

International Economics

Course Details

Course Designator & Number: DBLN 3017

Number of Credits: 3

Language of Instruction: English

Contact Hours: 45

Instructor: : On-Site Faculty

Course Description

The International Economics module provides an understanding of the key economic issues in the global business environment. The course provides an understanding of how global businesses are impacted by real world developments in economics, politics, and finance. The business environment is dynamic in nature. The course coverage is therefore updated periodically to include current real-world evidence as well as recent academic and empirical findings. The five broad topics covered in the course are: Globalisation, Country Differences, Cross-Border Trade and Investment, the Global Monetary System, and Competing in a Global Market Place. An overview of these five topics is provided below.

Globalisation: Understanding the historical context of globalisation is the starting point for developing insights into the state of globalisation today. This topic discusses the drivers and importance of globalisation, the emergence of the Bretton Woods global institutions in the post-War period, the state of the globalisation debate, and the impact of globalisation on developed and developing countries.

Country Differences: This topic provides an introduction to political and economic systems and the determinants of economic development. It looks at the transition from socialist to capitalist economies after the collapse of the Soviet Union and the challenges faced by countries in managing this economic transition. It examines the key issues in economic development and the rise of developing economies in Asia, Latin America, Eastern Europe, and Africa.

Cross-Border Trade and Investment: The third topic reviews international trade and investment flows—portfolio and foreign direct investment—in the globalised context. It examines the theoretical underpinnings of capital and trade movements, providing country case studies to illustrate the supply-demand factors affecting these flows. The topic also places these cross-border flows in the context of economic integration—for example, the European Union, NAFTA, Mercosur, World Trade Organisation, and the recent developments towards free trade pacts between Asia-Pacific, Europe, and the Americas.

Global Monetary System: Starting with the Bretton Woods institutions like the International Monetary Fund, the World Bank, and other multilateral institutions, the topic provides an understanding of the global foreign exchange markets and the international monetary system. These institutions provide the backbone and the regulatory framework for international economics; the topic develops an understanding of their operations, management and challenges.

Competing in a Global Market Place: The final topic builds upon the understanding gained thus far by reviewing the economic and political risks and opportunities of participating in the global market place. The discussions include import-export and investment strategies, offshoring production, and management of human resources to compete effectively.

The course helps students examine the current economic landscape through topical discussions of current economic and political development and their impact on international economics.

Localised Context: The European Union has emerged over the last 60 years to be one of the world's most powerful economic and political entities. As one of the 27 members of the EU, Ireland has been an integral part of its development having joined in 1973 and has been one of the original members of the eurozone. Membership has allowed Ireland to reduce its economic links with the United Kingdom and diversify its trade and investment. Substantial investment from multinational corporations and changes in Irish culture and attitudes have created an economy that is one of the wealthiest in the world, a country where Gross National Income per head has risen by more than 300% from 1995 to 2018. In comparison, the UK's Gross National Income per head has risen by just under 28%. This course will develop an understanding of how Ireland has achieved this and how Ireland manages the trade, investment, exchange rate, and political relationships with the UK and the EU. Students are exposed to Ireland and the EU region and its influence on and importance to the global economy, and the structural challenges and opportunities facing developed economies like Ireland. The research paper project provides students an opportunity to explore this localised context and to demonstrate their learning outcomes from this unique opportunity provided studying international economics at the CAPA Dublin Centre.

Course Objectives

This course aims to give students an understanding of the international business environment including:

- a. An understanding of the development of the global marketplace and its impact on business organizations and countries;

- b. An understanding of major factors affecting participation in international markets;
- c. An understanding of functional aspects of international business; and
- d. An understanding of current and future trends in globalization and international business.

Learning Outcomes

After taking this course, students should be able to:

- a. Gain a broad understanding of the key issues in international economics.
- b. Develop an understanding of the political and economic context within which international economics operates.
- c. Apply the various theoretical aspects of the principles of finance and economics in an international context.
- d. Recognise the main economic development issues faced by developing countries.
- e. Gain a good working knowledge of the international economic environment and recognise the linkages between political, economic, and financial developments and their impact on international business.
- f. Gain a good working knowledge of the operations and key issues surrounding international capital and trade flows, foreign direct investment, international capital markets, and institutions.

