



EC0321
Trends of the
Global Economy



UNIVERSIDAD
NEBRIJA

Centro de Estudios Hispánicos

Trends of the Global Economy

Hours: 45

Credits: 6 ECTS

Prerequisites: none

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Office hours: to be communicated

1. Course Description

This course aims to analyze the major traits that characterize the global economic landscape and the international competitiveness of countries, as well as their likely evolution. We shall study the enormous economic and social consequences of the invasion of Ukraine carried out by Russia. Also the analysis of the consequences of the COVID-19 pandemic in the different economic regions of the world and how they are facing the vaccination and its impact on the economic recovery increasing inequality. The Globalization and its effects on the growth prospects of emerging economies; also, we will tackle the likely evolution of the population of the world as well as the evolution of the inequality between countries and their citizens within each. We will also study the energy and environmental threads faced by the world at large. Within the context set up by these basic trends, we can analyze the interaction between countries and the role of the existing International Economic Institutions, as well as properly put into perspective the prospects of the global financial system. Thus, we will discuss the major themes that will shape the business and social environment in which the future graduates will develop their professional careers.

We will begin by discussing the very meaning of “globalization”, its origins and the implications of the processes that are in action for and against its development. We will discover that globalization is a structural trait of the economic landscape that impinges on almost any economic dynamics we could think of. However, globalization is now in danger, its expansion delayed by strong forces at work in many regions and countries. Brexit is a clear warning about what is to come.

The first knot of trends that we will study is the one that follows from the interrelations between demographic change, the production and distribution of food, the growing scarcity of fresh water available and the energy demands that stem from those factors. Once we introduce into the picture the reality of climate change, we end up with a potentially destructive circle of problems that some view as very capable of bringing about a collapse of the global economy.

To face that thread, the world would need a degree of commonality of purpose and the institutions capable of defining goals and set up the measures to bring them about, that simply is not present nowadays. There is a clear deficit of global governance, a new trend of the global economy, which seems difficult to close until the world reaches a new equilibrium between its emerging and existing powers.

The question is that there seems to be competing two models of socioeconomic organization, which we will call post-crisis capitalism and state capitalism whose interactions and future evolution will be decisive to the issue of the global governance of the future world. In other words, we are in the middle of a transition period, one in which we still act under the structures and ways of the past, facing a world that is changing with unbelievable speed.

It is very likely that the issue of maintaining a consistent path of growth for the economies involved will prove crucial to the nature and character of the new power equilibrium that has to come. Thus, next we will devote our attention to the issue of growth and its determinants. As we will see, the shape of institutions capable of adapting to the changing evolution of markets is crucial. In the process, we will discuss the new theories that present a future of low growth as the new normal for developed economies.

Finally, we will come to the last trend under discussion. This one is truly global, affecting most of the economies of the world. It has the potential to derail all efforts devoted to establishing and developing a framework of growth in which all nations share and from which all benefit. We refer to inequality, the fact that incomes and wealth are distributed more and more unequally among the citizens of almost all the economies, no matter their model of socioeconomic organization. This, all pervasive trend of growing inequality has a destructive capacity that we shall consider as well as the measures that could be taken to stop its growing momentum.

2. Learning Objectives

- Problem-solving ability
- Ability to analyze and synthesize
- Skill to seek and analyze information obtained from diverse sources
- Ability to transmit the knowledge acquired
- Ethical attitude
- Team-working ability
- Ability to work under pressure
- Striving for quality
- Ability to adapt to new situations
- Ability to apply knowledge to real-life contexts
- Skill to collect information and use it for research
- Skill in project design and management
- Knowledge and correct use of basic economic language
- Ability to apply theoretical knowledge to real-life problems
- Ability to interpret case studies based on the models studied
- Ability to present the state of the art in relation to a particular economic problem, as well as to decide the appropriate econometric tools to apply to its solution
- Ability to develop concrete views to help the decision making process, based on the geography of the problem considered and the global consideration of the issues involved.
- More integrated and comprehensive thinking and problem solving
- Better decision making
- Faster than competitors to adapt to new realities and trends

3. Specific Skills

These skills are degree-specific, according to the Official Report of each degree.

We list them here according to the numeration received in their respective Reports:

- Business Administration (ADE): CE 20, 22 and 38
- Tourism: CE 8, 11, 20 and 21
- International Relations: CE 4, 8 and 10.

Results:

- More integrated and comprehensive thinking and problem solving
- Better decision making
- Faster than competitors to adapt to new realities and trends

4. Methodology

The course syllabus follows the Communicative Approach methods, based on the core principles of procedure conception and constructive acquisition of knowledge. The methodology is based on the teaching-learning procedures, focused on the learner, which encourages active participation and results in the development of general and specific competencies that provide knowledge, capacities and attitudes for their future professional careers.

5. Evaluation

The form of assessment is based on the core principles of the educational assessment, i.e., an active and participative teaching-learning process focused on the learner. The instructor uses numerous and differentiated

forms of assessment to calculate the final grade received for this course. For the record, these are listed below. The content, criteria and specific requirements for each assessment category will be explained in greater detail in class.

