

Syllabus
ECO5061 International Economics
Prof. Dr. Harald Strotmann
Summer Semester 2024

Level	Master	
Credits	3	
Student Contact Hours	2 (45 minutes)	
Workload	90 hours, 30 hours within class and 60 hours for self-study	
Prerequisites	Basic knowledge in Micro- and Macroeconomics	
Time	See schedule below	
Room	W4.1.06	
Start Date	March 21, 2024	
Lecturer(s)	Name	Prof. Dr. Harald Strotmann
	Office	W2.4.32
	Office Hours	Friday, 11.30 – 13.00
	Phone	+49 7231 286102
	Email	harald.strotmann@hs-pforzheim.de

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

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. As you shall train some important personal skills here the use of chatGPT or other tools of AI is not recommended.

In class, some students will be selected to present their management summary to the group or we will have a look at selected written summaries together. **A brief oral presentation must take less than 2 minutes.** Details are also explained in the first session on March 21.

(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:

- Assignment of topics: March 21, 2024 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 19, 2024.
- Internal presentation meeting with your supervisor, presentation of main line of reasoning: by May 10, 2024 latest.
- Date of delivery of the term paper: June 10, 2024.
- Date of delivery for presentations: June 10, 2024.
- The presentations and discussions of the papers for ECO5061 are scheduled for June 20, 2024 and June 21, 2024. 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.

Literature:

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. Available as e-book (with VPN client on), Link given on moodle

Krugman, P. R./Obstfeld, M./Melitz, M. (2022): International Economics. Theory & Policy, 12th edition, Pearson. 2022 and 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/>

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

Program Intended Learning Outcomes		Course Intended Learning Outcomes	Assessment Methods		
After completion of the program the students will be able...		After completion of the course the students will be able...	Term Paper	Presentation	Oral Exam
			40%	25%	35%
			Collective	Individual	Individual
1 Responsible Leadership in Organizational Contexts					
2 Creative Problem Solving Skills in a Complex Business Environment					
2.1	... to identify & classify problems.	...to understand complex topics of international economics. ...to structure these topics in a comprehensive manner.	X		X
2.2	... to analyze problems.	...to analyze positive and negative effects of different aspects of global economic integration and protectionism, their potential impacts on business, and different policy options how to deal with it.	X		X
2.3	... to creatively solve problems.	...to critically discuss advantages and disadvantages of different future scenarios for global economic integration and protectionism.	X		
2.4	... to explain problems and their solutions in a comprehensive manner.	...to present and discuss different perspectives on current topics in international economics (e.g. pros & cons, advantages and disadvantages of different approaches/alternatives) in an academically well-balanced, profound and professional manner.		X	X
3 Applied research skills					
3.1	... to know the research and analysis methods important in his/her field of study.	...to understand 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,...) ...to understand standard tools of economics for the analysis of economic problems.	X	X	X
3.2	... to appropriately apply the research and analysis methods.	...to apply their acquired economic skills to the analysis of a complex current topic of international economics.	X	X	
3.3	... to obtain innovative results using relevant research methods.	...to derive based on economic analyses their own opinion on current topics in international economics and potential future scenarios.	X	X	
4 Innovation management and management of digital transformation					
5 Management of the challenges of global sustainability and awareness for social and corporate responsibilities					
5.1	... to have a sound basic knowledge of sustainability issues.	...to understand the economic sustainability of globalization and who potential winners and losers are. ...to understand economic foundations for the capacity to comprehend ethical issues of globalization.			X
5.2	... to identify and analyze sustainability issues and their causes.	...to analyze globalization and its criticism also with respect to different aspects of sustainable development.			X
5.3	... to develop sustainability strategies.				

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 19 you have to deliver a draft of the outline and your current list of references as a basis for a **1st personal meeting** in which you explain your outline and 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%),

By May 10 latest you have to arrange a **2nd internal meeting** with me. In this meeting you will give a preliminary presentation on your whole topic. The quality of your line of reasoning will be counted as 25% of your grade for the final presentation. Please approach me at least 10 days before to arrange the date and time.

- (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.

Availability of the teacher and teaching philosophy

Prof. Dr. Harald Strotmann

Office: W2.4.32

Office hours: Friday, 11.30-13.00

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.

Additional Information

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

Schedule

Schedule for ECO5061 – International Economics – Summer Semester 2024

		Textbook for preparation (available as e-book): Krugman et al. (2022), 2018 version also online available
Thu March 21 15.30 – 17.00	Introduction to International Economics – a first overview	Chapter 1: Introduction: What is International Economics About?
Thu March 21 17.15-18.45	Causes and effects of international trade – part I	Chapter 2: World Trade: an Overview Chapter 3: Labor Productivity and Comparative Advantage: The Ricardian Model
Tue March 26 15.30 – 17.00	Causes and effects of international trade – part II	Chapter 5: Resources and Trade: The Heckscher-Ohlin Model
Tue March 26 17.15-18.45	Causes and effects of international trade – part III	Chapter 8: Firms in the Global Economy: Export Decisions, Outsourcing, and Multi-national Enterprises
Wed March 27 17.15 – 18.45	Causes and effects of international trade – part IV	Chapter 7: External Economies of Scale and the Internal Location of Production
Wed April 3 17.15 – 18.45	Effects of trade policy – part I	Chapter 9: The Instruments of Trade Policy
Thu April 4 15.30 – 17.00	Effects of trade policy – part II	Chapter 10: The Political Economy of Trade Policy
Tue April 9 15.30 – 17.00	International Trade Policy and the WTO	Chapter 10: The Political Economy of Trade Policy
Tue April 9 17.15-18.45	Global imbalances – analyzing a country's balance of payments – part I	Chapter 13: National Income and the Balance of Payments
Thu April 11 15.30 – 17.00	Global imbalances – analyzing a country's balance of payments – part II	Chapter 13: National Income and the Balance of Payments
Wed April 17 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

Thu April 18 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
Thu April 18 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
Thu April 25 15.30 – 17.00	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 19: International Monetary Systems: A Historical Overview
Thu April 25 17.15-18.45	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 21: Optimum Currency Areas and the Euro
Thu May 2 15.30 – 17.00	Fixed exchange rates, policy implications of fixed exchange rates and currency crises	Chapter 21: Optimum Currency Areas and the Euro
Wed May 8 15.30 – 17.00	Q&A or alternative date	
Fri, April 19 latest	Mandatory delivery of a draft of the outline and your current list of references as a basis for a 1 st personal meeting in which you explain your outline. 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.	
By Fri, May 10 latest	Intermediate presentation meeting in which you do an internal presentation on your whole topic and your current progress. The quality of your line of reasoning will be counted as 25% for your grade for the final presentation.	
Mon, June 10	Delivery of term papers – by email to harald.strotmann@hs-pforzheim.de (and to juergen.volkert@hs-pforzheim.de)	
Mon, June 10	Delivery of presentations – by email to harald.strotmann@hs-pforzheim.de (and to juergen.volkert@hs-pforzheim.de)	
Thu, June 20 15.30 – 20.30	Presentation and discussion of term papers part I (ECO5061)	
Fri, June 21 09.45 – 13.00	Presentation and discussion of term papers part II (ECO5061)	
Wed / Thu, July 3/4	Oral exams (on module “Sustainable Globalization I, i.e. ECO5061 and ESR5062)	