Learning Outcomes

Students should demonstrate: responsibility and accountability, independence and interdependence, goal orientation, self-confidence, resilience, appreciation of differences.

Methodology

This unit is taught in blended mode using both classroom seminars and online learning activities. Seminars involve student presentations, lectures, class discussion and debate, and group project work. Each seminar will introduce key concepts, illustrate with reference to case studies, historical context, and emerging issues, and reinforce through discussion of relevant analysis in the academic and institutional literature. Students are expected to read in advance of classes and be fully prepared to discuss assigned readings and actively participate in discussions and class exercises. Class activities will provide students with a general overview of the concepts and issues contained in the textbook; however, they are not a substitute for reading the textbook and supplementary required readings. The teaching strategies are designed to encourage active learning by all students.

Students will be expected to devote an hour per day keeping up with the current issues in international business and economics. Expected reading sources should include The Economist, Financial Times, The Irish Times, and The Guardian, RTE News, among others.

Course Prerequisites

Students must have a background in business and have taken an introductory economics course. The course emphasizes this academic area from a global perspective. Students with a high degree of motivation and desire to learn about the international and global aspects of business will benefit from this course.

Required Reading / Materials

In addition to the textbook, other weekly reading assignments will be posted on the accompanying CAPA Canvas page for this course. Some readings are listed in the seminar outline below however wherever possible articles on current events will be used.

- Hill, Charles W.L., Hult, Tomas M. (2020). *Global Business Today*. McGraw Hill, 11th Edition.

Recommended Readings

- Aliber, R.Z. and Zoega, G. (2019) *The 2008 Global Financial Crisis in Retrospect*, Palgrave.
- Carter, G. (2010) *The Great Hangover, 21 Tales of the New Recession from the Pages of Vanity Fair*, Harper Perennial.
- Dicken, P. (2015) *Global Shift*, 7th edition, Sage, London.
- Gringer, J.M., McNett, J.M. and Minor, M.S. and Ball, D.A., (2016) *International Business*, McGraw-Hill.
- Lonergan, E. and Blyth, M. (2020) *Angryonomics*, Agenda Publishing.
- McConnell, C.R., Brue, S.L. & Flynn, S.M., (2018) *Economics: Principles, Problems, and Policies*, 21st edition, McGraw-Hill Inc
- McWilliams, D. (2018) *Renaissance Nation: How the Pope & 39 Children Rewrote the Rules for Ireland*, Gill Books, Dublin. ● Rosling, H. (2019) *Factfulness*, Hodder & Stoughton.
- Rugman, A., Brewer, T.L., (2001) *The Oxford Handbook of International Business*, Oxford, New York: Oxford University Press.
- Stiglitz J.E. (2002) *Globalization and Its Discontents*. W.W. Norton & Co., New York.
- Stiglitz J.E. (2007) *Globalization and Its Discontents Revisited: Anti-Globalization in the Era of Trump*, Penguin.
- Stiglitz J.E. (2016) *The Euro and Its Threat to the Future of Europe*, Penguin.

Other References: Academic Journals

There is a range of journals in the fields of international business and management. The titles below are indicative only of such publications. Most are available on the ACU library databases:

- *Academy of Management Review*
- *Asia Pacific Journal of Management*
- *Cross Cultural Management*
- *International Business Review*

- *Journal of Asia Business*
- *Journal of International Business Studies*
- *Journal of International Management*
- *Journal of World Business*
- *Management International Review*
- *Thunderbird International Business Review*

Other References: Academic Journals

There is a range of periodicals in the fields of international business and management. The titles below are indicative only of such publications:

- *Business Week* (Asian edition)
- *Harvard Business Review*
- *The Wall Street Journal*
- *The Economist*
- *The Irish Times*
- *RTE*
- *The Guardian*
- *Financial Times*
- David McWilliams podcasts

