want a book report;** the point of the assignment is to think deeply about the interrelationship between the economy and culture, particularly with respect to globalization and trade, in the process of crafting your own argument. You will be graded on the pertinence of your answer to the above mentioned question, how well you support your arguments, and your usage of course material to support those arguments. Mere regurgitation of the book as your final paper, absent your own argument, will not earn high marks.
- **Directions:**
 1. Papers must be typed, double-spaced, Times New Roman, 12 point font, 1 inch margins.
 2. Paper length should be of minimum six pages and maximum of ten.
 3. Pages must be numbered. The number of pages begins on the page after the title page.
 4. Include a title page (no numbering), with a title for your paper that states the main point or main issue of your paper. (i.e. Don't call it: "385 Term Paper"). The title page does not count as a page toward the length requirement.
 5. At the end of the paper provide a list of referenced works, alphabetical by last name. Your paper should have at least ten references. A page with references does not count as a page toward the length requirement. Follow APA citation guides.
 - In the paper, use the citation format of the following example:
 - "Will the future bring artistic quality and innovation, or a homogenous culture of the least common denominator?" (Cowen 2002, 4). Here, the number 4 refers to page 4
 - References should appear as follows:
Cowen, T. (2002). *Creative destruction: How globalization is changing the world's cultures*. Princeton University Press.
 6. **The final paper will be due on Sunday, December 13th by 11:59 PM.**
 - Email the final paper to gcaskey@gmu.edu
- A rubric and specific instructions regarding formatting, style, and substance will be sent out after the midterm.

III. Course Schedule

Note: *Due to potential changes to the course structure (e.g. being switched to 100% virtual due to the global pandemic), the course schedule is tentative. That said, I will limit changes as much as possible.*

- Given our hybrid set-up, the content listed is for the entire week (encompassing the asynchronous online component as well). As such, the asynchronous online content (readings, slides, podcasts, etc.) will be typically uploaded to Blackboard the day following the in-person meeting.
- ****Course Reading Schedule**:** Given the above, the course reading list will be located on Blackboard. Any changes will be announced in class/emailed, and an updated syllabus and course reading schedule will be uploaded to Blackboard, which you should check often!

Class Meeting	Subject
Week 1: Thursday, August 27th	<p>Introduction & Why Economics?</p> <ul style="list-style-type: none"> • Course Overview and Introduction • Thinking like an Economist
Week 2: Thursday September 3rd	<p>Core Concepts: The Nuts and Bolts</p> <ul style="list-style-type: none"> • Property Rights • Exchange and the Division of Labor • Production Possibilities Frontier • Comparative Advantage • Preliminary thoughts on Globalization
Week 3: Thursday, September 10th	<p>Prices and the Market Process</p> <ul style="list-style-type: none"> • The Market Process • Price Theory • Supply and Demand analysis • Economic Coordination: The Three P's and Three I's
Week 4: Thursday, September 17th	<p>Economic Growth & Development</p> <ul style="list-style-type: none"> • Institutions and economic growth • Increasing Returns, The Rule of 70 • The "Vicious Circle of Poverty" • The Great Divergence & The Great Convergence • Globalization's First Unbundling
Week 5: Thursday, September 24th	<p>Government and Political Economy</p> <ul style="list-style-type: none"> • Public Goods & The Logic of Collective Action • Government intervention & Dynamics of Interventionism • Public Choice: Politics without Romance
Week 6: Thursday, October 1st	Midterm (In Class)
Week 7: Thursday, October 8th	<p>Thinking about Globalization</p> <ul style="list-style-type: none"> • Globalization's Second Unbundling • The ICT Revolution • Global Value Chains • Creative Destruction • Globalization and Culture
Week 8: Thursday, October 15th	<p>Trade</p> <ul style="list-style-type: none"> • Trade Policy & Patterns • Free Trade: Arguments For/Against • Protectionism and its Impacts • Trade as a Spontaneous Order • The China Trade Shock • Foreign Direct Investment

