Global Economy: Emergence and Current Issues

Instructor: Julius Horvath, Professor, Ph.D. Department of Economics, IRES, CEU
Semester/term, year: Fall Semester 2014
Course level: Master level class
No. of Credits: 4 CEU credits (8 ECTS Credits)
Pre-requisites: No special pre-requisites are required. This course is accessible to anyone with a solid under-graduate background in social sciences.
Course e-learning site: http://ceulearning.ceu.hu/course/view.php?id=3112
Status: Mandatory course for MA students of Economic Policy Program, Elective Course for IRES students
Teaching format: 4-hours per week, Fall Semester

Course Description
This course presents systematic explanation of the emergence of the global economy. Also in this course we discuss a variety of current issues of the global economy. The main goal is to provide students with understanding of historical evolution of the global economy as well as some of its current driving forces. In addition students are also led to formulate their own research question in the topic of their interest.

Learning Outcomes
The syllabus covers wide ranging areas. In this course students are able to understand some important articles and concepts of the global economy.
By the end of this course, students will be able to:
- critically discuss issues concerning the emergence of modern global economy
- critically discuss some issues of globalization in monetary and real economy
- analyze major issues in global economy
- reflect about positive and negative consequences of economic globalization
- grasp the various connections between different issues in globalization debate

Course Requirements
(1) Assessment type 1 (10% of the final grade): presence and activity in class

(2) Assessment type 2 (20% of the final grade): quizzes

(3) Assessment type 3 (15% of the final grade): presentation of paper in the class

(4) Assessment type 4 (55% of the final grade): final paper
More detailed display of contents:
1. Globalization: Introduction
2. Economics and History, Politics, Culture
4. World Economy till the Modern Era, Malthusian World
5. Emergence of Modern Growth: Industrial Revolution, Why Europe and England?
6. Convergence, Divergence, Inequalities
7. International Monetary Affairs
8. Imbalances, Crisis, Currencies
9. European Monetary Union, Euro
10. Command Economy: Soviets, China
11. Transition Economics
12. Great Depression
13. International Monetary Fund

1. Globalization: Introduction

2. Economics and History, Politics, Culture


4. World Economy till the Modern Era, Malthusian World


5. Emergence of Modern Growth: Industrial Revolution, Why Europe and England?


O’Rourke, Kevin and Jeffrey G. Williamson, When Did Globalization Begin? European Review of Economic History, Vol. 6, No. 1, April 2002, pp 23-50, also as NBER WP 7632, April 2000


6. Convergence, Divergence, Inequalities


Piketty, Thomas, Capital in the Twenty-First Century, the Belknap Press of Harvard University Press, 2014


O’Rourke, Kevin H. “Globalization and Inequality: Historical Trends”, NBER, 2001 Working Paper 8339


7. International Monetary Affairs


8. Imbalances, Crisis, Currencies

Mishkin, Frederic S., Over the Cliff: From the Subprime to the Global Financial Crisis Journal of Economic Perspectives—Volume 25, Number 1—Winter 2011—Pages 49–70


Calomiris, Charles and Stephen Haber, Fragile by Design, The Political Origins of Banking Crises and Scarce Credit, Princeton 2014

9. European Monetary Union, Euro

de Grauwe, Paul, Economics of Monetary Union, Oxford University Press, 2012, Chapter 1

Lane, Philip R., The European Sovereign Debt Crisis, Journal of Economic Perspectives, 2012, Summer, Volume 26, Number 3, 49–68

Spolaore, Enrico, What is European Integration Really about? A Political Guide to Economists, Journal of Economic Perspectives, Volume 27, Number 3, Summer 2013, 125-144


Posen, Adam S., Why the Euro will Not Rival the Dollar, International Finance, 11:1, 2008, pp. 75-100

Feldstein, Martin, "The Political Economy of the European Economic and Monetary Union: Political Sources of an Economic Liability," Journal of Economic Perspectives, Fall 1997 pp. 23-42

10. Command Economy: Soviets, China


Ofer, Gur, Soviet Growth Record, the New Palgrave Dictionary of Economics, Second Edition 2008 edited by N. Durlauf and Lawrence E. Blume

Yasheng Huang, How Did China Take Off?, Journal of Economic Perspectives Vol 26, No 4 Fall 2012 pp 147–170

Dennis Tao Yang, Aggregate Savings and External Imbalances in China, Journal of Economic Perspectives Vol 26, No 4 Fall 2012 pp 125-146


11. Transition Economics


If Time Allows

12. Great Depression


13. International Monetary Fund

Rodrick, Dani, One Economics Many Recipes, Princeton University Press 2007, Chapter 1, Fifty Years of Growth (and Lack Thereof) an Interpretation, pp 13-55


de Gregorio, Jose, Barry Eichengreen, Takatoshi Ito, and Charles Wyplosz, An Independent and Accountable IMF, International Center for Monetary and Banking Studies, 1999