

COURSE SYLLABUS

ITF-145
THE PAST, PRESENT, AND FUTURE OF GLOBALIZATION
Fall 2010

Faculty: Dani Rodrik	Faculty Assistant:
Office: L-212	FA Office: L-209
Telephone: (617) 495-9454	FA Telephone: (617) 495-8833
Email: dani_rodrik@harvard.edu	FA Email:
Office Hours:	Teaching Fellow: Lucía Sanchez
Lecture Time: Tues. & Thurs. 10:10-11:30am i	TF Contact Info: (617) 794 6398
Lecture Location: RG-20	TF Email: lucia_sanchez@hks11.harvard.edu
Review Session Time: Fridays 10:10-11:30	Course Assistant: Sebastian Bustos
Review Session Location: L-332	CA Contact Info:
	CA Email: sebastian_bustos@hks11.harvard.edu

Course Description.

The current crisis has highlighted the frailties of the current model of economic globalization and has raised questions about its future. This course analyzes economic globalization in a historical perspective. It evaluates the arguments of both its critics and advocates, and pays particular attention to problems of trade, finance, and economic development in an economically integrating world. We discuss different models of economic globalization and global governance, with an eye towards future possibilities.

Prerequisites

This course has no formal prerequisites, but some background in economics (especially international economics) is highly desirable.

Course Structure

The outline of the course is indicated below. Each session will be a mix of lectures and class discussion.

Course requirements

All students are required to come to class prepared, having done the reading and ready for class discussion and participation. The course will have a final exam at the end, and five 10-minute quizzes scheduled throughout the semester.

Grading

Grading will be based on the following weights: Final exam (60%), quizzes (30%), and class participation (10%).

Quizzes

The quizzes will be held on the following dates, and will be based on the reading assignments and lectures up to that point in the semester.

Quiz 1	September 16
Quiz 2	September 30
Quiz 3	October 21
Quiz 4	November 4
Quiz 5	November 18

The quizzes will be held during the last 10 minutes of each respective class. There will be no make-ups for absence (except for medical reasons).

Review sessions

There will be weekly review sessions on Fridays offered by the TF which will go over some of the more technical material and also provide additional background where needed. Students are strongly encouraged to attend these review sessions regularly.

Textbooks to Purchase

Michael W. Weinstein, ed., Globalization: What's New, Columbia University Press, New York, 2005.

Ronald Findlay and Kevin H. O'Rourke, Power and Plenty: Trade, War, and the World Economy in the Second Millennium, Princeton University Press, Princeton and Oxford, 2007.

Barry Eichengreen, Globalizing Capital: A History of the International Monetary System, 2nd ed., Princeton University Press, Princeton and Oxford, 2008.

Peter Singer, One World: The Ethics of Globalization, 2nd ed., Yale University Press, New Haven and London, 2002.

Dani Rodrik, Has Globalization Gone Too Far?, Institute for International Economics, Washington, DC, 1997.

Other readings

Articles assigned below will be available online. Those marked by an asterisk (*) are somewhat more technical in nature.

Class Meetings, Readings and Assignments:

1. What is globalization and how do we “measure” it?

Read:

Kevin H. O'Rourke and Jeffrey G. Williamson, “When did globalisation begin?”
European Review of Economic History, 6, 2002, 23-50.

Jeffrey Frankel, “Globalization of the Economy,” in Joseph S. Nye, Jr. and John D. Donahue, [Governance in a Globalizing World](#), Brookings Press 2000.

Klas Ronnback, “Integration of global commodity markets in the early modern era,” *European Review of Economic History*, vol. 13, 2009, 95–120.

* Edward E. Leamer, “A Flat World, A Level Playing Field, a Small World After All, or None of the Above?” [Journal of Economic Literature](#), March 2007, 83-126.

2. Gains from trade

Read:

N. Gregory Mankiw, [Principles of Economics](#), 9th ed., 2009, chap. 9, pp. 177-199.

Henry Martyn, [Considerations on the East-India Trade](#), pp. 1-47, 1701 (in John R. McCulloch, ed., [Early English Tracts on Commerce](#), Cambridge University Press, Cambridge, England, 1954, 541-595)

Robert Driskill, “Deconstructing the Arguments for Free Trade,” unpublished, February 2008. (<http://www.vanderbilt.edu/econ/faculty/Driskill/Deconstructing2008Feb09.pdf>)

* Andrea Maneschi, “Gains from Trade,” in Kenneth A. Reinert and Ramkishen S. Rajan, eds., [The Princeton Encyclopedia of the World Economy](#), vol. I, Princeton University Press, 2009, pp. 509-518

3. States and markets—complements or substitutes?

Read:

Dani Rodrik, [One Economics, Many Recipes: Globalization, Institutions, and Economic Growth](#), Princeton, New Jersey, 2007, chap. 5.

Rodrik, [Has Globalization Gone Too Far?](#), chap. 4.

