

INTERNATIONAL UNIVERSITY OF JAPAN  
 Graduate School of International Relations  
 Academic Year: 2015/2016

Course	Course code	Course title <b>International Economic Systems and Order (Winter 2016)</b>	
Name of Instructor	Osamu Nakamura		Credit Number: 2
Instructor's contact Information	Office# 322	Office Hours Thur. 13:00-15:00	E-mail: osamu@iuj.ac.jp
Class Schedule Day / Time	Friday (1) 14:40-16:10 (2)16:20-17:50		

**I. Course Description**

The course is designed to study the international economic systems, including international trade, capital transfer and monetary system, and to discuss international economic order to sustain the economic systems, from both historical and theoretical analysis points of view.

After World War II, the international economic systems started with the IMF-GATT regime. However, many problems have appeared in the systems through the process of world economic development, which resulted in the changes of international economic order. Indeed, the IMF-GATT regime was established in order to maintain the free trade system for the mutual gains in the world economy. Therefore, the international systems might be more advantageous for advanced economies rather than for developing economies.

In the early 1970s, after the Nixon crisis, the IMF-GATT regime substantially collapsed and the international economic systems were gradually changing. With a huge amount of capital transfer by the private sectors, the international economic systems have been more market principle oriented, which resulted in being more advantageous for the strong countries and less for the weak as compared to the situation in the previous order.

The course analyzes the changes of the international economic systems and order (IMF-GATT, NIEO, WTO, etc.), and the influences of these changes to the economies in the world with theoretical and empirical analyses. At the same time, the course discusses the new systems desirable for the world economy in the context of the market mechanism oriented globalization considering the importance of mutual interdependence in the world economy. The main theme of the course in the winter term, 2016 is "Changes in the position of emerging countries in the world economy and the international economic systems and order".

In the first half of the term, each session is intended to study the theories of international economics (International trade, investment and migration) and monetary system for understanding the issues and problems in the international economic relations. In the latter half of the term, the course will analyze the issues of international trade, capital transfer and migration for some of the specific countries in Asia and the Pacific applying the theories to the actual economies, as an empirical analysis.

## II. Procedures and Evaluation

Each student is requested to participate in the class and discussion. We will have a seminar style course in order to deepen our understanding of International Economic Systems and Order. We have a small quiz (mid-term quiz) and Term-paper at the end of the term. Evaluation will depend on the class participation and discussion with 30%, the quiz with 20% and the final Term-paper result with 50%.

## III. Textbook(s)

### Main reference books

P. R. Krugman, *International Economics, Theory and Policy*, Global Edition, Pearson, 2011

Roots, F., *International Trade and Investment*, South-Western Publishing Co. 1990

Marym Krits (edited), *International Migration Systems: A Global Approach*, Oxford University Press, 1995

### Other reference books

Balassa, B. , *The Theory of Economic Integration* , 1961

Bhagwati, Jagdish N. (edited), *The New International Economic Order : The North-South Debate*, MIT Press, Cambridge, Massachusetts, 1977

Bhagwati, Jagdish N. (Editor), *Economics and World Order,, World Order Model Project*, Macmillan Company, New York, 1972

Dornbush, *Open Economy Macroeconomics*, 1986

Leontief, W., *The Future of the World Economy*, A UN Study, 1977

Mundel, R.A., *International Economics*, 1968

Ricard, D., *On the Principles of Political Economy and Taxation*, 1817 3<sup>rd</sup> ed., 1821

Rostow. W. W. *The Stages of Economic Growth*, 1960.

Thirlwall, A.P., *The Nature of Economic Growth*, 2002

Tinbergen, J. (Coordinator), *Reshaping the International Order (RIO)*, A Report on the Club of Rome, 1976

Viner, J., *The Customs Union Issue*, 1950

## IV. Class Outline

1. Opening the session and introductory discussion.
2. The role of international transactions for the nations in the process of economic development: focusing on (1) the macroeconomic structure in advanced market economies and developing economies through the process of economic development, and (2) .the balance of payment structure in each nation
3. International monetary and trading systems in the IMF-GATT regime and WTO.
4. International trade theories (absolute advantage and comparative

	<p>advantage theory, Mundell-Flemming model, New Trade theory and New-new Trade theory).</p> <ol style="list-style-type: none"> <li>5. International capital transfer through foreign direct investment (FDI) and foreign indirect investment (FII) in the global economy and economic development. Ownership-Location-Internalization (OLI) Paradigm and economic integration.</li> <li>6. International trade, investment and economic development.</li> <li>7. International labor migration: causes and impacts on the economies. Economic cooperation and integration, EPA (economic partnership agreement) beyond FTA.</li> <li>8. Case study 1: International economic relations between Japan and the U.S. through international trade and capital transfers.</li> <li>9. Case study 2: International trade and capital transfer for the economic development - the case of China</li> <li>10. Case study 3: Regional economic integration and development in Asia.</li> <li>11. Final exam.</li> </ol>
Others (if any)	