

Department of Economics
University of Toronto
Summer 2017

ECO 407

Competing Views in Macroeconomic Theory and Policy

TR2-5 – WO 35

INSTRUCTOR

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OFFICE HOURS

Monday, 3:00 – 4:00 PM

COURSE DESCRIPTION

This course provides students with a systematic analysis of competing perspectives on key areas of macroeconomic theory and policy. The aim of the course is to help economics students develop their critical skills by highlighting the strengths and weaknesses of current macroeconomic theory as articulated by their defenders and critics. Special attention will be paid to competing views regarding key fiscal, monetary, and trade policy issues as applied to Canada.

REQUIRED TEXTBOOKS

- Hassan Bougrine and Mario Seccareccia, *Introducing Macroeconomic Analysis: Issues, Questions, and Competing Views*. Toronto: Emond Montgomery Publications Ltd., 2010.
- Ha-Joon Chang, *23 Things They Don't Tell You about Capitalism*. New York: Bloomsbury Press, 2010.

COURSE REQUIREMENTS

- **Critical Review I** – A written **critical review** on an economics article to be assigned on **May 18**. Submission will be due at the beginning of class on **May 25**. The Critical Review should be 800-1000 words in length. **Late penalty: 5 percentage points per day.**
- **Critical Review II** – A written **critical review** on an economics article to be assigned on **May 25**. Submission will be due at the beginning of class on **June 1**. The Critical Review should be 800-1000 words in length. **Late penalty: 5 percentage points per day.**
- **Term Paper** – This essay will be on a specific topic to be assigned on **June 1**. The Term Paper will be due at the beginning of class on **June 22** and should be about 4,000 words in length. **Late penalty: 5 percentage points per day.**
- **Final exam** – An exam covering the term's work will be written during the regular examination period (**June 26-30**).

Guidelines on Writing the Critical Reviews

1. This assignment involves the submission of a critical review or reflection on an assigned article.
2. The critical review should be no more than 3-4 pages in length (about 900 words). The emphasis is on concise, focused thought. You need to identify the author's *main* thesis, and respond critically to that thesis, i.e., you must provide evidence of the strengths and weaknesses of the author's arguments and ideas. This implies, therefore, that you must take a clear and coherent position on the issues discussed, i.e., you must advance your own thesis statement which will serve as the guiding framework of your critical reflection.
3. You will receive a brief, written evaluation of your submissions within two weeks. The evaluation will be based on the following criteria:
 - effectiveness in taking a clear and critical position on issues
 - capacity to synthesize complex ideas
 - clarity and conciseness of expression.

- **Class participation** – Participation in class discussions will also form part of the total mark. Students must read the required readings in advance in order to have a stimulating discussion.

COURSE EVALUATION

The breakdown of the term grade will be as follows: 1) each of the two critical reviews will count for 12.5% of the final mark; 2) the term paper will count for 30% of the final mark; 3) the final exam will count for 35% of the final mark; and 4) class participation will count for the other 10% of the final mark.

GUIDELINES FOR WRITING THE TERM PAPER

There are several Writing Centres at the University of Toronto where you can receive helpful information to guide you in writing an academic essay. A list of these Writing Centres can be accessed at <http://www.writing.utoronto.ca/writing-centres/centres>. More general advice on academic essay writing can also be electronically accessed at <http://www.writing.utoronto.ca/advice/general/general-advice>.

ACADEMIC INTEGRITY

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community which honours the values of honesty, trust, respect, fairness and responsibility and to protect you, the students within this community, and the value of the degree towards which you are all working so diligently.

According to Section B of the University of Toronto's *Code of Behaviour on Academic Matters* (www.utoronto.ca/govcncl/pap/policies/behaveac.html) which all students are expected to know and respect, it is an offence for students:

- To use someone else's ideas or words in their own work without acknowledging that those ideas/words are not their own with a citation and quotation marks, i.e. to commit plagiarism.
- To include false, misleading or concocted citations in their work.
- To obtain unauthorized assistance on any assignment.
- To provide unauthorized assistance to another student. This includes, for instance, showing another student an answer in a test.
- To submit their own work for credit in more than one course without the permission of the instructor.
- To falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes.

