**ECON 390: International Economics**

George Mason University

Monday, Wednesday, Friday 9:30am – 10:20am

Spring 2018, Robinson B 111

**Professor:** Mr. Garrett Wood

**Email:** gwood3@gmu.edu

**Office Hours:**

Monday 10:30pm – 11:30pm, Mercatus Center Cubicles

Wednesday 10:30pm – 11:30pm, Mercatus Center Cubicles

Friday 10:30pm – 11:30pm, Mercatus Center Cubicles

**Course Description:**

This course explores concepts such as how international trade effects the firm, the impact tariffs have on growth, cross border interventions, foreign aid, and other topics touching on economic interactions between nations. By applying the basics of microeconomic and macroeconomic principles to larger economic issues the student will learn to consistently use the economic way of thinking at every level of analysis and across a variety of topics. Students will learn to challenge and defend each of the ideas discussed while becoming more aware of international issues.

**Required Course Texts:**

* None. Reading can be found through google searches and through the GMU Library website: <https://library.gmu.edu/>

**Important Dates:**

First Day of Class: January 22

No Class: March 2

Draft Papers Due: March 5

Draft Paper Presentations: March 7 and 9

Spring Break: March 12-18

Last Day of Class: May 4

Final Paper Due: May 11

**Grading Distribution:**

Class Participation: 30% of total grade

Quizzes: 30% of total grade

Draft Paper and Presentation: 10% of total grade

Final Paper: 30% of total grade

**Attendance Policy:**

Students cannot earn points for the daily quizzes or class participation without attending class. Each student is allowed 1 emergency absence with no repercussions, but the student must request this exemption by e-mail. Further absences will result in lost points.

**Quiz Policy:**

Quizzes are taken at the beginning of each class; no makeup quizzes will be given. Cheating will not be tolerated on the quizzes. If you are found on your phone or with any other supplementary materials during a quiz, you will automatically receive a 0% on the quiz, no questions asked. You will also be reported to the office of academic integrity.

**Class Participation:**

This is an upper level course so students are expected to come with questions about the assigned readings and to contribute to class discussions of the topics being covered that day. Substantive contributions are required to receive full credit for class participation.

**Class Schedule and Readings:**

Students will need to read the material for a given class before coming in to class that day so that they are prepared to engage in discussions. For the classes on March 7 and 9 students are expected to have read their classmate’s draft papers and to come prepared with constructive criticisms and suggestions.

**Research Paper:**

Students will turn in an 8-10 page original research paper by May 11. Page length does not include references, font is Times New Roman, size is 12. The student will pick a topic of interest in international economics and explore it using economics insights reviewed in the first weeks of class. Students may take inspiration both in terms of subject and organization of the paper from the papers we will read over the semester. A 1-2 page draft of your paper is due May 5, and students will be expected to answer questions about their paper on May 7 or 9.

**Mason Core:**

Econ 390 is a Mason Core class falling under the Global Understanding category. We will be meeting the following learning outcomes: 1) demonstrate understanding of how the patterns and process of globalization make visible the interconnections and differences among and within contemporary global societies, 2) explore individual and collective responsibilities within a global society through analytical, practical, or creative responses to problems or issues, using resources appropriate to the field, 3) demonstrate the development of intercultural competencies.

**Topics and Readings**

**Section 1: A Refresher**

**January 24**: Read, L. (1958), “I, Pencil”, available at: http://www.econlib.org/library/Essays/rdPncl1.html#I, Pencil

Freakonomics. (2016), “How Can This Possibly be True?”, available at: <http://freakonomics.com/podcast/i-pencil/>

**January 26**: Buchanan, J. (1964), “What Should Economists Do?”. The paper, not the book. Available through GMU library website.

**January 29**: Coase, R. (1960), “The Problem of Social Cost”, available at: <https://econ.ucsb.edu/~tedb/Courses/UCSBpf/readings/coase.pdf>

**\*\*\*January X:** Demsetz, “The Exchange and Enforcement of Property Rights”

**January 31**: Demsetz, H. (1967), “Toward a Theory of Property Rights”, available at: <http://econ.ucsb.edu/~tedb/Courses/Ec100C/Readings/Demsetz_Property_Rights.pdf>

**February 2**: Hayek, F. A. (1945), “The Use of Knowledge in Society”, available at: <http://home.uchicago.edu/~vlima/courses/econ200/spring01/hayek.pdf>

**February 5**: Alchian, A. (1950), “Uncertainty, Evolution, and Economic Theory”, available at: <https://wolfweb.unr.edu/homepage/pingle/Teaching/BADM%20791/Week%206%20Decision%20Making%20Under%20Uncertainty/Alchian-Uncertainty.pdf>

**Section 2: International Trade**

**February 7**: Bernhofen, D., El-Sahli, Z., Kneller, R. (2016), “Estimating the Effects of the Container Revolution on World Trade”, available through GMU Library website.

**February 9**: Irwin, D. (2002), “Did Import Substitution Promote Growth in the Late Nineteenth Century”, available through GMU Library website.

**February 12**: Bernard, A., Jensen, J., Redding, S., Schott, P. (2007), “Firms in International Trade”, available through GMU Library website.

**February 14**: Irwin, D. (1997), “From Smoot-Hawley to Reciprocal Trade Agreements: Changing the Course of U.S. Trade Policy in the 1930s”, available through GMU Library website.

**February 16**: Crowley, M., Lou, X. (2011), “Understanding the Great Trade Collapse of 2008-09 and the Subsequent Trade Recovery”, available through GMU Library website.

**February 19**: Benson, B. (1989), “The Spontaneous Evolution of Commercial Law”, available through GMU Library website.

