

**Федеральное государственное автономное образовательное  
учреждение высшего образования  
"Национальный исследовательский университет  
"Высшая школа экономики"**

Кафедра торговой политики

при участии  
Департамента теоретической экономики,  
Школы востоковедения

**Рабочая программа общеуниверситетского факультатива  
Introduction to Global Economy and International Economic Relations**

для уровней подготовки – бакалавриат, магистратура, аспирантура

Разработчики программы:

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Руководитель Методического центра ДООП  
\_\_\_\_\_ / Серова А.В./

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*Настоящая программа не может быть использована другими подразделениями  
университета и другими вузами без разрешения подразделения-разработчика  
программы.*

## **Course description**

The focus of the course is not only on traditional theories of international economics, i.e. on international trade, finance and growth, but on modern trends of the global economic development and on the latest empirical research in the most important spheres of the global economics.

Global economy currently faces damage due to economic, environmental, and political crises, crashes on financial markets, etc. Such problems of sustainable development as climate change, water scarcity or food insecurity become an integral part of global economy. As coping with them requires international cooperation these problems are at the center of world economy and international relations agenda.

## **Learning objectives**

The main goal of the course is to build up the understanding of the theory and policy of the contemporary global economics. The course provides students with understanding the practical aspects of the global economics.

## **Methods**

The teaching is based on examining theoretical concepts of globalization, trade and economic development. After this the examined economic theories would be demonstrated on the practical examples. The questions of global governance are mostly discussed. Students should prepare presentations about discussed topics and then prove their positions. The approach encourages the development of economic intuition as well as some formal skills.

The following methods and forms of study are used in the course:

- lectures
- seminars
- home assignments
- self-study

You are encouraged to work together on homework assignments, but you must write up the assignment individually. Overall, the course includes hours of lectures and hours of classes. Self-study is an extremely important element of the course. Also the active work on the seminars is crucial for taking practical skills in discussion and standing up your position.

## **Valid excuses**

If you have to miss a homework or mid-semester examination due to illness, the weight of the missed assignments will be shifted onto other course elements (other exams, class activity, and homeworks).

## **Office hours**

M. Ordynka 17, Office 407, by appointment.

## **Changes to the Syllabus**

Any changes to this syllabus will be announced in class.

## Course Outline

№	Topic	Lectures	Self-study hours	Total hours
1	Introduction	2	4	6
2	Basics of the World trade theory and practice	4	4	8
3	Basics of the Global production pattern	2	4	6
4	New trends of the global economy	2	4	6
5	Consumption patterns in the global economy	2	4	6
6	Transnational companies	2	4	6
7	The political economy of trade and development	2	4	6
8	Money, interest rates and exchange rates in the open economy	2	4	6
9	Global economy major problems	4	2	6

10	Global migration challenge	4	2	6
11	Global energy security	2	4	6
12	Global economic governance	4	4	8
13	Global finance and global financial governance	2	4	6
14	Technological progress for the global growth	2	4	6
15	Environmental and cultural issues	2	2	4
16	Preferential Trade Agreements and Economic Integration	2	4	6
17	Regionalization and new regionalism	2	4	6
18	Institutional economics	6	4	10
	Total	48	66	114

### **Assessment**

The final grade consists of the following elements:

- Current evaluation of participation in the course -50%
- Final paper – 50%
- Current evaluation =
  1. Class attendance - 10%

2. Class activity– 30%
3. Home assignment reports – 30%
4. End of the module written paper – 30%

## **Tentative course outline**

### **1. Introduction**

Intro to the global economics  
What is global economics about?  
Definitions and the origins.  
International micro and macroeconomics 323  
Global trends in the post international economics  
Objective economic necessity to be part of the global economy

### **2. Basics of the World trade theory and practice**

#### Theory:

Ricardo model  
Labor productivity and Comparative advantage  
Opportunity cost  
The gravity model

#### Empirical evidence:

Modern trends in global trade  
Global trade negotiations: GATT, WTO, Doha round.

### **3. Basics of the Global production patterns.**

#### Theory:

Specific Factors of production.  
Production Factor International Movements.  
Heckscher-Ohlin Factor-proportions theory

#### Theory:

Economies of scale and international location of production  
Limits to the International Labor Mobility

### **4. New trends of the Global economy**

#### Theory:

National income accounting and the balance of payments –Krugman **Chapter 13**  
Competitiveness methodology  
Global value chains

#### Empirical evidence:

A sum of the National economies and a global economy  
Major global economies by GDP  
Classification and types of economies  
Emerging markets. Asian economies

## **5. Consumption patterns in the global economy**

### Theory:

- Main consumption theories. Engel curve. Giffen good
- Main trends in consumption. Changes in the structure of consumption

## **6. Transnational companies**

### Theory:

International Capital Flows

Main theories of transnational companies

Globalization and low-wage labor 309

### Empirical evidence:

The history of TNC development

Main trends in TNC activity

Outsourcing

Offshoring

## **7. The political economy of trade and development**

### Theory:

Economic growth models

## **8. Money, interest rates and exchange rates in the open economy**

### Theory:

Money, interest rates and exchange rates

National currency Exchange rates and international transactions

### Empirical evidence:

CB policies

Monetary reserves

Stabilization Fund

International monetary systems

Global currencies

Virtual currency concept

## **9. . Global economy major problems**

### Empirical evidence:

Global inequality and income distribution

Global and regional migration trends

Mineral resources and global energy security

Natural water as a global public good

Global food security. FAO activity

Global infrastructure to assure the functioning of the global economy

## **10. Global migration challenge.**

### Theory:

Theories on migration effects

Types of migration

Empirical evidence

Demographic challenges

Global and regional migration trends

National, regional and global response to migration challenges

**11. Global energy security**

Shifts on the energy markets

New challenges to the energy security

National, regional and global response to energy security challenges

**12. Global economic governance**

Theory:

Global economics with national governance?

