

Syllabus
ECO5061 International Economics
Prof. Dr. Harald Strotmann
Summer Semester 2023

Level	Master, Advanced II	
Credits	5 (together with ESR 5062 Sustainable Development)	
Student Contact Hours	2 per week (45 minutes)	
Workload	Workload 150 hours, 60 hours within class and 90 hours for self-study (together with ESR 5062 Sustainable Development)	
Prerequisites	Basic knowledge in Micro- and Macroeconomics	
Time	see schedule below	
Room	W4.1.06	
Start Date	Wednesday, March 15, 2023	
Lecturer(s)	Name	Prof. Dr. Harald Strotmann
	Office	W2.4.32
	Colloquium	Wednesday, 8.30 – 10.00
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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.

Outline of the Course

- 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

Course Intended Learning Outcomes and their Contribution to Program Intended Learning Outcomes / Program Goals

Goal	Learning Objectives	Course Contributions to Goal	Assessment
1 Responsible leadership in organizational contexts	1.1 Knowledge of leadership principles 1.2 Application of leadership principles 1.3 Critical reflection of leadership concepts		
2 Creative problem solving skills in a complex business environment	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, Writing and Presentation of a Management Summary of an Article
3 Research Skills	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, Writing and Presentation of a Management Summary of an Article
4 Management of Innovation	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		
5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities	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, Writing and Presentation of a Management Summary of an Article

Teaching and Learning Approach

The course consists of the following elements:

(1) *Interactive introductory 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 (see table below) and continuing active class participation throughout the term is expected.

Executive Management Summaries on articles on current policy issues

All students are expected to read short articles on current policy issues in advance of some sessions. The articles will be uploaded to Moodle a few days before the session.

For each article you will have to write and upload a **brief executive summary of the core messages of the article**. The maximum word count is 200 words. Thereby, think about a situation in which you have to give someone else a very short briefing on the main insights. It shall thus summarize the core messages of an article in a clear and comprehensive manner. Thereby, you often do not follow the structure of the article and you have to avoid getting lost in details, but only focus on the few key learnings.

In class, some students will be selected to present their management summary to the group. **The brief presentation must take less than 2 minutes.** Details are also explained in the first session on March 15.

(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, you will work in teams of two on a current topic of policy debates in international economics. Thereby, you 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”. An example of a peer-reviewed journal article as a potential template for citation will also be uploaded. The course also offers you the opportunity to learn how to use literature management software that supports you in the preparation of scientific papers. The department provides you with the software Citavi for this purpose. You can find Citavi, a short introduction and training videos here:

https://www.hs-pforzheim.de/en/hochschule/organisation/university_library/translate_to_english_ich_moechte_meine_gesammelte_literatur_verwaltenein_literaturverzeichnis_erstellen

- Assignment of topics: March 16, 2023 in the ECO 5061 session.
- Date of delivery of a draft of the outline, your current list of references and of examples for citation: April 30, 2023.
- Date of delivery of the term paper: June 5, 2023.
- Date of delivery for presentations: June 12, 2023.
- The presentations and discussions of the papers for ECO5061 are scheduled for June 15, 2023 and June 20, 2023. Each presentation will last max. 25-30 minutes for a team of two students with an additional discussion of also 30 minutes.

Literature and Course Materials

The materials will be distributed to you on Moodle. They comprise:

(1) **Slides**

(2) **Questions on every chapter for your own work**

The questions shall help you to check whether you understand the core contents of the course. For a best possible learning experience, I would suggest that you answer the questions for yourself or in groups after the corresponding sessions. In case of problems you may ask me in class, come to my office hours, make an appointment with me at other times or hand them in for one of the three voluntary tutorials which I will offer during the semester (see below).

(3) **Link to the basic online textbook of Krugman et al. (see below)**

(4) **Links to current articles / readings**

My goal is to combine our theoretical discussion in class with very current international policy debates. I want to invite and to motivate you to follow cutting-edge international policy discussion, e.g. on "Project Syndicate" or reading "The Economist". Therefore, I will regularly upload links here to recent articles or opinion statements which are related to our course on International Economics. Access to Project Syndicate articles is free for students of Pforzheim University (VPN connection is needed). I will partly also refer to article in class, but contents of articles will not be part of the written exam in the end of the semester. Only in rare cases, but then I would explicitly mention it for single articles. Hope that many of you are interested in reading the articles!

(5) **Discussion forum**

You may post questions there and interact with other students. I will also help there in case of questions.

Course Material:

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

Blanchard, O./ Johnson, D.W. (2021): Macroeconomics, 8th edition, Pearson.