Submission of Critical Reflections and Term Paper to Turnitin.com

Note that, in addition to providing a hard copy, students will be asked to submit their critical reflections and term paper to Turnitin.com for the detection of possible plagiarism. The detailed procedures for submission will be announced later.

The University requires that the following paragraph be included in the syllabus of all courses using Turnitin.com:

Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site.

Please note that you are not obligated to submit your critical reflection and/or paper to Turnitin.com. If you object to submit them to Turnitin.com, let me know by **May 19** and I will offer you a reasonable offline alternative.

- To use or possess an unauthorized aid in any test or exam (e.g., a cell phone).
- To submit a medical note to get out of a test when the student is not actually sick.
- To continue writing when the time is up in any test or exam.

There are other offences covered under the Code, but these are by far the most common. Please respect these rules and the values which they protect.

COURSE OUTLINE AND READING ASSIGNMENTS

This outline identifies required readings for each topic (*) plus select supplementary readings. You should find the latter useful in preparing your critical reflection and essay and following up on a subject which particularly interests you. Newspaper or magazine articles might also be added as helpful, supplementary readings from time to time. Obviously, you must read the required readings each week if we are to have a stimulating class discussion.

1. The Market System and the Public Sector (May 16)

*Watson, W., "‘Let the Market Work!’ The Market and the Public Sector," in *Introducing Macroeconomic Analysis*, Chapter 1, pp. 9-21.

*Prasch, R., "Market, States, and Exchange: An Introduction to Economics," in *Introducing Macroeconomic Analysis*, Chapter 1, pp. 22-32.

*Chang, H.J., "There Is No Such Thing as a Free Market," in *23 Things They Don't Tell You about Capitalism*, Chapter 1, pp. 1-10.

*Chang, H.J., "We Are Not Smart Enough to Leave Things to the Market," in *23 Things They Don't Tell You about Capitalism*, Chapter 16, pp. 168-177.

Supplementary Readings:

Altenburg, T. and W. Lütkenhorst, *Industrial Policy in Developing Countries: Failing Markets, Weak States*. Northampton, Mass.: Edward Elgar Publishing, 2015.

Baker, D., *The Conservative Nanny State: How the Wealthy Use the Government to Stay Rich and Get Richer*. Washington, DC: Center for Economic and Policy Research. (Available online at <http://www.conservativenannystate.org>.)

Bowles, S., "What Markets Can—and Cannot—Do," *Challenge*, Vol. 43, No. 4, 1991, pp. 11-16.

Chang, H.J., *Kicking Away the Ladder*. London: Anthem Press, 2002.

Galbraith, J.K., *The Predator State: How Conservatives Abandoned the Free Market and Why Liberals Should Too*. New York: Free Press, 2008.

- Hahnel, R., "The Case against Markets," *Journal of Economic Issues*, Vol. 41, No. 4, 2007, pp. 1139-1159.
- Landes, D., *The Wealth and Poverty of Nations: Why Some Are So Rich and Some So Poor*. New York: Norton, 1997.
- Mazzucato, M., *The Entrepreneurial State: Debunking Public vs. Private Sector Myth*. London and New York: Anthem Press, 2013.
- Minsky, H., *Stabilizing an Unstable Economy*. New Haven, CT: Yale University Press, 1986.
- Prasch, R.E., *How Markets Work: Supply, Demand and the Real World*. Northampton, MA: Edward Elgar, 2008.
- Reinert, E.S., "The Role of the State in Economic Growth," in P.A. Toninelli (ed.), *The Rise and Fall of State-Owned Enterprise in the Western World*, pp. 73-99. Cambridge: Cambridge University Press, 2000.
- Sekera, J., "Economics and the Near-Death Experience of Democratic Governance," GDAE Working Paper No. 15-02, Tufts University, May 2015. (Available online at http://www.ase.tufts.edu/gdae/Pubs/wp/15-02SekeraEconomicsDe-Democratization.pdf?utm_source=GDAE+Subscribers&utm_campaign=132cb69eb9-SekeraWP_5_19_2015&utm_medium=email&utm_term=0_72d4918ff9-132cb69eb9-46743997.)
- Shafaeddin, M., "How Did Developed Countries Industrialized? The History of Trade and Industrial Policy: The Case of Great Britain and the USA," Discussion Paper No. 139, Geneva, UNCTAD, 1998. (Available online at http://www.unctad.org/en/docs/dp_139.en.pdf.)
- Stiglitz, J.E., "The Lessons of the North Atlantic Crisis for Economic Theory and Policy," in G. Akerlof, O. Blanchard, D. Romer, and J. Stiglitz (eds.), *What Have We Learned? Macroeconomic Policy after the Crisis*, pp. 335-347. Cambridge, Mass: IMF and MIT Press, 2014. (Available online at <http://blog-imfdirect.imf.org/2013/05/03/the-lessons-of-the-north-atlantic-crisis-for-economic-theory-and-policy/>.)
- Taylor, L., *Maynard's Revenge: The Collapse of Free Market Economics*. Cambridge, Mass: Harvard University Press, 2010.
- Weiss, L., "The Myth of the Neoliberal State," in C. Kyung-Sup, B. Fine and L. Weiss, eds., *Developmental Politics in Transition*, pp. 27-42. Houndmills, England: Palgrave MacMillan, 2012.

