

Prof. Dr. Harald Strotmann

Office hours: Wednesday, 9.45-11.15,  
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## International Economics (ECO 5061)

### Syllabus

#### Summer Term 2021

<b>Time:</b>	see schedule below
<b>Room:</b>	W4.1.06 or <a href="#">Internet Office Strotmann</a>
<b>Begin:</b>	Tue, March 16, 2021
<b>ECTS-Credits:</b>	5 (together with ESR 5062 Sustainable Development)
<b>Level:</b>	Advanced II
<b>Prerequisites:</b>	Basic knowledge in Micro- and Macroeconomics
<b>Accessibility:</b>	Course is compulsory for 2 <sup>nd</sup> semester MBA-IM students and open to international guest students on MBA-level

#### Learning Objectives:

By the end of the course, the participants shall...

- ...understand main issues and mechanisms of global integration of markets for goods and services and for factors of production.
- ...be able to analyze the effects of global economic integration with respect to economic efficiency, overall wealth and standards of living.
- ...understand the distributional consequences of global economic integration producing winners and losers.
- ...be capable of analyzing and discussing critical issues of economic globalization (low wages, human rights and labor conditions, sweatshops etc.) with respect to underlying economic mechanisms.
- ...have improved their capacity to write an academic paper on a current topic in international economics based upon a profound literature survey and taking into account the standards of academic writing.
- ...have improved their capacity to present and to discuss the results of their term paper in a clearly comprehensible, logical and convincing manner.
- ...have improved their capacity to work effectively in teams.
- ...better recognize ethical problems which can arise from business activities in a global environment and account for them accordingly.

## Course contributions to the MBA program goals / learning outcomes

Goal	Learning Objectives	Course Contributions to Goal	Assessment
<b>1 Responsible leadership in organizational contexts</b>	1.1 Knowledge of leadership principles 1.2 Application of leadership principles 1.3 Critical reflection of leadership concepts		
<b>2 Creative problem solving skills in a complex business environment</b>	2.1 Ability to identify, differentiate and classify problems 2.2 Ability to analyze problems (instrumental competence) 2.3 Ability to find creative solutions (systemic competence)  2.4 Ability to present problems (communicative competence)	Understanding of main determinants and effects of globalization as a framework condition for globally acting companies; Critical discussion of causes / consequences and benefits / risks of globalization. Discussion of economic topics in international policy debates  Preparation of an academic term paper on a complex current topic of international economics  Presentation and discussion of the term paper. Presentation of an executive summary	Discussion within classes, Term Paper, Presentation and Discussion of Term Paper, Presentation of Management Summary of an Article
<b>3 Research Skills</b>	3.1 Methodological knowledge (extending knowledge) 3.2 Competence in applying relevant state of the art research methods (instrumental competence) 3.3 Ability to collect innovative results by using relevant research methods (systemic competence)	Based upon academic literature research students have to prepare a term paper and a presentation in teams of 2 students.	Discussion within classes, Term Paper, Presentation and Discussion of Term Paper and Case Study, Presentation of Management Summary of an Article
<b>4 Management of Innovation</b>	4.1 Fundamental knowledge of operational innovation processes 4.2 Ability to assess a company's innovation potential 4.3 Ability to develop complex technological strategies		
<b>5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities</b>	5.1 Fundamental knowledge of sustainability issues 5.2 Ability to identify and analyze sustainability issues and its causes 5.3 Development of sustainability strategies	Understanding of main determinants and effects of globalization, International trade, Effects of trade policy instruments, International trade policy, International migration, International capital flows, Exchange rates and international exchange rate policy, Currency crises, Global governance (WTO, IMF,...)  Economic sustainability of globalization; Winners and losers from international trade. Critical analysis of globalization criticism.  Economic foundations for the capacity to understand ethical issues of globalization. Analysis of globalization criticism, Economic functions of low wages in developing countries, etc.	Discussion within classes, Term Paper, Presentation and Discussion of Term Paper and Case Study, Presentation of Management Summary of an Article

### **Main course topics:**

- Determinants and Effects of Free Trade
- Winners and Losers in Economic Globalization
- International Trade Policy and the WTO
- International Factor Movements – FDI and International Migration
- Global Imbalances – Balance of Payments
- Flexible and Fixed Exchange Rates
- Financial Crises and the Role of the IMF
- Globalization, Low Wages and Labor Rights

### **Basic outline and organization:**

The course consists of two main elements:

- (1) ***Interactive lectures with discussion:*** in the first weeks of the semester, an introduction to theoretical foundations of international economics is given. The introductory sessions follow a primarily lecture-style approach. Preparation based upon suggested basic readings and continuing active class participation throughout the term is expected. The slides and additional materials for each session will be uploaded to the e-learning platform.

To follow related current policy debates a list of recent articles will be given. Please read the corresponding articles (which will be uploaded on the e-learning platform) in advance of the sessions. For each of the articles, some students are expected to give a brief and condensed executive summary of the core messages of the article. Details will be given in the first session on March 16.

