

INTERNATIONAL ECONOMIC INSTITUTIONS

A) PURPOSE OF THE COURSE

To make students better acquainted with different issues around which international economic relations revolve and provide them with a better understanding of a range of topics that shape and affect the international economy. And specifically to describe and explain the role that institutions play in regulating or shaping certain issues such as:

- a. Trade
- b. Monetary and exchange-rate issues
- c. Development
- d. Debt
- e. Transition to a market economy by former centrally-planned economies.

B) COURSE WORK

Unit 1: Introduction to the Study of International Economic Institutions

- 1) Understanding the need for International Economic Institutions.

Unit 2: The World Trade Organization (WTO)

- 1) International trade from 1945 to 1994: the GATT rounds.
- 2) The Uruguay Round of the GATT (1986-94)

- 3) The World Trade Organization: its founding and aims.
- 4) The treaties administered by the WTO: Agricultural, GATT94, GATS, TRIPS.
- 5) Operation of the WTO and its dispute-resolution panels.
- 6) The failure of the WTO's Millennium Round: aims, key issues and disputes.
- 5) The Doha Round of WTO negotiations.
- 6) Current state of the Doha Round negotiations
- 7) How the financial and economic crisis is affecting world trade

Unit 3: The International Monetary System and the International Monetary Fund (IMF)

- 1) IMF features: the quota system, the Articles of Agreement, membership conditions.
- 2) The IMF's policies and its financing facilities; Special Drawing Rights (SDR)
- 3) The IMF's role in the international economy: surveillance, oversight of exchange-rate stability, debt rescheduling, balance-of-payment assistance.
- 4) IMF and its handling of the international debt problem.
- 5) Origins and growth of foreign debt in the seventies.
- 6) The institutional response to the debt crisis: debt renegotiation and rescheduling following the IMF's lead.
- 7) The 1997 East Asia crisis. Causes and action taken. How it differed from previous debt crises.
- 8) The program to cancel the poorest countries' debt (HIPC).
- 9) The IMF's role in combating the financial crisis.

Unit 4: The World Bank Group

- 1) The IBRD's aims and its financial structure.
- 2) The IBRD's resource-drawing policy.
- 3) The IBRD's loan policy.
- 4) The IBRD and the environment.
- 5) The International Finance Corporation (IFC).
- 6) The International Development Agency (IDA).
- 7) The Multilateral Investment Guarantee Agency (MIGA).
- 8) The World Bank's evolving role in the post-Cold War era.
- 9) The impact of the financial and economic crisis on the WB's work.

Unit 5: The role of the United Nations as an economic institution

- 1) Determining factors in the U.N.'s involvement in economic and social development.
- 2) Overview of UN economic bodies and agencies.

- 3) The UN and its role in development since its founding until the present
- 4) The International Labour Organization. (ILO)
- 5) The Food and Agricultural Organization (FAO)
- 6) The United Nations Industrial Development Organization.
- 7) The United Nations Commission for Trade and Development.

Unit 6: The Organization for Economic Cooperation and Development (OECD)

- 1) Objectives and institutional make-up of the OECD
- 2) OECD activities and functions
- 3) The OECD and development: The Committee of Aid for Development

Unit 7: The role of International Economic Institutions in the transition of the former centrally-planned economies

- 1) The former Communist countries' attempts at economic reform during the seventies and eighties.
- 2) The Council of Mutual Economic Assistance (CMEA).
- 3) The legacy of the centrally-planned economies.
- 4) Reforms towards a free-market economy: their scope, speed and hindrances.
- 5) The role of the European Bank for Reconstruction and Development (EBRD).
- 6) Assessment of the transition process, the obstacles that lie ahead. and the impact of the economic and financial crisis on the transition economies.
- 7) EU enlargement: the negotiations with the candidate countries. The former Communist economies after their accession to the EU.
- 8) Regional trade agreements in Eastern Europe and the CIS: CEFTA and the customs union between Russia, Belarus, Kazakhstan and Kyrgyzstan.

C) BIBLIOGRAPHY

Bibliography in Spanish

- 1) Millet, Montserrat: La Regulación del Comercio internacional: del GATT a la OMC, Caja de ahorros y pensiones de Barcelona "la Caixa", 2001.
- 2) Tugores Ques, J: Economía Internacional e Integración Económica, Madrid, McGraw-Hill, 1997.

- 3) Varela, M. (coord): Organización Económica Internacional, Madrid, Pirámide, 1991.
- 4) Calvo Hornero, A.: Integración económica y regionalismo: Principales acuerdos regionales, Madrid, Centro de estudios Ramón Areces, 1994.
- 5) Díez de Velasco, M.: Organizaciones Internacionales, Madrid, Tecnos, 1995.
- 6) González S. (coord.): Organización Económica Internacional, Madrid. McGraw-Hill, 1993.
- 7) Tamames, R.: Estructura Económica Internacional, Madrid, Alianza Universidad, 1995.

Bibliography in English

- 1) Armstrong, D.; Lloyd, L.; Redmond, J.: From Versailles to Maastricht. International Organizations in the Twentieth Century, London, MacMillan Press, Ltd., 1996.
- 2) Bergsten, C. Fred: Global Economic Leadership and the Group of Seven, Washington, D.C., Institute for International Economics, 1996.
- 3) El-Agraa, Ali M: Economic Integration Worldwide, London, MacMillan Press, 1997.
- 4) Frenkel, J.A. & Goldstein, M (eds): Functioning of the International Monetary System, 2 volumes, Washington, D.C., IMF, 1996.
- 5) Jackson, J.H: The World Trade Organization: constitution and jurisprudence, London, The Royal Institute of International Affairs, 1998.
- 6) Krugman P.R.: The Return of Depression Economics, New York, Norton, 1999.
- 7) United Nations: Global Economic Cooperation: A Guide to Agreements and Organizations, New York, United Nations Publications, 1999.
- 8) Van Meerhaeghe, M.A.G: Handbook of International Economic Institutions, London, Klumer Academic Publishers, 1992.

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GRADING POLICY

Students will receive a final grade at the end of the course which will be determined by:

a) Final exam: the exam will feature one essay question (to be answered on about 2-3 pages), one additional question to be answered on about 1 ½ pages and two short-answer questions. The essay question will be worth 4 points, the second question 3 points and the short-answer questions 1.5 points each.

The exam will be worth 75% of the final grade.

b) Paper: students will write a paper about a particular aspect of one of the main topics the course covers. For example, they may write about a specific panel established by the WTO to resolve a trade dispute among its members or about the program that the World Bank or the IMF operates in a particular country. The paper will be no longer than 7-8 pages long (not including annexes with data). Students whose papers can be deemed to have been plagiarized will not be corrected and will not be allowed to re-submit a second version.

The paper will be worth 25% of the grade.

In addition, students who actively participate in class with interesting remarks will receive additional credit which will help them in case their final numerical grade is very close to the next higher-up grade.

Grading policy in September:

Exam: 75% of the grade

Presentation: 25% of the grade

If the presentation received a pass in June the grade will be carried over to September. If the presentation received a failing grade in June the student will have to repeat the presentation.