

# Required reading prior to first class

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[January 18, 2019 3:33 PM | BGIE | Pre-Class Reading](#)

BGIE's first module emphasizes issues and concepts in macroeconomic policy and international economics. Although each class session will focus on a substantive case, we will also refer to the textbook *A Concise Guide to Macroeconomics*, by David Moss. The book is well written, concise, and clear, and it is ideally suited for the BGIE curriculum.

We strongly encourage you to read this book over your winter break, even if you have a background in economics. Each year, students tell us that doing so puts them on firm footing for what can be a rapid pace in the first module. Most find it helpful to revisit relevant sections of the book associated with each case throughout the semester.

We also encourage you to read the two overview notes available below. Doing so will give you a head start in the course's curriculum and will allow you to start seeing connections across our cases earlier in the term.

## BOOK:

Moss, David A. *A Concise Guide to Macroeconomics: What Managers, Executives, and Students Need to Know* (second edition). Boston: Harvard Business School Press, 2014.

[BGIE Course Overview Note \[718-032\]](#)

[BGIE Twenty Note \[718-032\]](#)

# Introduction to BGIE

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[January 30, 2019 3:33 PM | BGIE | Class 1: Singapore Inc.](#)

## Introduction

By early 2003, Singapore had experienced 38 years of extraordinary growth. Yet, growth had recently slowed as Singapore faced intense competition in exports and foreign direct investment, especially from China. This case examines several factors related to Singapore's high growth trajectory, including organizational and cultural arrangements, the savings-investment balance, and total factor productivity growth.

## Materials

[CASE: Singapore INC \[703-040\]](#)

[BGIE20: Natural Economic Accounting \[719-028\]](#)

[BGIE20: Growth Theory \[719-033\]](#)

BOOK: *A Concise Guide to Macroeconomics, Second Edition: What Managers, Executives, and Students Need To Know*, David A. Moss, 2014. {Review chapters 1 and 5}

### Assignment questions

1. How did Singapore Achieve Extremely high economic growth rates after 1956?
2. What do you see as the biggest potential opportunities and the biggest potential pitfalls for Singapore's growth model?

### **BGIE Twenty Elements: Growth Theory, Natural Economic Accounting**

# Module I: Managing Markets and States

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## January 31, 2019 3:33 PM | BGIE | Class 2: Constructing a Nation: The United States and Their Constitution

### Introduction

This case examines the founding of the United States of America during the second half of the eighteenth century. It focuses on the reasons why the American colonists rebelled from Britain, the problems the new nation confronted during the War of Independence and under the Articles of Confederation, the main issues taken up at the Constitutional Convention, and the enormous challenges facing Alexander Hamilton as Secretary of the Treasury. A complete version of the Constitution, including the first ten amendments (the Bill of Rights) is attached as an appendix.

### Materials

CASE: Constructing a Nation: The United States and Their Constitution [795-063]

BGIE 20: The State [701-077]

EXHIBITS: Constructing a Nation\_795063.xlsx

### Assignment questions

1. What are the biggest challenges—economic and otherwise—facing the new nation in 1786-1787? In what ways was the Constitution designed to address these challenges?
2. What role was envisioned for government in the economy? How does the U.S. Constitution deal with property rights?
3. Should the U.S. Congress adopt Hamilton's proposal to fund the state and federal debts? (Should payment be made to the original or ultimate creditors? Should the debt be funded at par?) Why is this an important issue?

## February 6, 2019 3:33 PM | BGIE | Class 3: Free Trade vs Protectionism: The Great Corn-Laws Debate

### Introduction

The debate and decision over the British Corn Laws—a set of agricultural tariffs--was a turning point in policy toward international trade. Coinciding with the rise of manufacturing and economic theories that promised great benefits from open markets, the British government was forced to decide whether those benefits were great enough to overcome concerns about free trade's effects on domestic agriculture and nascent industries.