Alternative views:

Green Left Weekly: <http://www.greenleft.org.au>

New Internationalist: <http://www.newint.org>

Other References: Useful Websites

- Ellen McArthur Foundation: <https://www.ellenmacarthurfoundation.org/>
- European Central Bank: <https://www.ecb.europa.eu>
- Central Bank of Ireland: <https://www.centralbank.ie/>
- Central Statistics Office Ireland: <https://www.cso.ie>
- World Trade Organization: <http://www.wto.org/>
- International Monetary Fund: <http://www.imf.org/>
- The World Bank: <http://www.worldbank.org/> (The World Bank e-Library is accessible through the ACU Library)
- UNCTAD-United Nations Conference on Trade and Development: <https://unctad.org/>
- International Trade Centre: <http://www.intracen.org/>

Grading

Grading Rubric

Letter Grade	Score or Percentage	Description
A	93–100	Achievement that is outstanding relative to the level necessary to meet course requirements.
A-	90–92	Achievement that is significantly above the level necessary to meet course requirements.
B+	87–89	
B	83–86	
B-	80–82	Achievement that meets the course requirements in every respect.
C+	77–79	
C	73–76	
C-	70–72	Achievement that is worthy of credit even though it fails to fully meet the course requirements.
D+	67–69	
D	60–66	
F	0–59	Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.

Summary of How Grades Are Weighted

Assignments	Percentage of Grade
Participation	10%
Group seminar presentation	10%
Midterm exam	20%
Research project	40%
Final exam	20%
Overall grade	100%

Assessment Details

Class participation and group seminar presentation (20%)

Each week, your lecturer will look for lively discussion and debate. You are expected to read the appropriate material listed in the class schedule before each class. This is a mark for participation, NOT attendance (which is compulsory).

In the first seminar, we will identify topical case studies to be tracked through the media during the semester. You will be asked to come to class with a current (within the preceding 2–3 weeks), relevant article from The Irish Times, RTE, or one of the other media sources listed previously. You must find a relevant article through your own research. During class, we will discuss the issues raised in the articles, as well as their relevance for international business and policy implications.

Please review the following table as a guide:

Grade	Discussion	Reading
A	Excellent: consistent contributor; offers original	Obviously has completed all

	analysis and comments; always has ideas on topics of the readings and relationship with internship; takes care not to dominate discussion.	readings; intelligently uses resultant understanding to formulate comments and questions for the discussion.
B+	Very Good: frequent, willing, and able contributor; generally offers thoughtful comments based on the readings	Has done most of the readings; provides competent analysis of the readings and applies insights from class appropriately
B/B-	Satisfactory: frequent contributor; basic grasp of key concepts but little original insight; comments/questions are of a general nature	Displays familiarity with some readings and related concepts but tends not to analyze them.
C range	Poor: sporadic contributor; comments/questions betray lack of understanding of key concepts; often digresses in unhelpful ways	Displays familiarity with few readings; rarely demonstrates analytical thought.
D/F	Very Poor: rarely speaks or illustrates a lack of active listening and does not contribute to group discussion; merely quotes text or repeats own comments or those of others	Little to no apparent familiarity with assigned material or application to relevant experience.

Class presentations are an established component of assessment for students in this subject. The purpose of the group seminar presentation is to encourage active and deep learning of the core subject matter of the course. Presentations will be based on and be delivered in units 3, 4, 5, 6, 7, 8, 9, 10, and 11. Students will be assigned to small groups of 2–3 during the first class. Each presentation will be based on the textbook and other materials and will be in two parts:

- a. The group will first present the key concepts and ideas covered in the textbook for the relevant unit topic. You can obtain additional textbook materials from your lecturer to assist you and can email any questions to your lecturer to help you prepare. (10 mins.)
- b. The group will then facilitate a learning activity with the class to reinforce the concepts that have been presented. Your lecturer can help you with ideas for this activity. Quizzes help to reinforce the basic concepts and encourage students to focus on your presentation. This is also an opportunity to use technology such as polling apps (10 mins).