- (2) ***Preparation, presentation and discussion of an academic paper on a current issue of international policy debates.*** Based upon the knowledge acquired in the introductory session, the students will have to work in teams of two on a current topic of policy debates in international economics. Thereby, the students have to prepare, to present and to discuss a 20 pages academic term paper. Please note that within the “Sustainable Globalization I” module, every student either does a term paper in “ECO 5061 International Economics” or in “ESR 5062 Sustainable Development”

For preparing the paper the students have to follow the “Guidelines of the Business School for Academic Writing”. The assignment of topics will take place on March 16, 2021, in the ECO 5061 session. Date of delivery of the term paper is June 16, 2021. Presentations have to be delivered until June 18, 2021. The presentations and discussions of the papers for ECO5061 are scheduled for June 28, 2021. Each presentation will last 30 minutes for a team of two students with an additional discussion of also 30 minutes.

## Grading:

Attendance in the introductory sessions and in the presentations of your fellow students is mandatory. Preparation and active participation are expected.

The grade for the module “Sustainable Globalization I” is based upon:

- (1) the quality of the written term paper (40%),
- (2) the quality of your presentation, participation within class and the discussions after the presentations (25%),
- (3) a joint oral exam for the module “Sustainable Globalization I” focusing on the contents of both lectures and of selected presentations (35%).

Please note that it is not possible to pass if the written term paper is graded 5.0.

The **term paper** should have a clear structure and your writing should focus on the main topics. From a formal point of view the writer has to follow the guidelines for Academic Writing of the Business School. The following recommendations will help you to improve your term paper and will be used for grading the term paper:

- Motivate the reader for your topic and clearly define the aim of your paper within the introduction
- Give your paper a clear and logical structure
- Focus on the main topics and always keep and refer to the central theme of your topic
- Check that your argumentation is traceable for the reader
- Be aware that academic writing means that the discussions have to be well-balanced
- Clearly distinguish between positive and normative analysis. The main body of the paper should be positive analysis. You can give your opinion in the concluding part.
- Summarize main points in your conclusion and thereby refer to the aim of the paper
- Don't write things that you did not understand
- Use professional terminology in a competent manner
- Use best possible academic literature as the basic for your term paper
- Be precise with citing and with your list of references
- Be professional with respect to orthography and grammar
- Check that your spelling style is clear and comprehensible
- Use tables and figures in an adequate manner
- Arrange the layout of the term paper in a professional manner

Recommendations for the **presentation** and criteria used for grading it are:

- Welcome your audience in comfortable manner
- Introduce yourselves
- Motivate for your topic at the beginning to gain the attention of the audience: why is it interesting/relevant/important to deal with the topic?
- Clearly give the aim of your presentation within the introduction

- Give a brief and motivating overview over the outline of your presentation
- Give your presentation a clear and logical structure
- Focus on the main topics and always keep and refer to the central theme of your topic
- Thereby, less might even be more in a presentation!
- Check that your argumentation is traceable for the audience
- Be aware that the discussions have to be well-balanced
- Be precise with respect to your argumentation
- Give examples whenever helpful
- Summarize main points in your conclusion and thereby refer to the aim of the presentation
- Keep to the designated time
- Use appropriate media for your presentation
- Clearly arrange your slides and check that your font is large enough
- Maintain eye contact with your audience
- Use good posture, natural gesturing, controlled movement
- Do not read, speak freely
- Pay attention to your speed of speech and to an adequate modulation of your voice
- Allow time for the audience to absorb the information
- Keep the audience focused. Pay attention if they can understand what you are explaining
- Try to activate the audience within the discussion
- Show within the discussions that you are really and expert in your topic
- Be open for remarks and questions of your audience

#### **Course Material:**

Appleyard, D. R./Field, A. J./Cobb, S.L. (2017): International Economics, 9th edition, McGraw-Hill.

Blanchard, O./ Johnson, D.W. (2017): Macroeconomics, 7th edition, Pearson.

Feenstra, R. C./ Taylor, A. M. (2017): International Economics, 4th edition, Worth Publishers.

Kreinin, M. E. (2013): International Economics: A Policy Approach, 2nd edition, Pearson. Earlier versions that have been published last time in 2010 or 2006 with Thomson Advantage Books may also be used.

Krugman, P. R./Obstfeld, M./Melitz, M. (2018): International Economics. Theory & Policy, 11th edition, Pearson.

Available as e-book (with VPN client on): <https://www.pearson-studium.de/drm/reader/nu/code/ehvzyjgh0pxs2myn9dpo90qvdu5i4ung>

*Interesting articles on numerous current topics in international economics can be found e.g. in "The Economist" (www.economist.com).*

### Availability of the lecturer and teaching philosophy:

Prof. Dr. Harald Strotmann  
 Office: W2.4.31 or [Internet Office Strotmann](#)  
 Office hours: after appointment by email  
 Email: [harald.strotmann@hs-pforzheim.de](mailto:harald.strotmann@hs-pforzheim.de)

I care about your learning. Therefore, do not hesitate to contact me if you have any questions/problems with your learning or with the course.

