



B.E. International Program

Faculty of Economics, Thammasat University



Course Outline

EE 459 SEMINAR IN INTERNATIONAL ECONOMICS Semester 2/2013 (January 13 – May 3, 2014)

Instructor	Dr. Nattapong Puttanapong
Lecture Time:	Wednesday and Friday: 8:00-9:30 am
Lecture Venue:	203, 2 nd floor, Faculty of Economics, Thammasat University, Tha Prachan campus
Office Hours:	Wednesday: 9.30 a.m. – 12.00 p.m. or by appointment Email: nattapong@econ.tu.ac.th

Course Description:

More globalized world implies more unstable and volatile markets. As a result, the probability of experiencing fluctuation in both global trade and international financial markets gets higher. This course is aimed at broadening students' insight of international economics through various approaches, including lecture, class discussion, term paper, and seminars with guest speakers. Particularly, practices of applying analytical frameworks to the current issues and data of both global trade and international finance would enhance students' in-depth analytical skills towards more understanding of the global volatilities.

Prerequisite: (a) EE451 and EE452 or
(b) By lecturer consent

Evaluation:

Case analysis I	15%
Case analysis II	15%
First draft of research paper	25%
Final version of research paper	35%
Class participation	10%

Case analysis I & II – students will be assigned to analyze and present the policy recommendations of current issues in international economics. The main objective of these assignments is to introduce the practical implementation of theoretical frameworks in analyzing impacts of the international trade in both micro and macro levels.

First draft of research paper – as a preparation toward developing individual's final paper, the student has to write a 4-page summary which describes the background, literature review, overview of research methodology and the preliminary result of his/her research paper. Also the student has to present the summary in class in order to share and discuss main contents of this proposed research with other students.

Final version of research paper – The final paper is an individual work and should not be longer than 8 pages, double-space, excluding tables and figures; it should contain only the main points and written succinctly. The paper is to be submitted a week before class presentation. It is strongly advised that students make their plans early for the topic of the paper. The idea is, during the semester students can raise issues and questions related to their selected topic such that the treatment of the topic will provide more materials for them to write about. The extensive uses of statistical and econometrical analyses in the paper will carry extra credits.

Course Outline:

Week 1 (January 15, January 17) : Introduction and Global Trade Database

Readings

- Timmer, M., et. al. (2012), The World Input-Output Database (WIOD): Contents, Sources and Methods, the European Commission. (<http://www.wiod.org/publications/memoabstract.htm?id=10>)
- International Trade Centre UNCTAD/WTO. (2009), Trade Map – Trade Statistics for International Business Development. (<http://legacy.intracen.org/marketanalysis/Docs/Trademap/TradeMap-Userguide-EN.pdf>)

Week 2 (January 22, January 24) : Global Trade – Basic Analysis
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Readings

- Schaffer, W. A.(2010), Regional Impact Models, Georgia Institute of Technology, School of Economics. (<http://www.rri.wvu.edu/WebBook/Schaffer/chap05.html>)
- De Backer, K. and Yamano, N. (2008) The Measurement of Globalisation using International Input-Output Tables, STI WORKING PAPER 2007/8 Statistical Analysis of Science, Technology and Industry, Organisation for Economic Co-operation and Development (OECD)
- Yamano N., and Meng B. (2011) Measuring Global Fragmentation using Harmonized International Input-Output Database (http://www.iioa.org/files/conference-2/588_20110512061_yamano-mengIIOA2011.pdf)

Week 3 (January 29, January 31) : Review of Global Trade Policy Analyses

Readings

- Hertel (ed.), T.W. (1997), *Global Trade Analysis: Modeling and Applications*, Cambridge University Press
(https://www.gtap.agecon.purdue.edu/products/gtap_book.asp.)
- Peter, P., Plummer, M. G. and Zhai, F. (2011), *The Economics of the ASEAN Economic Community*.
- Lee, H. and Plummer, M. G. (2011), *Assessing the Impact of the ASEAN Economic Community*, Discussion Paper: DP-2011-E-002, Osaka School of International Public Policy, Osaka University

Week 4 (February 5 , February 7) : Current Issues in Global Trade and Case Analysis I

February 5 - Current Issues of the Global Trade

Readings

- Rogoff K. (2006), *Impact of Globalization on Monetary Policy*, paper presented to the annual Jackson Hole symposium of the Federal Reserve Bank of Kansas City, (August)
(<http://www.kc.frb.org/PUBLICAT/SYMPOS/2006/pdf/rogoff.paper.0829.pdf>)
- Blinder A. (2006), *Offshoring: The Next Industrial Revolution?*, *Foreign Affairs*, 85, pp. 113-128
([http://www.internationaltraderelations.com/Blinder.Offshoring%20\(Foreign%20Affairs,%20March-April%202006\).pdf](http://www.internationaltraderelations.com/Blinder.Offshoring%20(Foreign%20Affairs,%20March-April%202006).pdf))

February 7: Students' Presentation - Case Analysis I

Week 5 (February 12) : Current Issues of the Global Trade

Readings

- Eichengreen B. (2006), *Global Imbalances: The Blind Men and the Elephant*, *Brookings Policy Brief 1*, (January) http://www.brookings.edu/views/papers/200601_iiep_eichengreen.pdf

Week 6 (February 19, February 21) : Current Issues of the Global Trade

Readings

- Shahid Y., Nabashima K. and Perkins D. (2006), *China and India Reshape the Global Industrial Geography*, in *World Bank, Dancing with Giants: China, India and the Global Economy*, Washington, D.C.: The World Bank, pp. 27-56,
(http://siteresources.worldbank.org/INTCHIINDGLOECO/Resources/CE_Ch02pp.027-56_FINAL.pdf)
- Eichengreen B. and Tong H. (2006), *How China is Reorganizing the World Economy*, *Asian Economic Policy Review 1*, pp.73-101,
(http://www.aeaweb.org/annual_mtg_papers/2006/0106_1430_1702.pdf)