Theoretical concepts of global governance

National, regional and international facets of governance

TNC as governance actors

Empirical evidence:

Building up the system of institutions of global governance

The role of formal and informal international organizations

**13. Global finance and global financial governance**

Theory:

Financial globalization: opportunity and crisis

Theories of cycles crises

Empirical evidence:

Managing Global economic and financial crisis.

Global supervision of international banking

Global financial regulatory cooperation

**14. Technological progress for the global growth**

Theory:

Knowledge as a factor of production

Knowledge spillovers. Krugman 172

Empirical evidence:

Intellectual property rights, patents

Knowledge as a global public good

**15. Environmental and cultural issues**

Theory: Krugman 313

The argument of cultural independence and market failure

Human rights and economic development

Empirical evidence:

Ozone layer protection. Montreal protocol

Global warming challenge and response

Ecology – as a global public good

Education with no frontiers  
Sports as a part of the global economy

## **16. Preferential Trade Agreements and Economic Integration**

### Theory:

Trade creation vs trade diversion  
Theories of economic integration  
Theory on the forms of integration

### Empirical evidence:

EAEU, EEA, NAFTA  
New trends of regional integration. Brexit.

## **17. Regionalization and new regionalism**

RTA multiplication  
Mega-regional trade agreements

## **18. Institutional economics**

### Theory:

Homo economicus  
Contract theory  
Market failures  
States as actors of the global economy

### Empirical evidence:

Emergence of railroads in the US, the UK, and France  
Water resources deficit in the Middle East  
Comparative analysis of corruption

## **Assessment criteria**

The grading system is based at the “10-point” approach to evaluating students’ knowledge.  
The form of the final control is a final paper.

## **Main reading**

1. Krugman, P. R. International economics. Pearson, 2015. - 783 c. Krugman P., Obstfeld M., Melitz M. (KOM) International Economics: Theory and Policy, 2012.
2. Global Political Economy: Understanding the International Economic Order. by Robert Gilpin and Jean M. Gilpin 2001
3. Architects of austerity: international finance and the politics of growth / Major A. – Stanford: Stanford University Press, 2014. – 254 c.
4. Globalization in an Age of Crisis: Multilateral Economic Cooperation in the Twenty-First Century Robert C. Feenstra and Alan M. Taylor Chicago Scholarship online 2014
5. The Global Economy in Turbulent Times See-Yan Lin ISBN: 978-1-119-05992-91024 pages, Wiley, July 2015
6. Ullman-Margalit E. The Emergence of Norms. Oxford : Clarendon Press, 2007.



### **Other readings**

1. John Ravenhill (ed.), *Global Political Economy*. (Oxford, 4th edition, 2014)
2. Theodore H. Cohn *Global Political Economy: Theory and Practice*. Routledge 2016
3. Thomas Oatley: *International Political Economy: Interest and Institutions in the Global Economy* (Routledge, 5th edition, 2013),
4. R.Versteeg, *International economics*, The London School of Economics and Political Science, 2015.
5. E. Galchenko. UK between Integration and Disintegration: Towards Post-Brexit Trade Policy // *Trade Policy Journal (HSE)*. 2016. No. 4. P. 85-94.
6. V.N. Zuev (editor), *Global governance institutions*, Magistr, 2016. (in Russian)  
Бирюкова О. В., Мешкова Т. А., Данильцев А. В., Островская Е. Я., Андропова И. В., Ларионов А. В., Глазатова М. К., Шелепов А. В., Кукушкина Ю. М., Корытова В. С., Макаров И. А., Портанский А. П., Миронова Е. А., Гальченко Е. А., Зуев В. Н. Глобальные институты регулирования: учебник / Под общ. ред.: В. Н. Зуев. М. : Магистр, Инфра-М, 2016.
7. <http://www.theglobaleconomy.com/>
8. Key Concepts in the New Global Economy Volume I Edited by David A. Baldwin  
THE INTERNATIONAL LIBRARY OF WRITINGS ON THE NEW GLOBAL ECONOMY <http://www.gbv.de/dms/zbw/723763763.pdf>
9. <http://www.whatiseconomics.org/the-global-economy/>
10. Strategic global outlook. Dynkin  
<http://www.imemo.ru/files/File/en/publ/2011/11001.pdf>
11. Кукушкина Ю. М. Взаимосвязь региональной интеграции и ГЦСС // *Международная торговля и торговая политика*. 2016. № 4 (8). С. 66-82.
12. Боулз, С.Р. Микроэкономика. Поведение, институты и эволюция.  
Нуреев, Р.М. Очерки по истории институционализма.

**Special Equipment and Software Support (if required):** computer, projector, access to the Internet.