### Materials

CASE: Free Trade vs. Protectionism: The Great Corn-Laws Debate [701-080]

BGIE 20: Trade - Comparative Advantage [713-080]

EXHIBITS: Free Trade vs. Protectionism\_701080.xlsx

### Assignment questions

1. What were the best arguments in favor of repealing the Corn Laws?
2. Why did it take until 1845 for repeal to occur?
3. If the movement toward free trade got its start with the repeal of the Corn Laws, why are agricultural tariffs some of the most persistent international trade barriers today?

## February 7, 2019 3:33 PM | BGIE | Class 4: The U.S. Banking Panic of 1933 and Federal Deposit Insurance

### Introduction

After highlighting some key developments in the banking history of the United States, the case describes the Banking Panic of 1933 and how Franklin D. Roosevelt dealt with it at the beginning of his presidency. The case then describes the main components of the banking reform bills that members of Congress proposed in April 1933. Deposit insurance figured prominently in these bills, and the case summarizes the contemporary debate surrounding this proposed insurance.

### Materials

CASE: The U.S. Banking Panic of 1933 and Federal Deposit Insurance [799-077]

BGIE 20: The First Fundamental Theorem of Welfare Economics and Market Failures [719-027]

EXHIBITS: U.S. Banking Panic\_799077.xlsx

## Assignment questions

1. What led to the banking panic of 1933?
2. Should Roosevelt, who had opposed deposit insurance as recently as March 1933, support this legislation at the end of April?
3. Why did the proposed deposit insurance bill also raise the minimum capital requirement for banks, put limits on the interest rates that banks could pay on deposits, and require the separation of commercial and investment banking?

## BGIE Twenty Elements: 1FTWE and Market Failures

# February 13, 2019 3:33 PM | BGIE | Class 5: Perspectives on the Great Depression

## Introduction

The Great Depression was, by far, the worst economic contraction in the Twentieth century and some of the most important ideas about both fiscal and monetary policy in the second part of the century were developed in response to the Depression. The case consists of texts by five influential individuals, Franklin D. Roosevelt, John M. Keynes, Milton Friedman, Anna J. Schwartz and Ben S. Bernanke, who provide perspectives on both the causes and possible cures of the Depression.

## Materials

CASE: Perspectives on the Great Depression [Please note: only available in hard copy]

GUIDES: Insight through Indicators [710-044]

GUIDESlines: Benchmark Values for the GUIDES Framework [711-067]

BGIE 20: Aggregate Demand and Aggregate Supply [719-032]

EXHIBITS: Perspectives on Great Depression\_713056.xlsx

BOOK: *A Concise Guide to Macroeconomics, Second Edition: What Managers, Executives, and Students Need To Know*, David A. Moss, 2014. [Review chapters 2 and 4]

## Assignment questions

1. What aspects of Keynes' diagnosis and proposed cures seem most compelling? Most troubling?
2. What aspects of Friedmand and Schwartz's analysis seem most compelling? Most troubling?
3. Do Keynes and Roosevelt essentially agree?

## BGIE Twenty Elements: National Economic Accounting; AD/AS

# February 15, 2019 3:33 PM | BGIE | Class 6: Janet Yellen and the Bernanke Fed

## Introduction

The unelected Federal Reserve Chair exerts exceptional influence over the U.S., in fact global, economy. As Janet Yellen prepared to take over the position, she would look back on Ben Bernanke's tenure during the Great

Recession. During that time, Bernanke was attacked by critics from both the left and the right for guiding monetary policy into dangerous territory. Their criticisms echoed arguments Bernanke himself had made with regard to past downturns in Japan and Europe. Were the critics right, or did the Bernanke Fed chart a wise middle course?

### Materials

CASE: Janet Yellen and the Bernanke Fed [714-030]

BGIE20: Rules vs. Discretion [719-030]

EXHIBITS: Yellen and Bernanke Fed\_714030.xlsx

### Assignment questions

1. Why does the Federal Reserve have such an important role in the U.S. economy? What features of its design facilitate its work?
2. Did the Federal Reserve do too much or too little when addressing the onset of the Great Recession? Why?
3. Why did it matter whether Janet Yellen or Larry Summers succeeded Bernanke as Fed Chair?

