



Name of course: Principles of World Economy

Type of course: compulsory
Year/semester: 2nd year, 1st semester
Lectures/seminars: 12/0
Assessment: graded course
Lecturers: Ing. Martina Šípková, MBA, Ph.D. , martina.sipkova@mup.cz
Ing. Lea Melnikovová, Ph.D., lea.melnikovova@mup.cz
Office hours: Please refer to SIS

Course description and objective:

The course aims to develop students' understanding of various aspects and the functioning of the world economy. After short historical introduction, the course looks into recent development of the three main world economic centres (Europe, Asian economic centre, North-American economic centre) along with emerging economies. Attention is also paid to the functioning of financial markets, economic divide between developing and developed countries, and more recent phenomena such as globalization, the rise of multinational corporations, digital economy and global value chains. The course also looks into how existing economic systems are underpinned by local cultures and examines future trends in the development of the world economy.

Learning outcomes and competences:

Upon successful completion of the course, students will be able to:

- understand the content of the world economy and recognize its main components and relationships among them
- understand the historical development of the world economy with emphasis on the most recent period
- recognize major economic centres in the world economy, understand their development, current state and related future prospects
- recognize key players in the world economy and their role, and how this role is changing
- gain insight into the functioning of the world financial systems including basic types of exchange rate systems and development of financial crises
- understand current and future trends in the world economy

Course requirements:

Requirement type

Final test: 100%

Total: 100%

Classification and grading:

Excellent ('1')	88%-100%
Very good ('2')	74%-87%
Good ('3')	60%-73%
Fail ('4')	59% and less

Comment: Throughout the course, additional voluntary assignments or exercises ('bonus tasks') may be given to students. Students actively participating in these exercises or those who submit answers to the voluntary assignments depending on the nature of the task will be given points as per the task description. These points are additional points to be added to the students' final score. Students are highly encouraged to regularly attend lectures to be able to participate in the bonus tasks and receive extra points.

Course content (by topic):

1. **Course Introduction, Introduction to World Economy - Dr. Melnikovová**
2. **World Economy Development - Dr. Melnikovová**
3. **Transition Economies and their Position in the World Economy - Dr. Melnikovová**
4. **Russia, its Position in the World Economy, Relationship to USA and China - Dr. Melnikovová**
5. **Institutional Setup of the World Economy - Dr. Šípková**
6. **Forms of Capitalism (1) - Dr. Šípková**
7. **Forms of Capitalism (2) - Dr. Šípková**
8. **Economic Integration – Theory and Basic Terms - Dr. Šípková**
9. **European Economic Centre - Dr. Šípková**
10. **American Economic Centre; Asian Economic Centre - Dr. Šípková**
11. **International Financial Relations, Financial Crises – Dr. Šípková**
12. **World Economy – Challenges & Future Perspectives – Dr. Šípková**

Basic Readings:

- 1) Siebert, H.: The World Economy (a global analysis). New York: Routledge, 2007.
- 2) Stiglitz, J.: Making globalisation work. W.W. Norton and Co., 2007.
- 3) Madison, A. The World Economy: A Millenia Perspective/Historical Statistics. Paris: OECD, 2007.

Recommended Readings:

- Pearsons Higher Education: Perspectives on International Political Economy.
http://catalogue.pearsoned.ca/assets/hip/us/hip_us_pearsonhighered/samplechapter/0205965156.pdf
- Keane, J., Willem, D.: The New Landscape of Global Economic Governance: Strengthening the Role of Emerging Economies (2011). Available at:
http://www.edc2020.eu/fileadmin/publications/EDC_2020_-_Working_Paper_no_13_-_The_New_Landscape_Of_Economic_Governance_-_Strengthening_the_Role_of_Emerging_Economies_v3.pdf

- William J. Baumol, Robert E. Litan, Carl J. Schramm (2007) *Good Capitalism, Bad capitalism, and the Economics of Growth and Prosperity*. Yale University Press. New Haven & London. Available at: <https://lanekenworthy.files.wordpress.com/2014/11/soc290-baumoletal2007.pdf>
- Peter A. Hall and David Soskice. *An Introduction to Varieties of Capitalism* (2001) Available at: <https://scholar.harvard.edu/files/hall/files/vofcintro.pdf>
- Sapir, A. (2011) 'European Integration at the Crossroads: A Review Essay on the 50th Anniversary of Bela Balassa's Theory of Economic Integration', *Journal of Economic Literature* 49:4, 1200–1229, available at: www.aeaweb.org/articles.php?doi=10.1257/jel.49.4.1200
- Menon, J.; Lee, C. (2019): An Evolving ASEAN: Vision and Reality. Asia Development Bank. **Chapters 1 and 2 only**. Available at: <https://www.adb.org/sites/default/files/publication/528626/evolving-asean-vision-reality.pdf>
- Gilpin, R. and Gilpin, J.M. (2001). *Global Political Economy: Understanding the International Economic Order*. Princeton University Press. **Pages: 234 – 260 only**. Provided in the SIS by the course lecturer.
- *The global crisis: Causes, responses and challenges* (2011) Geneva, International Labour Office. Available at: http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_155824.pdf, **pages 1-19 only**.
- Lippert, Barbara, Perthes, Volker (2020) *Strategic Rivalry between United States and China: Causes, Trajectories, and Implications for Europe*. SWP Research Paper 4, Berlin. Available at: <https://www.swp-berlin.org/10.18449/2020RP04/>, **pages 9-51 only**.
- African Development Bank (2024) *Africa dominates list of the world's 20 fastest growing economies*. Available at: <https://www.afdb.org/en/news-and-events/press-releases/africa-dominates-list-worlds-20-fastest-growing-economies-2024-african-development-bank-says-macroeconomic-report-68751>.
- Cheraglou, A.M. (2023) *Africa's Economic Renaissance: Reimagining the Continent's Role in Revitalizing the Global Economy*. <https://www.atlanticcouncil.org/wp-content/uploads/2023/10/Africas-Economic-Renaissance.pdf>
- PwC (2024) *The World in 2050: The long view – how will the global economic order change by 2050?* <https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html>