### Preliminary schedule for ECO5061 – International Economics

		<b>Possible textbook for preparation (available as e-book):</b> Krugman et al. (2018)
<b>Tue, March 16</b> 13.45-15.15	<b>Introduction to International Economics – a first overview</b>	Chapter 1: Introduction: What is International Economics About?
<b>Tue, March 16</b> 15.30 – 17.00	<b>Causes and effects of international trade – part I</b>	Chapter 2: World Trade: an Overview Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model
<b>Wed, March 17</b> 8.00 – 9.30	<b>Causes and effects of international trade – part II</b>	Chapter 5: Resources and Trade: The Heckscher-Ohlin Model
<b>Thu, March 18</b> 17.15-18.45	<b>Causes and effects of international trade – part III</b>	Chapter 8: Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises Chapter 7: External Economies of Scale and the Internal Location of Production
<b>Tue, March 23</b> 15.30 – 17.00	<b>Effects of trade policy – part I</b>	Chapter 9: The Instruments of Trade Policy
<b>Wed, March 24</b> 8.00 – 9.30	<b>Effects of trade policy – part II</b>	Chapter 10: The Political Economy of Trade Policy
<b>Tue, March 30</b> 15.30-17.00	<b>International Trade Policy and the WTO</b>	Chapter 10: The Political Economy of Trade Policy
<b>Wed, March 31</b> 8.00 – 9.30	<b>Global imbalances – analyzing a country’s balance of payments – part I</b>	Chapter 13: National Income and the Balance of Payments
<b>Wed, April 7</b> 8.00 – 9.30	<b>Global imbalances – analyzing a country’s balance of payments – part II</b>	Chapter 13: National Income and the Balance of Payments
<b>Wed, April 14</b> 8.00 – 9.30	<b>Exchange rates, the foreign exchange market, and determinants and policy implications of flexible exchange rates – part I</b>	Chapter 14: Exchange Rates and the Foreign Exchange Market: An Assets Approach

<b>Tue, April 20 13.45-15.15</b>	<b>Exchange rates, the foreign exchange market, and determinants and policy implications of flexible exchange rates – part II</b>	Chapter 16: Price Levels and The Exchange Rate in the Long Run
<b>Tue, April 20 15.30 – 17.00</b>	<b>Fixed exchange rates, policy implications of fixed exchange rates and currency crises</b>	Chapter 18: Fixed Exchange Rates and Foreign Exchange Intervention
<b>Wed, April 21 8.00 – 9.30</b>	<b>Fixed exchange rates, policy implications of fixed exchange rates and currency crises</b>	Chapter 19: International Monetary Systems: A Historical Overview
<b>Tue, April 27 15.30-17.00</b>	<b>Fixed exchange rates, policy implications of fixed exchange rates and currency crises</b>	Chapter 21: Optimum Currency Areas and the Euro
<b>Wed, May 5 8.00 – 9.30</b>	Q&A	
<b>Thu, May 6 17.15-18.45</b>	Q&A	
<b>Fri, April 16</b>	Delivery of a first draft of the outline and your current list of references as a basis for a <b>first personal meeting</b> in which you present your current status	
<b>Fri, May 14</b>	Delivery of your current draft of the outline and your current list of references as a basis for a <b>second personal meeting</b> in which you present your current status	
<b>Wed, June 16</b>	<b>Delivery of term papers</b> – by email to <a href="mailto:harald.strotmann@hs-pforzheim.de">harald.strotmann@hs-pforzheim.de</a> (or to <a href="mailto:juergen.volkert@hs-pforzheim.de">juergen.volkert@hs-pforzheim.de</a> )	
<b>Fri, June 18</b>	<b>Delivery of presentations</b> – by email to <a href="mailto:harald.strotmann@hs-pforzheim.de">harald.strotmann@hs-pforzheim.de</a> (and to <a href="mailto:juergen.volkert@hs-pforzheim.de">juergen.volkert@hs-pforzheim.de</a> )	
<b>Mon, June 28 13.45 – 19.30</b>	<b>Presentation and discussion of term papers (ECO5061)</b>	
<b>Fri, July 9 (tbc)</b>	<b>Oral exams (on module “Sustainable Globalization I, i.e. ECO5061 and ESR5062)</b>	

Accompanying current readings:

All students are expected to read/prepare short articles on current policy issues in advance. These will be uploaded to our platform a few days before the session. For each topic some students will be selected to...

- ... give a brief and condensed management summary (only) of the core messages of the article. **Thereby, focus on clear message-orientation, not details!**
- ... ask one question/doubt about the contents of the article which would make additional readings and research necessary.

**The brief presentation must take less than 2 minutes.**