BGIE Twenty Elements: Rules vs. Discretion; AD/AS

## February 21, 2019 3:33 PM | BGIE | Class 7: Donald Trump and the Tax Cuts and Jobs Act

### Introduction

In January 2018, President Donald Trump signed the Tax Cuts and Jobs Act (TCJA), making major changes to the U.S. tax code: a reduction of individual income tax rates; a large cut to the tax rate on corporate profits; and a reform of how the international profits of American firms were taxed. TCJA had divided the U.S. Congress along party lines. Republicans in Congress celebrated that TCJA brought to fruition at least a decade of work, with Senate Majority Leader Mitch McConnell (R-KY) cheering: "2017 was the best year for conservatives in the 30 years that I've been here. The best year on all fronts." Meanwhile, Democrats attacked the bill from several angles, with House Minority Leader Nancy Pelosi (D-CA) saying: "This GOP tax scam is simply theft, monumental, brazen theft from the American middle class and from every person who aspires to reach it." As in Congress, U.S. public opinion at the time of the bill's passage was mixed and sharply partisan. In a December 2017 New York Times survey, 37% of Americans approved of the tax plan while 57% disapproved. Strikingly, these numbers were 80% and 17% for Republicans but 8% and 90% for Democrats. Which appraisal of TCJA would prove to be right? Would TCJA's changes last, or would the American public end up rejecting them and vote in a government to reverse them? Were Trump and the Republicans charting a course toward prosperity, or had they taken a wrong turn?

### Materials

CASE: Donald Trump and the Tax Cuts and Jobs Act [719-002]

BGIE20: Efficiency vs. Equality [719-029]

### Assignment questions

1. What are the best arguments for and against TCJA?

2. Will TCJA's changes last?

BGIE Twenty Elements: Equality vs. Efficiency; AD/AS

## February 22, 2019 3:33 PM | BGIE | Class 8: Who Broke the Bank of England?

### Introduction

In the summer of 1992, hedge fund manager George Soros was contemplating the possibility that the European Exchange Rate Mechanism (ERM) would break down. Designed to pave the way for a full-scale European Monetary Union, the ERM was a system of fixed exchange rates linking together twelve members of the European Union, including Britain, France, Germany, and Italy. However, the impact of German reunification after 1989 had created significant strains within the system. Moreover, financial deregulation and the growth of cross-border flows of "hot" money increased the likelihood that a speculative attack on one or more ERM currencies might succeed. Soros had to decide which currencies to bet against. The Italian lira? The British pound? The French franc? Or all three? The result could determine the success or failure of the project for a single European currency.

### Materials

CASE: Who Broke the Bank of England? [709-026]

BGIE20: Context, Contingency, Agency [719-026]

BGIE20: Exchange Rates and Trilemma [719-031]

EXHIBITS: Bank of England\_709026.xlsx

BOOK: *A Concise Guide to Macroeconomics, Second Edition: What Managers, Executives, and Students Need To Know*, David A. Moss, 2014. [Review chapter 7]

### Assignment questions

1. Why did Soros speculate against some ERM member currencies but not others?
2. Was the September 1992 crisis a result of a self-fulfilling speculative attack or of diverging economic fundamentals?
3. What were the arguments for and against membership of the Exchange Rate Mechanism?

BGIE Twenty Elements: Exchange Rates & Trilemma ; Contingency and Agency

## February 27, 2019 3:33 PM | BGIE | Class 9: The US-China Trade War

### Introduction

On December 1, 2018, U.S. President Donald Trump and China's Leader Xi Jinping faced each other across a dinner table during a G20 meeting in Buenos Aires, Argentina. After what Trump called an "amazing and productive meeting," the two leaders announced a truce in the ongoing trade war between their countries, following months of accusations, tariffs, and mounting retaliation. The U.S. agreed to postpone for 90 days a scheduled increase from 10% to 25% in tariffs on Chinese goods. The White House announced that the two countries would "immediately begin negotiations on structural changes with respect to forced technology transfer, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft, services, and agriculture." Despite Trump's assurances that China was sending "very strong signals" after the meeting, the

outcome of the negotiations was highly uncertain. Would China provide enough concessions to satisfy the demands of the U.S.? Would the U.S. back down? Or would the trade war escalate, causing unprecedented disruptions -and opportunities- in global trade patterns?