Assessment will be based on the demonstrated level of understanding of key concepts, the overall professionalism of the presentation, and the effectiveness of the class learning activity.

Research project (40%) comprising proposal (10%) and research paper (30%)

Option A: 3,000-word individual research paper. Select any one of the topics that we will be covering in this course. Bear in mind that these topics/chapters are rather broad and you must narrow down your research topic significantly. You should identify a small aspect of the theoretical discussion that interests you and focus sharply on it. In other words, you should not be providing a general overview of the chapter(s).

The next step is to identify a case study or identify sufficient data that fits your selected topic. You may choose current or recent economic/financial events or alternatively examine an event/s from a historical perspective. The course outline provides you ample guidance on sources of such data. (Do not start with a case study and then try to find the theoretical basis for it. This will not be efficient.)

The final step will be to provide a thorough analysis. How does the case study or evidence fit into the theoretical discussion? Are the facts consistent with the theory? Explain why (or why not). What lessons did you learn from this?

An outline of the paper will be submitted in Unit 4 (max. 500 words) and feedback given that can be incorporated into the final paper.

Option B: This option requires you to apply all topics covered in the course to a hypothetical business proposal and decision. In groups of 2–3, students will research the topic below and then individually prepare a 3,000-word written report in the form of a board paper. An outline of the paper will be submitted by the group in Unit 4 for feedback to be incorporated into the final paper. The research is a group exercise; however, the final paper—including analysis and recommendations—is an individual task.

Assume that you are responsible for a large Irish firm that is keen to internationalize through foreign direct investment (FDI). You have been asked by the board to investigate and recommend whether or not to proceed with investment in Europe. You must first choose a country in the region as the target for the investment, develop a strategy for entering the market and investing, and then evaluate it as a suitable candidate for the proposed investment. Consider the issues that would help you make such a business decision drawing on all topics covered in the course. While writing your report, you should incorporate relevant theories and concepts to justify your arguments.

For example:

- What are the economic, political, legal and cultural factors in the country relevant to the decision to invest? How does the legal system affect business? What political, cultural, legal and economic risks apply?
- What ethical issues might arise?
- How receptive is the Government of the candidate country to foreign direct investment? What incentives are available?
- What capabilities (e.g. human capital, other inputs) are required for the investment to be successful and are these available in sufficient quantity?

The paper should be a balanced consideration of the overall prospects for successful investment in the candidate country. Your final recommendation to the board must be supported and justified.

All members of the group are expected to contribute actively and substantially to the research and analysis of the material however the final report is an individual assessment task and conclusions and recommendations may vary within the group.

Common Guidelines: Remember to acknowledge your sources throughout the paper using the Harvard, APA, or MLA referencing system (in-text referencing). Examples of how to lay out your bibliography are included in your Student Handbook.

The report is to be typed and 1.5 spaced (a standard 12-point font should be used). It should be checked for spelling, consistency, and clarity of expression. The report will be submitted and graded online

Your report should incorporate at least 10 different references, all of which must be cited in the body of your report. Each member of the group is expected to contribute to the literature research. These references can be sourced from the following:

- Peer-reviewed academic journal articles: at least four references should be of this type
- Relevant books
- Institutional analyses (multi-lateral/global, domestic): at least two references should be of this type and can be drawn from the OECD, IMF, World Bank, UNDP
- Periodicals
- Think tank analysis and reports

Midterm Exam (20%)—online in Unit 6

The mid-term exam will be in short essay format covering the material from the first five seminar topics and will take place online in Unit 6. This test is intended to help you keep up with the core content of the course as covered in the textbook to avoid falling behind and to provide a guide for yourself and your teacher as to whether the level of your understanding of the material is adequate for the course objectives and learning outcome achievement.

Final Exam (20%)—online in Unit 12

The final exam will cover material in units 7, 8, 10, and 11 and will take place in the final week of the semester. This will also be in short essay format and conducted online. The questions are designed to test the depth of your understanding of the course content and ability to discuss and articulate an argument in both academic and professional contexts.