2. **The Theory of Money (May 18)**

[Note: Article for *Critical Review I* to be assigned.]

- *Andolfatto, D., "The Theory of Money," in *Introducing Macroeconomic Analysis*, Chapter 2, pp. 35-48.
- *Smithin, J., "The Importance of Money and Debt-Credit Relationships in the Enterprise Economy," in *Introducing Macroeconomic Analysis*, Chapter 2, pp. 49-60.
- *Wray, L.R., "Money," Working Paper No. 647, Levy Economics Institute of Bard College, December 2010. (Available online at http://www.levyinstitute.org/pubs/wp_647.pdf.)

Supplementary Readings:

- Arestis, P. and M. Sawyer (eds.), *A Handbook of Alternative Monetary Economics*. Cheltenham, U.K.: Edward Elgar, 2006.
- Binswanger, H.C., *Money and Magic: A Critique of the Modern Economy in Light of Goethe's Faust*. University of Chicago Press, 1994.
- Davidson, P. *Money and the Real World*. London: Macmillan, 1978.
- Diamond, D., "Banks and Liquidity Creation: A Simple Exposition of the Diamond-Dybvig Model," *Economic Quarterly*, Vol. 93, No. 2, 2007, pp. 189-200.
- Galbraith, J.K., "Can Trump Overcome Secular Stagnation?" *real-world economics review*, No. 78 (March), 2017, pp. 20-27. (Available online at <http://www.paecon.net/PAERreview/issue78/Galbraith78.pdf>.)

- Godley, W. and M. Lavoie, *Monetary Economics*, second edition. New York: Palgrave Macmillan, 2012.
- Hicks, J., *A Market Theory of Money*. Oxford: Oxford Press, 1989.
- Ingham, G., *The nature of Money*. Cambridge: Polity Press, 2004.
- King, M., *The End of Alchemy: Money, Banking, and the Failure of the Global Economy*. New York: W.W. Norton, 2016.
- Kiyotaki, N. and J. Moore, "Evil Is the Root of All Money," *American Economic Review*, Vol. 92, No. 2, 2002, pp. 62-66.
- McLeay, M., A. Radia, and R. Thomas, "Money Creation in the Modern Economy," *Bank of England Quarterly Bulletin*, Vol. 54, No. 1, 2014, pp. 14-27. (Available online at <http://www.bankofengland.co.uk/publications/Documents/quarterlybulletin/2014/qb14q101.pdf>.)
- Martin, F., *Money: The Unauthorised Biography*. London: The Bodley Head, 2013.
- Ostroy, J., "The Informational Efficiency of Monetary Exchange," *American Economic Review*, Vol. 63, 1973, pp. 597-610.
- Palley, T.I., "The Theory of Endogenous Money and the LM Schedule: Prelude to a Reconstruction of the ISLM," *Revista de Economia Politica*, Vol. 37, No. 1, 2017, pp. 3-22. Available online at <http://www.scielo.br/pdf/rep/v37n1/1809-4538-rep-37-01-00003.pdf>.)
- Rochon, L.-P., "What Is Money? The Theory of Endogenous Money from a Revolutionary Perspective," paper presented at the American Economic Association 2016 Annual Meeting session *Do Capital Flows Need to Be Tamed?*, San Francisco, CA, January 4, 2016.
- Smithin, J. (ed.), *What is Money?* London: Routledge, 2000.
- Taylor, L., "The 'Natural' Interest Rate and Secular Stagnation: Loanable Funds Macro Models Don't Fit Today's Institutions or Data", *Challenge*, Vol. 60, No. 1, 2017, pp. 27-39. (Available online at <http://www.tandfonline.com/doi/pdf/10.1080/05775132.2016.1272966?needAccess=true>.)
- Wray, L.R., *Understanding Modern Money: The Key to Price Stability and Full Employment*. Cheltenham: Edward Elgar, 1998.
- Wray, L.R., "What is Money? Conclusions on the Nature of Money," in his *Modern Money Theory*, Chapter 8, pp. 261-281. Houndmills, England: Palgrave Macmillan, 2012.
- Wray, L.R., *Why Minsky Matters: An Introduction to the Work of a Maverick Economist*, Chapters 3-4, pp. 71-108. Princeton, NJ: Princeton University Press, 2016.