### Materials

CASE: The US-China Trade War [719-034] (paper copies have been distributed to your class rooms)

Corrected Exhibit 7: Corrected- Exhibit 7 - BOP with China.pdf

### Assignment Questions

1. Why does the United States have a large current account deficit?
2. What are Trump's accusations against China?
3. Is the Trade War a good idea for the US? For other countries?

## March 1, 2019 3:33 PM | BGIE | Class 10: Bretton Woods and the Liberal World Order

### Introduction

Near the end of World War II, delegates from all 44 Allied nations met in Bretton Woods, New Hampshire, to plan a post-war global economic order. Many of them economists influenced by John Maynard Keynes, they hoped to avoid the disasters following World War I—wildly fluctuating exchange rates, an aborted recreation of the gold standard, massive speculative financial flows across borders, the Great Depression, and fascism itself. They agreed on a set of international rules and founded the International Monetary Fund (IMF) and other institutions to oversee them. Many of those rules were dead letters from the start, but underlying ideas, hopes, and errors continued to frame the global economy into the twenty-first century.

### Materials

CASE: Bretton Woods and the Liberal World Order [718-037]

BGTIE20: Multilateralism [719-039]

### Assignment questions

1. Compare the plans of Keynes and White for the international monetary institution being designed at Bretton Woods. Which was the better plan, and why?
2. In 1971, the United States closed the gold window, breaking the link between gold reserves and the value of the dollar. Would the world have been better off if that link had been maintained?

## March 4, 2019 3:33 PM | BGIE | Class 11: The Greek Crisis: Tragedy or Opportunity

### Introduction

After its 2009-10 fiscal crisis shook the euro, could the Greek government's efforts to stabilize debt, avoid default, and stay on the euro succeed? This case looks at the Greek social and political road to fiscal crisis; the economics of that crisis and efforts to recover from it; the danger the crisis posed to the euro; cooperation and conflict among European states, the European Central Bank, and the International Monetary Fund to try to help Greece emerge from crisis; and the role financial markets played in these events.

### Materials

CASE: The Greek Crisis: Tragedy or Opportunity? [711-088]

How Government Debt Accumulates [711-087]

EXHIBITS: Greek Crisis Exhibits\_711088.xlsx

Greek Crisis BOP\_711088.xls

### Assignment questions

1. What do you see as the main sources of the Greek crisis?
2. Evaluate the domestic and international response to the crisis. Did being in the euro help or hurt?
3. How do you judge the scenarios from here? Can Greece make it?

BGIE Twenty Elements: Exchange rates and the Trilemma; Contingency and Agency

## March 5, 2019 3:33 PM | BGIE | Class 12: Liberté, égalité, fragilité: The Rise of Populism in France

### Introduction

In spring 2017, French voters deliberated on the forthcoming presidential election against a grim economic backdrop: unemployment was high, at 10 percent, and growth sluggish, at 1.2 percent in 2016. The candidates of the moderate left and moderate right, which had governed France for several decades, were lagging in the polls. Emmanuel Macron, a centrist candidate, not backed by any party, and Marine Le Pen, the candidate of the far-right Front National, seemed the best positioned to qualify for the run-off. Le Pen had promised to hold a referendum on the euro if she won, raising the stakes of the election: a Frexit would mean no less than the collapse of the European Union. After Trump's victory and the Brexit, would the French election signal the advent of a new world order? Which factors explained the growing rejection of mainstream parties and preexisting political consensus? Were these factors identical in France and in other countries? Had the French social and integration model failed the idea of leaving no one behind? Would the model survive the country's lasting economic difficulties and new political divisions?

### Materials

CASE: Liberté, égalité, fragilité: The Rise of Populism in France [717-082]

BGIE20: Democracy, Exit, Voice and Representation [719-038]

BGIE20: Populism [719-037]

EXHIBITS: LiberteEgaliteFragilite\_717052.xlsx

#### Assignment questions

1. Which historical, economic, and political factors explain the rise of populism in France?
2. Which strategies and policies – if any – could stand in the way of a far-right victory in this or the next elections?
3. Can the French social and integration model survive economic difficulties, and how?