Week 7 (February 26, February 28) : Regional Cooperation

Readings

- Kalemli-Ozcan, S., B.E Sorensen and O. Yosha (2003). Risk Sharing and Industrial Specialization: Regional and International Evidence, The American Economic Review, Vol 93, No 3, June. (http://www.econ.tau.ac.il/papers/inmemoriam/Yosha_Sorensen_Kalemni-Ozcan_2003.pdf)
- Eichengreen, B. (2006). Global Imbalances and the Asian Economies: Implications for Regional Cooperation, ADB Working Paper Series on Regional Economic Integration, No. 4, August. (<http://ideas.repec.org/p/ris/adbrei/0004.html>)

----- Mid-Term Exam Week (March 3 -8) -----

Week 8 (March 12, March 14) : Case Analysis II and Global Trade and Economic Development

March 12 : Students' Presentation - Case Analysis II

March 14 : Global Trade and Economic Development

Readings

- Yanikkaya H. (2003), Trade Openness and Economic Growth: a Cross-Country Empirical Investigation, Journal of Development Economics, 72, pp. 57– 89
- Samman, E. (2005), Openness and Growth: An Empirical Investigation, Human Development Report Office, Occasional Paper, UNDP

Week 9 (March 19, March 21) : Guest Speakers

March 19: Current Issues in International Finance and Economics

Guest Speaker – Dr.Soraphol Tulayasathien

(Director of Economic Stability Analysis Division, Fiscal Policy Office, Ministry of Finance)

March 21: Current Issues in International Relations and Economics

Guest Speaker – Arjarn Jittipat Poonkham

(Faculty of Political Science, Thammasat University)

Week 10 (March 26, March 28) : International Finance – Financial Liberalization and Economic Development

Readings

- Tressel, T. and Detragiache E. (2008), Do Financial Sector Reforms Lead to Financial Development? Evidence from a New Dataset, IMF Working Paper, No 265, WP/08/265 (<http://www.imf.org/external/pubs/ft/wp/2008/wp08265.pdf>)
- Geert B., Harvey, C.R. and Lundblad C. (2001), Does Financial Liberalization Spur Growth?, NBER Working Paper, No. 8245, Cambridge, Massachusetts. (<http://www.nber.org/papers/W8245>)
- Kalemli-Ozcan S., Alfaro L., and Volosovich V. (2005), Why Doesn't Capital Flow from Rich to Poor Countries? NBER Working Paper no. 11901, <http://papers.nber.org/papers/w11901>.
- Rajan R. (2006), Foreign Capital and Economic Growth, unpublished manuscript, International Monetary Fund, (August), <http://www.kansascityfed.org/publicat/Sympos/2006/pdf/PrasadRajanSubramanian.0811.pdf>

Week 11 (April 2, April 4) : International Finance – Financial Liberalization and Economic Development

Readings

- Flood R.P and Marion, N.P. (1998), Perspectives on the Recent Currency Crisis Literature, IMF Working Paper WP/98/130 (<http://www.imf.org/external/pubs/ft/wp/wp98130.pdf>)
- Flood, R. P. and Rose, A.K. (2001). Uncovered Interest Parity in Crisis: The Interest Rate Defense in the 1990s, unpublished manuscript, April (<http://www.internationalmonetaryfund.com/external/pubs/ft/wp/2001/wp01207.pdf>)

[NOTE: April 4 is the submission date for assignment #3 (the first draft of research paper)]

Week 12 (April 9, April 11) : Guest Speakers

April 9: Current Issues in Regional Integration

Guest Speaker – Dr. Athipong Hirunraengchok
(Policy & Planning Analyst, NESDB)

April 11 : Current Issues in Trade Negotiation and Cooperation

Guest Speaker – Dr. Charosporn Chalermtiarana
(Fiscal Policy Office, Ministry of Finance)

Week 13 (April 18) : Presentation of First Draft of Research Paper

April 18 : Students' Presentation - First Draft of Research Paper

Week 14 (April 23, April 25) : International Finance – Capital Flows and Global Imbalance

Readings

- Eichengreen, B. (2006). Global Imbalances and the Asian Economies: Implications for Regional Cooperation, ADB Working Paper Series on Regional Economic Integration, No. 4, August. (<http://ideas.repec.org/p/ris/adbrei/0004.html>)
- Borio C. and Disyatat P. (2011), Global Imbalances and the Financial Crisis: Link or no link?, BIS Working Papers No. 346 (www.bis.org/publ/work346.pdf)
- Baig, T & Goldfajn, I (1998), Financial Market Contagion in the Asian Crisis, IMF Working paper, WP/98/155 (<http://www.imf.org/external/pubs/ft/staffp/1999/06-99/pdf/baig.pdf>)
- Rigobon, R (2000). Contagion: How to Measure it, NBER Working Paper Series No 8118, Cambridge, MA (<http://papers.nber.org/papers/w8118.pdf>)

Week 15 (April 30, May 2) – Students' Presentation – Final Paper

April 30 : Students' Presentation – Final Paper

May 2 : Students' Presentation – Final Paper

Important Dates

Class Begins	January 13, 2014
Adding and Dropping Course	January 13-27, 2014
Midterm Exam Period	March 3-8, 2014 (No Lectures)
Midterm Exam	-
Course Withdrawal with “W”	March 19-24, 2014
Class Ends	May 3, 2014
Final Exam	-