3. The Determinants of Consumption and Saving (May 23)

- *Bodkin, R.G., "Consumption Theory at the Turn of the Millennium," in *Introducing Macroeconomic Analysis*, Chapter 3, pp. 65-78.
- *Seccareccia, M., "The Determinants of Consumption and Saving from a Heterodox Perspective," in *Introducing Macroeconomic Analysis*, Chapter 3, pp. 79-88.
- *Frank, R.H., "The Mysterious Disappearance of James Duesenberry," *The New York Times*, 9 June 2005. (Available online at <http://www.robert-h-frank.com/PDFs/ES.6.9.05.pdf>.)

Supplementary Readings:

- Akerlof, G.A., "The Missing Motivation in Macroeconomics," *American Economic Review*, Vol. 97, No. 1, 2007, pp. 5-36.
- Ando, A. and F. Modigliani, "The 'Life-Cycle' Hypothesis of Saving: Aggregate Implications and Tests," *American Economic Review*, Vol. 53, March 1963, pp. 55-84.
- Bodkin, R.G., "Windfall Income and Consumption," *American Economic Review*, Vol. 49, September 1959, pp. 602-14.
- Chawla, R.K., "Spending Patterns in Canada and the US," *Perspectives on Labour and Income*, Statistics Canada, September 2007, pp. 18-27. (Available online at <http://www.statcan.gc.ca/pub/75-001-x/2007109/article/10351-eng.pdf>.)
- Friedman, M., *A Theory of the Consumption Function*. Princeton, NJ: Princeton University Press, 1957.

- Galbraith, J.K., "Can Trump Overcome Secular Stagnation?" *real-world economics review*, No. 78, 22 March 2017, pp. 20-27. (Available online at <http://www.paecon.net/PAERReview/issue78/Galbraith78.pdf>.)
- Lindner, F., "Does Saving Increase the Supply of Credit? A Critique of Loanable Funds Theory," *World Economic Review*, Vol. 4, February 2015, pp. 1-26. (Available online at <http://wer.worlddeconomicsassociation.org/files/WEA-WER-4-Lindner.pdf>.)
- Seccareccia, M., "Growing Household Indebtedness and the Plummeting Saving Rate in Canada: An Explanatory Note," *Economic and Labour Relations Review*, Vol. 16, No. 1, 2005, pp. 133-151.
- Taylor, L., "The 'Natural' Interest Rate and Secular Stagnation: Loanable Funds Macro Models Don't Fit Today's Institutions or Data", *Challenge*, Vol. 60, No. 1, 2017, pp. 27-39. (Available online at <http://www.tandfonline.com/doi/pdf/10.1080/05775132.2016.1272966?needAccess=true>.)

4. The Determinants of Investment (May 25)

[Note: Critical Review I is due. Topic for Critical Review II to be assigned.]