BGIE Twenty Elements: Democracy/Exit and Voice; Populism

## Module II: Building Markets and States

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March 7, 2019 3:33 PM | BGIE | Class 13: Russia: Revolution and Reform

#### Introduction

The collapse of central authority in the Soviet Union in 1991 ushered in a period of revolutionary transformations for the states that emerged from the union. The leaders of Russia, the USSR's successor, since then have struggled to reestablish central authority, while at the same time trying to keep the country from further disintegration, establish a democratic polity, and institute a market economy. The case contrasts different approaches adopted by Presidents Boris Yeltsin and Vladimir Putin and concludes with a vision outlined by Russia's third post-Soviet president, Dmitry Medvedev. The case focuses on problems of state authority; fiscal capacity; institutionalization of political parties; relations between the federal center and provincial governments; relations between the state and big business; economic policy; and models of economic development.

#### Materials

CASE: Russia: Revolution and Reform [710-030]

Russia: Tribulations and Toska [716-074] - Please skim (not skip) this case

BGIE20: Empire vs. Nation State [719-013]

EXHIBITS: Russia\_710030.xlsx

#### Assignment questions

1. How well do you think Yeltsin managed the transition to capitalism?
2. What have been Putin's successes and failures?
3. Thinking from 2008 until the present, is Russia stagnating or thriving?

## March 11, 2019 3:33 PM | BGIE | Class 14: China: "To Get Rich is Glorious"

### Introduction

When Deng Xiaoping acceded to power in 1978, China was exceedingly poor and exhausted by a decade of Cultural Revolution. In less than two decades, however, China's economy had grown by a factor of 30. Its exports, now 21% of GDP, were beginning to flood world markets. Parts of China's development strategy had become a model for other, less-developed countries.

### Materials

CASE: China: "To Get Rich Is Glorious" [707-022]

EXHIBITS: China Get Rich BOP\_707022.xls

### Assignment questions

1. What was Deng's development strategy between 1978 and 1997? How well did it work?
2. What are the most serious problems facing Jiang Zemin in 1997?
3. As of 1997, what role did foreign direct investment play in China's development?

The BGIE Twenty: 1FTWE and Market Failures; The State (Capacity)

## March 12, 2019 3:33 PM | BGIE | Class 15: China: The New Normal

### Introduction

In 2016, as China's role in geopolitics and the global economy grew ever greater, President Xi Jinping was promising the world that China was moving ahead with the structural reforms announced in 2013, shifting from export-led growth and investment to domestic consumption and a shift to services. But to outside observers, reforms seemed to have stopped after August 2015, when the exchange rate devalued, markets slipped, and dollars flowed out of China. And now, growth was slowing even more. Could the Communist Party government restart reforms?

### Materials

CASE: China: The New Normal [716-080]

BGIE20: Modernization [719-040]

EXHIBITS: China New Normal (rev)\_716080.xlsx

### Assignment questions

1. How has China performed since its accession to the World Trade Organization?
2. Why did Wen Jiabao, and now Xi Jinping, adopt a new development strategy?
3. What are the obstacles, both domestic and international, to its near-term success?

## March 25, 2019 3:33 PM | BGIE | Class 16: In the Name of Democracy? The Rise and Fall of India's Congress Party

### Introduction

At independence, India faced many challenges to its democracy, from high rates of poverty and illiteracy to sharp ethnic divisions and religious conflict. Leaders of the nationalist movement adopted a constitution espousing democratic rights and individual liberties. The ruling Congress Party at first enjoyed strong support, but then faced growing threats. Prime Minister Indira Gandhi declared a National Emergency; new regional parties emerged to compete with Congress; a balance of payments crisis in 1991 led to liberalizing economic reforms. As the Bharatiya Janata Party (BJP) rose to power on the national stage, growth had picked up and the country appeared poised for further reforms. Prime Minister Atal Bihari Vajpayee, leading the country into the new millennium, knew that Indian democracy would have to prove itself once again.