Jeffrey Frieden, ["Will Global Capitalism Fall Again?"](#) Presentation for BRUEGEL's Essay and Lecture Series. Brussels, June 2006.

* Giuseppe Bertola and Anna Lo Prete, “Openness, Financial Markets, and Policies: Cross-Country and Dynamic Patterns,” University of Torino, November 2008.

4. Mercantilism and the pre-modern world economy

Read:

“The Royal Charter for incorporating The Hudson's Bay Company,” promulgated in 1670 (http://www.solon.org/Constitutions/Canada/English/PreConfederation/hbc_charter_1670.html).

Findlay and O'Rourke, Power and Plenty, chaps 4, 5.

Kevin H. O'Rourke and Jeffrey G. Williamson, “After Columbus: Explaining Europe's Overseas Trade Boom, 1500–1800,” *The Journal of Economic History*, Vol. 62, No. 2 (June 2002), 417-455.

5. Nineteenth century liberalism

Read:

Findlay and O'Rourke, chaps. 6 (**skim**), 7.

Paul Bairoch, “European Trade Policy, 1815-1914,” in *The Cambridge Economic History of Europe, Volume 8: The Industrial Economies: The Development of Economic and Social Policies*/ Eds. Peter Mathias and Sydney Pollard (Cambridge: Cambridge University Press, 1989), pages 1-161 (**skim**)

John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *The Economic History Review, New Series*, Vol. 6, No. 1 (1953), pp. 1-15.

* Sibylle H. Lehmann and Kevin H. O'Rourke, “The structure of protection and growth in the late 19th century,” November 2008.

* Kris James Mitchener and Marc Weidenmier, “Trade and Empire,” Working Paper 13765, National Bureau of Economic Research, January 2008.

6. The Classical Gold Standard (and its downfall)

Read:

Eichengreen, Globalizing Capital, chaps. 2-3.

Findlay and O'Rourke, Power and Plenty, chap. 8.

* Kris James Mitchener and Marc Weidenmier, “Empire, Public Goods, and the Roosevelt Corollary,” *The Journal of Economic History*, Vol. 65, No. 3 (September 2005), 658-692.

7. The Bretton Woods compromise (and its demise)

Read:

Chapter by Douglas Irwin in Weinstein, Globalization: What's New.

Findlay and O'Rourke, Power and Plenty, chap. 9.

Eichengreen, Globalizing Capital, chaps. 4-5.

John G. Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," International Organization, Volume 36, Issue 2, Spring 1982, 379-415.

8. Financial globalization

Read:

Eichengreen, Globalizing Capital, chap. 6.

Carmen Reinhart and Kenneth Rogoff, [This Time Is Different: A Panoramic View of Eight Centuries of Financial Crises](#)" manuscript, Harvard University, April 2008.

Dani Rodrik and Arvind Subramanian, "Why Did Financial Globalization Disappoint?" IMF Staff Papers, Volume 56, Number 1, March 2009, 112-138.

Barry Eichengreen, "The Last Temptation of Risk," The National Interest, May/June 2009, 8-14.

9. Globalization and economic development

Read:

Chapters by David Dollar, Jeffrey Sachs and William Easterly in Weinstein, Globalization: What's New.

Dani Rodrik, One Economics, Many Recipes: Globalization, Institutions, and Economic Growth, Princeton, New Jersey, 2007, chap. 1.

10. Are democracy and globalization in tension?

Read:

Blinder, Alan S., "[Offshoring: The Next Industrial Revolution?](#)" Foreign Affairs, 85:2, 2006, 113-128.

Dani Rodrik, "[Feasible Globalizations](#)," in M. Weinstein, ed., Globalization: What's New?, Columbia University Press, New York, 2005.

Keohane, Robert O., Stephen Macedo, and Andrew Moravcsik, "Democracy-Enhancing Multilateralism," International Organization 63, Winter 2009, 1-31.

John Tomasi, "Sovereignty, Commerce, and Cosmopolitanism: Lessons from Early America for the Future of the World," Social Philosophy and Policy 20 (1), 2003, 223-246.

* Joshua Cohen and Charles F. Sabel, [Global Democracy?](#) *NYU Journal of International Law and Politics*. Vol. 37 no. 4 (2005): 763-797.

11. Models of global governance

Read:

Kenneth A. Scheve and Matthew J. Slaughter, "[A New Deal for Globalization](#)" *Foreign Affairs* July/August 2007, pp. 1-33.

Chapter by Stiglitz in Weinstein, Globalization: What's New.

David Held and Anthony McGrew, Globalization/Anti-globalization: Beyond the Great Divide, 2nd ed., Polity Press, 2007, chaps. 10-11, pp. 185-219.

12. The ethics of globalization

Read:

Peter Singer, One World

Thomas Nagel, "[The Problem of Global Justice](#)," *Philosophy & Public Affairs*, 33(2), 2005.

Rodrik, Has Globalization Gone Too Far?, chap. 3.