

## COURSE OUTLINE

### EE 459 SEMINAR IN INTERNATIONAL ECONOMICS

<b>Semester:</b>	1/2015
<b>Instructor</b>	Dr. Nattapong Puttanapong Email: <i>nattapong@econ.tu.ac.th</i>
<b>Lecture Time:</b>	Wednesday and Friday: 8:00-9:30am
<b>Office Hours:</b>	Wednesday: 9.30am – 12.00pm or by appointment
<b>Lecture Venue:</b>	Room 304, Faculty of Economics Tha Prachan campus

#### 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	20%
Final version of research paper	30%
Class participation	20%

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 draft 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 (August 19, August 21) : 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 (August 26, August 28) : Global Trade – Basic Analysis**

#### **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](http://www.iioa.org/files/conference-2/588_20110512061_yamano-mengIIOA2011.pdf))

### **Week 3 (September 2, September 4) : 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](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 (September 9 , September 11) : Case Analysis I & Guest Speaker**

#### **September 9: Current Issues in International Finance and Economics**

Guest Speaker – TBA

## **September 11: Students' Presentation - Case Analysis I**

### **Week 5 (September 16, September 18) : Global Trade – Current Issues**

#### **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))
- 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](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](http://www.aeaweb.org/annual_mtg_papers/2006/0106_1430_1702.pdf))

### **Week 6 (September 23, September 25) : 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](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>)

### **Week 7 (September 30, October 1) : Guest Speaker, Global Trade and Economic Development**

#### **September 30: Current Issues in Trade Negotiation and Cooperation**

Guest Speaker – TBA

#### **October 1 : 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 8 (October 14, October 16) : Case Analysis II & Guest Speaker**

**October 14: Students' Presentation - Case Analysis I**

**October 16: Current Issues in International Relations and Economics**  
Guest Speaker – TBA

**Week 9 (October 21) : 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>)

**Week 10 (October 28, October 30) : International Finance – Financial Liberalization and Economic Development**

**October 28 : 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>)

**October 30 : Financial Liberalization and Economic Development**

**Readings**

- 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 (November 4, November 6) : Capital Flows and Global Imbalance**  
[NOTE: November 6 is the submission date for assignment #3 (the first draft of research paper)]

**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](http://www.brookings.edu/views/papers/200601_iiep_eichengreen.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>)
- 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](http://www.bis.org/publ/work346.pdf))
- Iwan Azis, and Hyun Song Shin, "How do Global Liquidity Phases Manifest Themselves in Asia?", Asian Development Bank, 2013.  
(<http://www.adb.org/publications/how-do-global-liquidity-phases-manifest-themselves-asia>)

**Week 12 (November 11, November 13) : International Finance – Economic Crises and Contagion**

**Readings**

- 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 13 (November 18, November 20) – Students’ Presentation – Final Paper**

**Week 14 (November 25, November 27) – Students’ Presentation – Final Paper**