### Materials

CASE: In the Name of Democracy? The Rise and Decline of India's Congress Party [716-068]

BGIE20: Colonialism and Imperialism [719-035]

### Assignment questions

1. Evaluate the political strategy and performance of the Congress Party in post-independence India.
2. Evaluate India's economic performance prior to liberalization in 1991.
3. Has India's democracy been a source of strength or weakness?

## March 26, 2019 3:33 PM | BGIE | Class 17: India: State Capacity and Unity in Diversity

### Introduction

As India's general elections of 2019 approached, the first term of Prime Minister Narendra Modi inevitably came under scrutiny. Having campaigned—and won—in 2014 on a platform of spreading the benefits of economic growth to all, the Prime Minister had spearheaded a number of dramatic reforms aimed at addressing entrenched frictions in India's private and public sectors. Supporters trumpeted the gains in the ease of doing business that the former “CEO of Gujarat” had overseen, foreseeing a new era of growth and global prominence for the world's largest democracy. Critics saw, in sharp contrast, worrisome signs that Hindu Nationalism was being tacitly embraced by the government in its efforts to sustain popular support, threatening the cherished identity of India as united in its diversity.

### Materials

CASE: India: State Capacity and Unity in Diversity [paper copies of the case will be distributed to your classrooms by 3/15)

### **Assignment questions**

1. What were the greatest challenges facing India in 2014, as the newly elected Prime Minister Modi sought to make good on his campaign promises? What strengths did India enjoy that would help it to meet those challenges?
2. What steps to address these challenges did Modi take over his first term as Prime Minister? Which steps were promising; which were worrying?

The BGIE Twenty: The State (capacity)

## **April 3, 2019 3:33 PM | BGIE | Class 18: Brazil's Enigma: Sustaining Long-Term Growth**

Introduction

TBD

Materials

CASE: Brazil's Enigma: Sustaining Long-Term Growth [713-040]

BGIE20: The Rule of Law [719-025]

### **Assignment questions**

TBD

The BGIE Twenty: Rule of Law

## **April 4, 2019 3:33 PM | BGIE | Class 19: Kickstarting Tomato Jos in Nigeria**

Introduction

TBD

Materials

CASE: Kickstarting Tomato Jos in Nigeria [718-027]

BGIE20: Civil Society [719-041]

### **Assignment questions**

TBD

## April 9, 2019 3:33 PM | BGIE | Class 20: Breaking Bad (the Rules): Argentina Defaults, Inflates (and Grows)

### Introduction

In 2014, President Cristina Kirchner is focused on reviving the Argentine economy, controlling inflation and maintaining the country's dollar reserves in advance of the next year's presidential election. It was the end of a remarkable political cycle that started in 2002, with the end of the Convertibility plan (which had contained inflation and achieved some growth keeping the peso pegged to the dollar 1:1 during the 1990's). Under the Kirchners, the country had grown steadily and unemployment had fallen significantly. Most social indicators had initially improved, as Kirchner had pursued a stream of unorthodox policy measures. Defying most economists' prescriptions, Kirchner had raised minimum wages at a time of high unemployment, nationalized pension funds, and relentlessly pursued an expansionary policy. But with rising inflation and slower growth, the approach was being increasingly questioned.

### Materials

CASE: Breaking Bad (the Rules): Argentina Defaults, Inflates (and Grows), 1997-2015 [714-036]

EXHIBITS: Breaking Bad\_714036.xlsx

### Assignment questions

1. What caused the breakdown of Argentina's economy and society in 2001?
2. Evaluate Argentina's economic policy under the Kirchners.
3. Why is there so much inflation in 2014? Why are they running out of foreign reserves?

### The BGIE Twenty: Populism

## April 10, 2019 3:33 PM | BGIE | Class 21: Vietnam: Managing Global Value Chains

### Introduction

In the midst of decades of devastating war and revolution, South Vietnam was defeated by North Vietnam in 1975, following which the North absorbed the South and created the Socialist Republic of Vietnam in 1976. The one-party, communist government implemented a collectivized, planned economy and formed trade partnerships with the Soviet bloc from the 1950s into the 1980s. Not until the late 1980s, however, did Vietnam achieve rapid economic growth through an export-led strategy, known as Doi Moi. Overlapping bilateral and multilateral trade agreements facilitated growth. Since then millions of Vietnamese have been lifted out of poverty, but the country also faced rising economic and social inequality, labor protests, industrial pollution, and macro-economic volatility. Now Prime Minister Nguyễn Xuân Phúc confronted new regional trade agreements (RTAs) that might challenge the government's commitment to socialism as its defining political creed.