- *Scarth, W., "What Drives Investment? An Orthodox Perspective," in *Introducing Macroeconomic Analysis*, Chapter 4, pp. 91-100.
- *Stanford, J., "What Drives Investment? A Heterodox Perspective," in *Introducing Macroeconomic Analysis*, Chapter 4, pp. 101-116.
- *Chang, H.J., "Companies Should *Not* Be Run in the Interest of Their Owners," in *23 Things They Don't Tell You about Capitalism*, Chapter 2, pp. 11-22.
- *Chang, H.J., "Capital Has a Nationality," in *23 Things They Don't Tell You about Capitalism*, Chapter 8, pp. 74-87.

Supplementary Readings:

- Coen, R.M., R. Eisner, F. Rondina and S.N. Durlauf, "Investment," in S.N. Durlauf and L.E. Blume, eds., *The New Palgrave Dictionary of Economics Online*, 2008. (Available online at <http://www.dictionaryofeconomics.com/dictionary>.)
- Dornbusch, R., S. Fischer, R. Startz, F.J. Atkins, and G.R. Sparks, *Macroeconomics*, 7th Canadian edition. Toronto: McGraw-Hill Ryerson, 2005.
- Fazzari, S.M., "Investment," in D. Glasner, ed., *Business Cycles and Depressions: An Encyclopedia*. New York: Garland, 1997.
- Hassett, K.A., "Investment," in D.R. Henderson, ed., *The Concise Encyclopedia of Economics*, 2nd edition. (Available online at <http://www.econlib.org/library/Enc/Investment.html>.)
- Junankar, P., "Neoclassical Theories of Investment," in H. Vane and B. Snowdon, eds., *Encyclopaedia of Macroeconomics*. Cheltenham: Edward Elgar, 2002.
- Kotlikoff, L.J., *What Determines Savings?* Cambridge: MIT Press, 1989.
- Kotlikoff, L.J. and L.H. Summers, "The Adequacy of Saving," *American Economic Review*, Vol. 72, No. 5, 1982, pp. 1056-1069.
- Kotlikoff, L.J., "Saving," 2008. (Available online at <http://www.econlib.org/library/Enc/Saving.html>.)
- Lindner, F., "Does Saving Increase the Supply of Credit? A Critique of Loanable Funds Theory," *World Economic Review*, Vol. 4, February 2015, pp. 1-26. (Available online at <http://wer.worlddeconomicsassociation.org/files/WEA-WER-4-Lindner.pdf>.)
- Pollin, R., ed., *The Macroeconomics of Saving, Finance, and Investment*. Ann Arbor: University of Michigan Press, 1997.
- Podkaminer, L., "The Euro Area's Secular Stagnation and What Can Be Done about It. A Post-Keynesian Perspective," *real-world economics review*, No. 70, 2015, pp. 2-16. (Available online at <http://www.paecon.net/PAERReview/issue70/Podkaminer70.pdf>.)
- Stanford, J., "U.S. Private Capital Accumulation and Trump's Economic Program", *real-world economics review*, No. 79 (March), 2017, pp. 74-90. (Available online at <http://www.paecon.net/PAERReview/issue79/Stanford79.pdf>.)

5. *Is Trade Liberalization Good or Bad for the Economy? (May 30)*

- *Beaulieu, E., "The Economics of Trade Liberalization," in *Introducing Macroeconomic Analysis*, Chapter 10, pp. 245-255.
- *Grinspun, R., "Trade Liberalization: The Good, the Bad, and the Ugly," in *Introducing Macroeconomic Analysis*, Chapter 10, pp. 256-268.
- *Chang, H.J., "Free-Market Policies Rarely Make Poor Countries Rich," in *23 Things They Don't Tell You about Capitalism*, Chapter 7, pp. 62-73.
- *Stanford, J., "Is More Trade Liberalization the Remedy for Canada's Trade Woes?" in S. Tapp, A. Van Assche and R. Wolfe, eds., *Redesigning Canadian Trade Policies for New Global Realities.*, pp. 435-452. Montreal: IRPP, 2016. (Available online at http://irpp.org/research-studies/aots6-stanford/?mc_cid=369a9db66d&mc_eid=847a276829.)