**February 21**: Leeson, P. (2010), “Two Cheers for Capitalism”, available at: <http://www.peterleeson.com/Two_Cheers_for_Capitalism.pdf>

Radford, R. (1945), “The Economic Organization of a P.O.W. Camp” available at: <http://people.terry.uga.edu/last/classes/oxford/readings/radford.pdf>

**Section 3: The Economics of War**

**February 23**: Mises, L. (1949), “Human Action” pages 817-827, available at: <https://mises.org/system/tdf/Human%20Action_3.pdf?file=1&type=document>

**February 26**: Olson, M. (1962), “The Economics of the Target Selection for the Combined Bomber Offensive”, available on Blackboard.

**February 28**: Frey, S., Heinz B. (1988). “Prisoners and Property Rights.”, available through GMU Library website.

**March 2**: No Class

**March 5**: Leeson, P. (2015). “Institutionally Constrained Technology Adoption: Resolving the Longbow Puzzle”, available at: <http://www.peterleeson.com/Longbow.pdf>

\*Draft of Research Paper due\*

**March 7**: Draft Paper Presentations

**March 9**: Draft Paper Presentations

**March 12-16**: No Class

**March 19**: Leeson, P. (2007). “Trading with Bandits.”, available at: <http://www.www.peterleeson.com/Trading_with_Bandits.pdf>

**March 21**: Allen, D., Lantinova, V. (2013) “The Ancient Olympics as a Signal of City-State Strength”, available through GMU Library website.

**March 23**: Leeson, P., Nowrasteh, A. (2011), “Was Privateering Plunder Efficient?”, available through GMU Library website.

**Section 4: Politics, Intervention, and Trade**

**March 26**: Boettke, P., Coyne, C., Leeson, P. (2008), “Institutional Stickiness and the New Development Economics”, available at: <http://www.peterleeson.com/stickiness.pdf>

**March 28**: Leeson, P. (2205), “Endogenizing Fractionalization”, available at: <http://www.peterleeson.com/Endogenizing_Fractionalization.pdf>

**March 30**: Coyne, C., Burns, S., Hall, A. (2015), “The War on Drugs in Afghanistan: Another Failed Experiment with Interdiction”, available at: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2613428>

**April 2**: Leeson, P. (2009), “Laws of Lawlessness”, available at: <http://peterleeson.homestead.com/Laws_of_Lawlessness.pdf>

**April 4**: Leeson, P. (2014), “Human Sacrifice”, available at: <http://www.peterleeson.com/Human_Sacrifice.pdf>

**April 6**: Ellickson, R. (1989), “A Hypothesis of Wealth-Maximizing Norms: Evidence from the Whaling Industry”, available at: <http://masonlec.org/site/rte_uploads/files/Wilson%20Complete%20Readings.pdf>

**April 9**: Leeson, P. (2007), “An-arrgh-chy: The Law and Economics of Pirate Organization”, available at: <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.612.4147&rep=rep1&type=pdf>

**April 11**: Batchelder, R., Nicolas S. (2013). “The Encomienda and the Optimizing Imperialist: An Interpretation of Spanish Imperialism in the Americas.”, available through GMU Library website.

**April 13**: Anderson, G., Grifford, A. (1995), “Order Out of Anarchy: The International Law of War”, available through GMU Library website.

**April 16**: Rodrik, D. (2010), “Diagnostics Before Prescription”, available at: <https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/diagnostics-before-prescription.pdf>

Rajan, R. (2004), “Assume Anarchy”, available at: <https://msu.edu/course/aec/810/clippings/rajan.pdf>

**April 18**: Skarbek, D., Leeson, P. (2009), “What Can Aid Do?”, available at: <http://www.peterleeson.com/What_Can_Aid_Do.pdf>

Huffington Post Aid Debate. Read in order.

<https://www.huffingtonpost.com/jeffrey-sachs/aid-ironies_b_207181.html>

<https://www.huffingtonpost.com/dambisa-moyo/aid-ironies-a-response-to_b_207772.html>

<https://www.huffingtonpost.com/jeffrey-sachs/moyos-confused-attack-on_b_208222.html>

<https://www.huffingtonpost.com/william-easterly/geography-lessons-correct_b_208879.html>

<https://www.huffingtonpost.com/entry/no-need-to-oversimplify-p_b_209720.html>

<https://www.huffingtonpost.com/entry/back-to-sachs-astrology-d_b_209989.html>

**April 20**: Namabita, D., Leeson, P. (2013), “The Amplification Effect: Foreign Aid’s Impact on Political Institutions”, available through GMU Library website.

**April 23**: Leeson, P. (2008), “Escaping Poverty: Foreign Aid, Private Property, and Economic Development”, available at: <https://ideas.repec.org/a/jpe/journl/683.html>

**April 25**: Leeson, P., Harris, C. (In Progress), “Wealth Destroying Private Property”, available at: <https://static1.squarespace.com/static/59260557ebbd1a74b7ab9ca3/t/59d4391a80bd5e1dfaa0e0db/1507080475155/Colin+Harris%2C+Wealth-Destroying+Private+Property+Rights.pdf>

**April 27**: Coyne, C., Leeson, P. (2004). “The Plight of Underdeveloped Countries”, available through GMU Library website.

**April 30**: Coyne, C., Hall, A. (2014), “Perfecting Tyranny: Foreign Intervention as Experimentation in State Control”, available at: <https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2410362>

**May 2**: Coyne, C., Pellillo, A. (2012), “The Art of Seeing Like a State: State-Building in Afghanistan, The Congo, and Beyond”, available at: <http://www.ccoyne.com/The_Art_of_Seeing_Like_a_State.pdf>

**May 4**: Coyne, C., Lemke, J. (2011), “Polycentricity in Disaster Relief”, available at: <http://www.ccoyne.com/Polycentricity_in_Disaster_Relief_-_Final.pdf>