Course Content

The framework below indicates class-based sessions at CAPA. The schedule may be revised as the term progresses to incorporate field trips and guest speakers. Each week there are set readings from the textbook and other sources. Weekly class materials including lecture slides, explanatory notes, and relevant additional readings will be posted online. The students are expected to review these materials prior to the weekly session.

Unit 1

Introduction & Globalization

- Course overview
- Topical issues for media tracking
- Introductory lecture
- Team formation
- **Readings:**
 - Hill, Chapter 1—Globalization
 - Dicken, Global Shift, Chapter 1
 - Mansbach, R.W. (2013). "The Many Meanings of Globalization." In Mansbach, R. W. and Rhodes, E. (eds) 2013.
 - Introducing Globalization—Analysis and Readings. CQ Press, Sage. Thousand Oaks, pp. 1-11.

Unit 2

Globalisation: Ireland as a Case Study

- Student debate on the merits of globalization and case study, followed by discussion.
- **Reading:**
 - McWilliams, Chapter 1—Renaissance Nation.

Unit 3

International Trade & Investment Theory

- Topical issues in the media

- Group seminar presentation
- Lecture and discussion
- The conceptual basis and theoretical benefits of trade and investment and the significance of global value chains (GVC)
- **Readings & Sources:**
 - Hill, Chapter 6—International Trade Theory
 - Institute of Directors, London: IoD London International Trade: Supply Chain Webinar, The Supply Chain Rules Have Changed—Have You?
<https://www.youtube.com/watch?v=WvRRh1Cztik&feature=youtu.be>

Unit 4

Political, Economic, & Legal Aspects of International Business

- Topical issues in the media
- Group seminar presentation
- Lecture and discussion
- Case study of Brexit
- Research paper proposal submission due
- Readings:
 - Hill, Chapter 2—National Differences in Political Economy together with
 - Kay J. (2013). Capitalism, Markets and Politics. The Political Quarterly, Vol. 84, No.4:436-441.
 - Chang H. (2010). 23 Things They Don't Tell You About Capitalism. Bloomsbury, New York, pp.199-209.
 - Hill, Chapter 3—National Differences in Economic Development.
 - Harding R., Wantchekon L. (2010). The Political Economy of Human Development. United Nations Development Program (UNDP) Human Development Research Paper 2010/29.
http://hdr.undp.org/sites/default/files/hdrp_2010_29.pdf
 - <https://www.coface.com/Economic-Studies-and-Country-Risks/Ireland>

Unit 5

The Political Economy of International Trade

- Topical issues in the media
- Group seminar presentation
- Lecture and discussion
- Development of the world trading system, institutional framework, and governance mechanisms including GATT and WTO
- The role of national Government, policy instruments used, and purpose of Government intervention in international trade flows
- Readings & Viewings:
 - Hill, Chapter 7—Government Policy of International Trade
 - Baracuhy B. (2012). Running into a Brick Wall: The WTO Doha Round, Governance Gap and Geopolitical Risks. *Global Policy*, Vol. 3 . Issue 1. February 2012.
 - WTO (2011). Understanding the WTO.
http://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf
 - National Post November 29, 1(999), “Top 10 Reasons to Oppose the WTO.” In Mansbach, R.W & Rhodes, E. (eds) 2013. *Introducing Globalization—Analysis and Readings*. CQ Press, Sage. Thousand Oaks, CA. pp.67-71.
 - The rise and fall of global trade from the Romans to coronavirus
<https://www.ft.com/video/fa0705b9-74cc-4169-ab00-5b1d4216b120?playlist-name=latest &playlist-offset=0>

Unit 6

Multilateralism, Regionalism, & Bi-Lateralism in International Trade

- Topical issues in the media
- Group seminar presentation
- Lecture and discussion
- Midterm during this week
- Regional and bi-lateral arrangements between countries (EU, North America, Asia/Asia-Pacific), and the implications for business and managers