Supplementary Readings:

- Beine, M., C.S. Bos and S. Coulombe, "Does the Canadian Economy Suffer from Dutch Disease?" *Resource and Energy Economics*, Vol. 34, No. 4 (November), 2012, pp. 468-492.
- Bougrine, H., "The World Trade Organization, Free Trade Areas, and the Distribution of Wealth," in P.A. O'Hara, ed., *Global Political Economy and the Wealth of Nations: Performance, Institutions, Problems and Policies*, pp. 171-187. London: Routledge, 2004.
- Chang, H.J., "Kicking Away the Ladder: The 'Real' History of Free Trade," in A. Shaikh, ed., *Globalization and the Myths of Free Trade: History, Theory and Empirical Evidence*, pp. 23-49. London: Routledge, 2007.
- Chang, H.J. and I. Grabel, *Reclaiming Development: An Alternative Economic Policy Manual*. London: Zed Books, 2014.
- Daly, H., "Trump's Growthism: Its Roots in Neoclassical Economic Theory", *real-world economics review*, No. 78 (March), 2017, pp. 86-97. (Available online at <http://www.paecon.net/PAEReview/issue78/Daly78.pdf>.)
- Eberhardt, P., B. Redlin and C. Toubeau, "Trading Away Democracy: How CETA's Investor Protection Rules Threaten the Public Good in Canada and the EU," Canadian Centre for Policy Alternatives, November 2014. (Available online at https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2014/11/Trading_Away_Democracy.pdf.)
- Felipe, J. and M. Vernengo, "Demystifying the Principles of Comparative Advantage: Implications for Developing Countries," *International Journal of Political Economy*, Vol. 32, No. 4, 2002, pp. 49-75.
- Gallagher, K.P., *The Clash of Globalization: Essays on the Political Economy of Trade and Development Policy*. London and New York: Anthem Press, 2014.
- Irwin, D.A., *Free Trade under Fire*. Princeton, NJ: Princeton University Press, 2003.
- Keynes, J.M., "National Self-Sufficiency," *The Yale Review*, Vol. 22, No. 4 (June), 1933, pp. 755-769. (Available online at http://www.uam.es/personal_pdi/economicas/jsanchez/documentos/1601%20KEYNES%20National%20Self-sufficiency%201933.pdf.)
- Kishore, V., *Ricardo's Gauntlet: Economic Fiction and the Flawed Case for Free Trade*. New York: Anthem Press, 2014.
- Lamy, P., "Comparative Advantage Is Dead? Not at All," 2010. (Available online at http://www.wto.org/english/news_e/sppl_e/sppl152_e.htm.)
- Papyrakis, E. and O. Raveh, "An Empirical Analysis of a Regional Dutch Disease: The Case of Canada," *Environmental and Resource Economics*, Vol. 58, No. 2 (June), 2014, pp 179-198.
- Reinert, E., *How Rich Countries Got Rich ... and Why Poor Countries Stay Poor*. London: Constable and Robinson, 2007.