5.1. Grading system

In the Spanish educational system, it is required to quantitatively express the result of each student's evaluation. In order to do so, Nebrija faculty uses different strategies and instruments such as: papers, exams, tests, projects, self-evaluation activities, etc. In order to issue a final grade for the Spanish Plus programs the following scale is established:

- 30% Attendance and active participation in class
- 30% Daily work/ Papers/ Essays
- 40% Exams/ Final papers or projects*

Therefore, the final grade is the average between attendance and participation, daily work and exams, presentations, projects and essays.

Active participation in class is evaluated by means of different activities such as:

- Activities and exercises correction;
- Reflection upon the different contents in the course
- Oral activities (individual, in pairs or in groups). Fluency, correction, adequacy and relevance are taken into account.
- Daily work makes reference to any activity or task that is done inside or outside of the classroom, whether during the class time or at any other time.
- Exams/papers/projects

The course includes a midterm and a final written exam on theoretical concepts and course facts. If a student, unjustifiably, does not do or submit an exam, paper or project, it will be graded with a '0'.

*** A minimum grade of 5 must be obtained in a final exam/ final project in order to pass the course.**

5.2. Attendance, participation and grading policies

5.2.1. Attendance policy

Attendance is mandatory. The maximum number of absences allowed is 6. In case of missing 7 or more sessions in one course, the student will receive a zero in his/her participation and attendance grade. In addition, not attending classes will not excuse the student from handing in any homework, papers or essays previously assigned.

The following situations must be considered:

- There are 3 sessions of class per week. Each session of class will count as an absence.
- Two delays of more than 15 minutes will be considered an absence. The entrance to class will not be allowed after 30 minutes once it has started.
- There are no excused absences. E.g.: Not attending class because of sickness will count as an absence. The student is responsible for catching up with any homework done while absent.
- Exams dates have been officially approved by the University, therefore, they will not be changed.*

*Except for those courses where the professor will set up specific dates and inform the students at the beginning of the program.

5.2.2. Criteria to evaluate participation

Criteria to evaluate participation	Grade
The student participates very actively in the class activities. S/he successfully does the requested tasks. S/he contributes to a good development of the course, encourages his/her classmates and favor debate in class.	8.5 - 10
The student participates actively in the class activities. S/he does the requested tasks and submits them on time. Shows great interest to learn.	7 - 8.4
The student, occasionally, makes interesting remarks, but s/he basically answers when s/he is asked. S/he does not show a clear interest in the course. Misses classes occasionally.	5 - 6.9
The student does not participate unless s/he is asked. S/he has unjustified absences and delays. His/her attitude is not very participative.	0 - 4.9

5.2.3. Criteria to evaluate Daily Work

Criteria to evaluate Daily Work	Grade
The student always does all the work demanded by the professor, not only during the class but also at home. He/she always or almost always meets the deadlines established.	8.5 - 10
The student almost always does all the work demanded by the professor, not only during the class but also at home. Occasionally, he/she submits work after the established deadline.	7 - 8.4
The student occasionally does the work demanded by the professor, not only during the class but also at home. He/she does not normally meet the established deadlines and even occasionally does not submit the work.	5 - 6.9
The student never or almost never does the work demanded by the professor. He/she never or almost never meets the established deadlines.	0 - 4.9

5.2.4. Grading criteria

Number Grade	Letter Grade	Percentage
10	A+	100%
9.5 – 9.9	A	95 – 99 %
9 – 9.4	A-	90 – 94 %
8.5 – 8.9	B+	85 – 89 %
7.5 – 8.4	B	75 – 84 %
7 – 7.4	B-	70 – 74 %
6.5 – 6.9	C+	65 – 69 %
6 – 6.4	C	60 – 64 %
5 – 5.9	C-	5 – 59 %
0 – 4.9	F	0 – 49 %

5.3. Warning on plagiarism

When writing a University paper or essay and reference is made to certain authors, it is mandatory to cite them by means of a footnote or a direct reference. In no case it is acceptable that a student uses a text, no matter how brief it is, written by somebody else without putting it in inverted commas, as this means s/he is trying to make it look as his/her own. This is called plagiarism and in a university context it could be penalized with expulsion.

6. Bibliography

0. Introduction. What this course is about

- Kunzig, R. (2013). Population 7 Billion. National Geographic Society. Washington.

1. The Russina invasion

- OECD, FMI, World Bank and other reliable reports.

2. COVID-19 boosting inequality.

- OECD & FMI reports.

3. Globalization on the ascent

- Web resources and some readings will be provided based on timeliness and relevancy.

4. Globalization on danger

- Electronic resources.

5. China – USA trade war

- News on negotiations from electronic resources.

6. What did Brexit mean?

- Different web resources.

7. Blockchain and The DLTs

- Web resources provided throughout the course.

8. Geopolitical power shift

- Patrick, S. (2015). Multilateralism à la Carte: The New World of Global Governance. Valdai Papers #22, July.