Week 9: Thursday, October 22nd	<p style="text-align: center;">Immigration/Population</p> <ul style="list-style-type: none"> • Immigrant policy and debates • Open Borders?! • Human Capital • Population and Demographic Economics • Cities and Urbanization
Week 10: Thursday, October 29th	<p style="text-align: center;">Foreign Aid</p> <ul style="list-style-type: none"> • Foreign Aid: Arguments For/Against • Foreign Aid and: (1) Political Institutions; (2) Economic Development • The “Double Asymmetry” of Aid • Multilateral Development Banks • Marshall Plan
Week 11: Thursday, November 5th	<p style="text-align: center;">Climate/Environment</p> <ul style="list-style-type: none"> • Externalities • Coase Theorem, Polycentrism • Climate policy • Carbon Taxes • Fracking • Animal & Resource Conservation
Week 12: Thursday, November 12th	<p style="text-align: center;">Special Economic Zones & Charter Cities</p> <ul style="list-style-type: none"> • Special Economic Zones: The Case of China • Hong Kong • Charter Cities
Week 13: Thursday, November 19th	<p style="text-align: center;">Potpourri</p> <ul style="list-style-type: none"> • Economics of Federalism: USA, EU • Urbanism: Housing, Transportation, Zoning, Gentrification • The Dawn of Eurasia
Week 14: Thursday, November 26th	No Class, Thanksgiving Break
Week 15: Thursday, December 3rd	<p style="text-align: center;">Belt and Road Initiative (BRI)</p> <ul style="list-style-type: none"> • Interpreting BRI • BRI: Nuts and Bolts • Economic and Geopolitical Implications • Means and Ends, Effects on Political Institutions
Week 16: Thursday, December 10th	Final Exam: 1:30 PM- 4:15 PM (Online)

IV. Course Policies

Course Expectations: It is expected that all readings will be complete by the start of class and that you come to class ready to participate. In addition, this class requires some familiarity with graphing and algebraic computations. If you find yourself struggling with the material at any time, please make an appointment to talk with me as soon as possible. While there are no prerequisites for ECON 385, you will be expected to have at least an introductory understanding of topics covered in a Microeconomic Principles class. Please review this material as you feel necessary as we revisit these concepts throughout the course. An excellent text for review is *Universal Economics* by Armen Alchian and William Allen.

Attendance/Class Participation: While attendance is not mandatory, attendance and class participation are necessary to have a successful experience in this course. In addition, I cannot offer a make-up exam without a valid excused absence. If you are unable to attend class for an excusable reason, please contact me before the start of class and for a missed exam please provide proper documentation.

Viewpoint Diversity: I expect that you treat your fellow classmates with respect, even if you disagree with them; reasonable minds can differ on any number of perspectives, opinions, and conclusions. Constructive disagreement sharpens our thinking and deepens our understanding; therefore, it is not only encouraged, but expected. All viewpoints are welcome in my class; however, no ideas are immune from scrutiny and debate.

Audio Recording and Electronics: Please be respectful of your peers and your instructor and do not engage in activities that are unrelated to class. Such disruptions show a lack of professionalism, and negatively affect the learning of others. Additionally, research suggests that students taking notes by hand retain information better than their peers who take notes electronically. In order to foster open discussion, recordings of lectures will not be allowed.

Other relevant GMU Policies: In addition to the course policies listed above I will follow GMU policy on all matters, including:

- **Disability Services:** All accommodations for disabilities must be set up at the beginning of the semester with the Office of Disability Services. They can be reached at (703)-993-2474 or ods@gmu.edu. Additional information about GMU policy can be found at ds.gmu.edu.
- **Academic Honesty:** It is expected that students adhere to the George Mason University Honor Code as it relates to integrity regarding coursework and grades. The Honor Code reads as follows:
 - *To promote a stronger sense of mutual responsibility, respect, trust, and fairness among all members of the George Mason University community and with the desire for greater academic and personal achievement, we, the student members of the University Community have set forth this: Student members of the George Mason University community pledge not to cheat, plagiarize, steal and/or lie in matters related to academic work.*
 - More information about the Honor Code, including definitions of cheating, lying, and plagiarism, can be found at the Office of Academic Integrity website at <http://oai.gmu.edu>

Additional Services:

- University Libraries (library.gmu.edu)
- Writing Center (writingcenter.gmu.edu)
- Counseling and Psychological Services (caps.gmu.edu)
- Keep Learning, Learning Services (learningservices.gmu.edu/keeplearning/)