Feenstra, R. C./ Taylor, A. M. (2021): International Economics, 5th edition, Worth Publishers.

Krugman, P. R./Obstfeld, M./Melitz, M. (2022): International Economics. Theory & Policy, 12th edition, Pearson. 2018 edition available as e-book (with VPN client on), Links given on moodle

Interesting articles on numerous cutting-edge topics in international economics can be found e.g. at *Project Syndicate*. At *Project Syndicate* prominent political leaders, policymakers, scholars, business leaders, and civic activists from around write comments or brief articles on cutting-edge topics. I will provide you with hints for concrete readings related to our course. Pforzheim University provides free institutional access for you (VPN connection necessary).

<https://www.project-syndicate.org/>

Assessment

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%).

By April 30 you have to deliver a draft of the outline and your current list of references as a basis for a personal meeting in which you present your current status. 10% of the grade for the written term paper depend on the grade for the quality of this submission. Please make sure that your list of references is organized according to academic standards already. Moreover, give examples (1) how you plan to cite in your paper and (2) for the integration of figures and tables into your paper.

- (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

Preliminary schedule for ECO5061 International Economics – Summer semester 2023

		Possible textbook for preparation (available as e-book): Krugman et al. (2018)
March 15 17.15-18.45	Introduction to International Economics – a first overview	Chapter 1: Introduction: What is International Economics About?
March 16 15.30 – 17.00	Causes and effects of international trade – part I	Chapter 2: World Trade: an Overview Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model
March 16 17.15 – 18.45	Causes and effects of international trade – part II	Chapter 5: Resources and Trade: The Heckscher-Ohlin Model
March 21 11.30 – 13.00	Causes and effects of international trade – part III	Chapter 8: Firms in the Global Economy: Export Decisions, Outsourcing, and Multi-national Enterprises Chapter 7: External Economies of Scale and the Internal Location of Production
March 21 13.45 – 15.15	Effects of trade policy – part I	Chapter 9: The Instruments of Trade Policy
March 23 15.30 – 17.00	Effects of trade policy – part II	Chapter 10: The Political Economy of Trade Policy
March 23 17.15 – 18.45	International Trade Policy and the WTO	Chapter 10: The Political Economy of Trade Policy
March 29 17.15-18.45	Global imbalances – analyzing a country's balance of payments – part I	Chapter 13: National Income and the Balance of Payments
March 30 15.30 – 17.00	Global imbalances – analyzing a country's balance of payments – part II	Chapter 13: National Income and the Balance of Payments
April 12 17.15-18.45	Exchange rates, the foreign exchange market, and determinants and policy implications of flexible exchange rates – part I	Chapter 14: Exchange Rates and the Foreign Exchange Market: An Assets Approach
April 13 15.30 – 17.00	Exchange rates, the foreign exchange market, and determinants and policy implications of flexible exchange rates – part II	Chapter 16: Price Levels and The Exchange Rate in the Long Run
April 13 17.15 – 18.45	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 18: Fixed Exchange Rates and Foreign Exchange Intervention
April 17 13.45 – 15.15	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 19: International Monetary Systems: A Historical Overview
April 17 15.30 – 17.00	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 21: Optimum Currency Areas and the Euro
April 20 15.30 – 17.00	Q&A or alternative date	
April 20 17.15 – 18.45	Q&A or alternative date	

Fri, April 30	<p>Mandatory delivery of a draft of the outline and your current list of references as a basis for a personal meeting in which you present your current status.</p> <p>Please make sure that your list of references is organized according to academic standards already. Moreover, give examples (1) how you plan to cite in your paper and (2) for the integration of figures and tables into your paper. The quality of your submission will be counted as 10% for your grade for the written term paper.</p>
Mon, June 5	Delivery of term papers – by email to harald.strotmann@hs-pforzheim.de (and to juergen.volkert@hs-pforzheim.de)
Mon, June 12	Delivery of presentations – by email to harald.strotmann@hs-pforzheim.de (and to juergen.volkert@hs-pforzheim.de)
Thu, June 15 15.30 – 20.30	Presentation and discussion of term papers part I (ECO5061)
Tue, June 20 11.30 – 19.30	Presentation and discussion of term papers part II (ECO5061)
Wed / Thu, July 5/6	Oral exams (on module “Sustainable Globalization I, i.e. ECO5061 and ESR5062)

Teaching Philosophy and availability of the lecturer

Prof. Dr. Harald Strotmann

Office: W2.4.32

Office hours: Wednesday, 8.30 – 10.00

Email: 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.