9. Post-Crisis Capitalism and State Capitalism. Two Models of Socio-Political Organization

- Ferguson, N. (2012). We're All State Capitalists Now. Foreign Policy, February 2012. Washington.

- Krugman, P. (2009). How Did Economist Get It So Wrong?. The New York Times, Magazine September.

10. Why Nations Grow?

- Spence, M. (2011). The Next Convergence, Chapter 5. "Economic Growth". Picador, New York.

11. The Limits of Growth

- Summers, L. (2016). The Age of Secular Stagnation: What It Is and What to Do About It. Foreign Affairs, 2016.

12. Why Nations Fail?

- Diamond, J (2012). What Makes Countries Rich or Poor?. The New York Review of Books, June, 7.

- Acemoglu, D. and Robinson, J., reply by Diamond, J. (2012). Why Nations Fail. The New York Review of Books, August, 16.

13. The many faces of inequality. Global Inequality

- Angus Deaton (2003). What Does the Empirical Evidence Tells Us About the Injustice of Health Inequalities?, in Inequalities in Health, Edit. By Nir Eyal, Sarmia Hurst, Ole F. Nordheim and Daniel Wikler.

14. The many faces of inequality. Income Inequality

- Krugman, P. (2014). Why We're in a New Gilded Age. The New York Review of Books, May issue. New York.

7. Lecturer Brief Bio

Héctor Carretié has an international professional and academic experience. After having graduated in Economics and Business Administration at the Universidad Autónoma de Madrid, Dr. Carretié started his professional career in Madrid as a consultant, financial controller and key account manager. Later Mr. Carretié moved to London to join a very prestigious wine importer Company as the CFO and KAM for a 5-year term. After his London experience, he moved back to Madrid where he joined the Universidad Rey Juan Carlos where he taught a series of subjects in Spanish and English, all related to finances and economics. He also earned his Master's degree in International CFO and his Doctor's degree in Finances, researching on XBRL and the Semantic Web. After a while, he moved to Chile for one year, where he taught classes at the

Universidad Autónoma de Chile. Back in Madrid, professor Carretié is currently teaching in several private universities and researching on Distributed Ledger Technologies and Blockchain.

8. Office Hours

It is always advisable to make an appointment with the lecturer beforehand in order to ensure availability.

Campus Madrid Princesa

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9. Course Content

TOPIC	DESCRIPTION	READINGS
Topic 0	What is this course about?	Kunzig, R. (2013). Population 7 Billion. National Geographic Society. Washington
Topic 1	The Russian invasion	OECD, FMI reports
Topic 2	COVID-19 boosting inequality	OECD, FMI & other reliable reports
Topic 3	Discussion on globalization	Wolff, M. (2014). Shaping Globalization. Finance & Development, an IMF publication, September.
Topic 4	What does Brexit mean?	
Topic 5	Discussion on Brexit	
Topic 6	Demographic change	(2019). Population Reference Bureau, Washington and other resources.
Topic 7	Discussion on demographic change using the 2014 population data as a guide	
Topic 8	Water and food	Rutkowski, R. (2015). The Economics of H2O: Water Price Reforms in China blogs.piee.com/china
Topic 9	Discussion on water and food	
Topic 10	Energy. Supply and demand factors.	BP (2019).BP Energy Outlook 2040, Global Insights. London
Topic 11	Discussion on energy using BP Energy Outlook 2015 as a guide	
Topic 12	Climate change	Read Nordhaus, W.D (2015). A New Solution: The Climate Club. The New York Review of Books, June, 4.
Topic 13	Discussion on climate change	
Topic 14	Global governance. Geopolitical power shifts	
Topic 15	Discussion on global governance	
Topic 16	Midterm Exam	
Topic 17	Post-crisis capitalism and State capitalism. Two models of socio-political organization	Krugman, P. (2009). How Did Economist Get It So Wrong? The New York Times, Magazine September, 6. Ferguson, N. (2012). We´re All State Capitalists Now. Foreign Policy, February 2012. Washington
Topic 18	Discussion on post-crisis capitalism and State capitalism	

Topic 19	Why do nations grow?	Spence, M. (2011). <i>The Next Convergence</i> , Chapter 5. "Economic Growth". Picador, New York.
Topic 20	Discussion on why Nations grow	
Topic 21	The limits of growth	
Topic 22	Discussion on the limits of growth	
Topic 23	Why do nations fail?	Diamond, J (2012). <i>What Makes Countries Rich or Poor?</i> The New York Review of Books, June, 7. Acemoglu, D. and Robinson, J., reply by Diamond, J. (2012). <i>Why Nations Fail.</i> The New York Review of Books, August 16.
Topic 24	Discussion on why nations fail	
Topic 25	Global inequality	
Topic 26	The many faces of inequality. Income inequality	Hellebrandt, T. and Mauro, P. (2015). <i>The future of Worldwide Income Distribution.</i> Peterson Institute for International Economics, Working Paper Series, WP 15-7.
Topic 27	Discussion on inequality	
Topic 28	Final Exam	