- Roberts, R., *The Choice: A Fable of Free Trade and Protectionism*, 3rd edition. Upper Saddle River, NJ: Prentice Hall, 2007.
- Rodríguez, F. and D. Rodrik, "Trade Policy and Economic Growth: A Skeptic's Guide to Cross-National Evidence," NBER Working Paper w7081, 1999.
- Rodrik, D., "How Far Will International Economic Integration Go?," *Journal of Economic Perspective*, Vol 14. No. 1 (Winter), 2000, pp. 177-186.
- Rodrik, D., *The Global Governance of Trade: As If Development Really Mattered*. New York: UNDP, 2001.
- Rodrik, D., *The Globalization Paradox*. New York: W.W. Norton & Co., 2011.
- Sapir, J., "President Trump and free trade," *real-world economics review*, No. 79 (March), 2017, pp. 64-73. (Available online at <http://www.paecon.net/PAERreview/issue79/Sapir79.pdf>.)
- Scheve, K.F., and M.J. Slaughter, "A New Deal for Globalization," *Foreign Affairs*, July/August 2007. (Available online at <https://www.foreignaffairs.com/articles/2007-07-01/new-deal-globalization>.)
- Schumacher, R., "Deconstructing the Theory of Comparative Advantage," *World Economic Review*, 2013, Issue No. 2, pp. 83-105. (Available online at <http://www.worldeconomicassociation.org/files/journals/worldeconomicreview/No2/WEA-WER2-complete.pdf>.)
- Shaikh, A., ed., *Globalization and the Myths of Free Trade: History, Theory and Empirical Evidence*. London: Routledge, 2007.
- Shakeri, M., J. Leonard, and R.S. Gray, "Dutch Disease or Failure to Compete? A Diagnosis of Canada's Manufacturing Woes," *IRPP Study*, No. 30, May 2012.
- Smith, A. and D. Anastakis (eds.), *Smart Globalization: The Canadian Business and Economic History Experience*. Toronto: University of Toronto Press, 2014.
- Stiglitz, J., *Making Globalization Work*. New York: Norton, 2006.
- Wallach, L. and P. Woodall, *Whose Trade Organization? The Comprehensive Guide to the WTO*. New York: New Press, 2004.
- Wade, R.H., "Current Thinking about Global Trade Policy," *Economic and Political Weekly*, Vol. 49, No. 6 (February), 2014, pp.18-21.
- Wade, R.H., "Is Trump Wrong on Trade? A Partial Defense Based on Production and Employment," *real-world economics review*, No. 79 (March), 2017, pp. 43-63. (Available online at <http://www.paecon.net/PAERreview/issue79/Wade79.pdf>.)

6. Should Financial Flows Be Regulated? (June 1)

[Note: Critical Review II is due. Topic for Term Paper to be assigned.]

- *Santor, E. and L.L. Schembri, "The Case for Financial Liberalization," in *Introducing Macroeconomic Analysis*, Chapter 11, pp. 271-282.
- *Epstein, G., "Financial Flows Must Be Regulated," in *Introducing Macroeconomic Analysis*, Chapter 11, pp. 283-306.
- *Chang, H.J., "Financial Markets Need to Become Less, Not More, Efficient," in *23 Things They Don't Tell You about Capitalism*, Chapter 22, pp. 231-241.
- *Ocampo, J.A., "The Case For and Experience With Capital Account Regulations," in Gallagher, K.P., S. Griffith-Jones and J.A. Ocampo, eds., *Regulating Global Capital Flows for Long-Run Development*, Pardee Center Task Force Report, Boston University, March 2012. (Available online at <http://www.bu.edu/pardee/files/2012/03/RegulatingCapitalTF-March2012.pdf>.)
- *Ostry, J.D., P. Loungani, and D. Furceri, "Neoliberalism: Oversold?," *Finance & Development*, Vol. 53, No. 2 (June), 2016, pp. 38-41. (Available online at <http://www.imf.org/external/pubs/ft/fandd/2016/06/pdf/ostry.pdf>.)

Supplementary Readings:

- Bernanke, B., "The Global Saving Glut and the U.S. Current Account Deficit." (Available online at <http://www.federalreserve.gov/boarddocs/speeches/2005/200503102/>.)

- Carney, M. "What Are Banks Really for?," Remarks to the University of Alberta School of Business, Edmonton, Alberta, 30 March 2009. (Available online at <http://www.bankofcanada.ca/wp-content/uploads/2010/03/sp300309.pdf>.)
- Davidson, P., "Globalization and an International Monetary Clearing Union," 2015 World Economics Association Conference on *Ideas towards a New International Financial Architecture?*, 15th May – 15th July. (Available online at <http://itnifa2015.weaconferences.net/wp-content/uploads/sites/4/WEA-ITNFAconference2015-Davidson.pdf>.)
- De Gregorio, J., "Capital Flows and Capital Account Management," in G. Akerlof, O. Blanchard, D. Romer, and J. Stiglitz (eds.), *What Have We Learned? Macroeconomic Policy after the Crisis*, pp. 271-287. Cambridge, Mass: IMF and MIT Press, 2014.
- Eichengreen, B., *Capital Flows and Crises*. Cambridge, MA: MIT Press, 2004.
- Epstein, G., I. Grabel and Jomo K.S., "Capital Management Techniques in Developing Countries," in G. Epstein, ed., *Capital Flights and Capital Controls in Developing Countries*, pp. 301-333. Northampton, MA: Edward Elgar, 2005.
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