- **Reading:**
 - Hill, Chapter 9—Regional Economic Integration

Unit 7

The Strategy of International Business

- Topical issues in the media
- Group seminar presentation
- Lecture and discussion
- International strategy development and firm organization
- Examination of the initial paths of internationalization for small- to medium-sized firms
- **Readings:**
 - Hill, Chapter 12—The Strategy of International Business
 - Hill, Chapter 13—Entering Foreign Markets

Unit 8

Ethics in a Business Environment & Intercultural Considerations

- Topical issues in the media
- Group seminar presentation
- The economics of sustainability
- The role of ethics in the corporate world
- Cultural differences and considerations in international business
- Ethics, corporate social responsibility, and sustainability
- Expert panel presentations
- **Readings & Resources:**
 - Hill, Chapter 4—Differences in Culture
 - Hill, Chapter 5—Ethics in International Business
 - <https://www.ellenmacarthurfoundation.org>

Unit 9

Foreign Direct Investment

- Topical issues in the media
- Group seminar presentation
- Lecture
- Theories of FDI, Government policies and their rationale, benefits and costs of FDI, and firm strategic investment choices in entering foreign markets
- Case study of MNCs in Ireland
- **Readings & Viewings:**
 - Hill, Chapter 8—Foreign Direct Investment
 - Reasons for Investing in Ireland—IDA
<https://www.youtube.com/watch?v=ZJou27dF2I4>
 - Benefits of government policy and MNCs for Irish start-ups—Entrepreneurial Ecosystem in Ireland with Connor Murphy (DataHug) at Startup Grind 2013
<https://www.youtube.com/watch?v=ItdjBdt8jw8>

Unit 10

The Foreign Exchange Market

- Topical issues in the media
- Group seminar presentation
- Lecture and discussion
- Foreign exchange market, exchange rate systems (fixed, floating, hybrid), “currency wars,” currency exchange rates and how they are determined, and implications for business in managing foreign exchange risk
- Research paper submission due
- **Readings & Viewings:**
 - Hill, Chapter 10—The Foreign Exchange Market
 - Costs and Benefits for Ireland of the Euro
 - This World: Michael Portillo’s Great Euro Crisis
https://www.youtube.com/watch?v=Pee_w3RwHhs

Unit 11

The Balance of Payments & the International Monetary System

- Topical issues in the media
- Group seminar presentation
- Lecture
- History, institutions, and functions of the international monetary system
- Role of international, multi-lateral institutions (World Bank, IMF) in relation to balance of payments, reserve currency and debates, their operation and influence on national and international trade
- **Readings:**
 - Hill, Chapter 11—The International Monetary System
 - Stiglitz J.E., Greenwald B. (2010). Towards A New Global Reserve System. *Journal of Globalization and Development*, Vol. 1, No. 2, Article 10.

Unit 12

Final Exam—Online

- Final exam

Policies

Attendance Policy

Students are expected to be on time and attend all classes while abroad. Many instructors assess both attendance and participation when assigning a final course grade. Attendance alone does not guarantee a positive participation grade; the student should be prepared for class and engage in class discussion. See the on-site syllabus for specific class requirements.

University of Minnesota Policies & Procedures

Academic integrity is essential to a positive teaching and learning environment. All students enrolled in University courses are expected to complete coursework responsibilities with fairness and honesty. Failure to do so by seeking unfair advantage over others or

misrepresenting someone else's work as your own can result in disciplinary action. The University Student Conduct Code defines scholastic dishonesty as follows:

Scholastic Dishonesty

Scholastic dishonesty means plagiarizing; cheating on assignments or examinations; engaging in unauthorized collaboration on academic work; taking, acquiring, or using test materials without faculty permission; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering forging, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis.

Within this course, a student responsible for scholastic dishonesty can be assigned a penalty up to and including an "F" or "N" for the course. If you have any questions regarding the expectations for a specific assignment or exam, ask.

Student Conduct

The University of Minnesota has specific policies concerning student conduct. This information can be found [on the Learning Abroad Center website](#).