### Materials

CASE: Vietnam: Managing Global Value Chains [718-055]

### Assignment questions

1. How has Vietnam achieved such rapid economic growth since the late 1980s? Is this growth sustainable moving forward?
2. Do you agree with Vietnam's current strategy to move up the global value chain? Why have they adopted this strategy?
3. Will future regional trade agreements, such as CPTPP and RCEP, facilitate or constrain political change in Vietnam?

The BGIE Twenty: Multilateralism; Civil Society

April 12, 2019 3:33 PM | BGIE | Class 22: TBD

TBD

April 17, 2019 3:33 PM | BGIE | Class 23: Iran on the Brink: The Nuclear Deal and the Future of the Islamic Republic

Introduction

Since 1979, Iran has been an international pariah, heavily sanctioned and cut off from much of the world economy, while engaging in a drastic restructuring of society domestically along religious lines and promoting its revolutionary ideals abroad, often violently. Disputes over the nature of its nuclear program led to the most stringent sanctions regime yet, damaging Iran's economy and deepening domestic political fissures. Now Iran is at a crossroads: should it make a deal over its nuclear program to revive its economy and re-integrate into the world, or should it hunker down in revolutionary isolation?

Materials

CASE: Iran on the Brink: The Nuclear Deal and the Future of the Islamic Republic [717-038]

EXHIBITS: Iran\_717038.xlsx

Assignment questions

1. What impact did sanctions have on Iran and how did Iran respond?
2. What is the source of the Islamic Republic's legitimacy?
3. How has Iran performed since 1979 in terms of growth, development, and improving the lives of its citizens?

The BGIE Twenty: The State (Theocracy)

April 18, 2019 3:33 PM | BGIE | Class 24: Iraq: A Land Between Two Rivers

Introduction

By January 2017, Iraqi Prime Minister Haider al-Abadi had successfully led forces to drive ISIS out of eastern Mosul, the country's second largest city, which had been occupied by the extremist group since 2014. As the battle for Mosul moved to the west, Iraq's future as a unitary nation-state hung in the balance. The legacy of Baathist rule, the failures of state-building after the second Gulf War, difficult regional dynamics, and declining oil prices all posed challenges to the country's stability. With ISIS on the retreat, Iraqi politicians faced a

number of decisions about how to best structure political power, allocate resources, and re-integrate communities that had been cut-off from the central government for nearly three years.

#### Materials

CASE: Iraq: A Land Between Two Rivers [717-033]

EXHIBITS: Iraq\_717033.xlsx

#### Assignment questions

1. What is the basis of Iraqi national identity?
2. How have regional dynamics shaped the evolution of the Iraqi state?
3. What were the obstacles to the success of Iraqi state-building after the second Gulf War?
4. What is the best way forward for the Iraqi state?

#### The BGIE Twenty: Civil Society

## Module III: Inflection Points

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### April 22, 2019 3:33 PM | BGIE | Class 25: Myanmar: Human Rights and Refugees

#### Introduction

TBD

#### Materials

CASE: Myanmar: Human Rights and Refugees [case to follow]

BGIE20: Human Rights [719-036]

#### Assignment questions

TBD

#### The BGIE Twenty: Human Rights

### April 23, 2019 3:33 PM | BGIE | Class 26: Climate Change - Paris, and the Road Ahead

#### Introduction

This case discusses efforts by the international community to address climate change. It focuses on the history of multilateral negotiations culminating in the 2015 Paris Agreement and on the reasons underlying President Donald Trump's intention to withdraw from the agreement. It discusses climate actions undertaken by

companies, cities, and other sub-national actors, and asks whether Europe and China might assume the climate leadership.

### Materials

CASE: Climate Change: Paris, and the Road Ahead [case to follow]

Optional supplemental reading: Climate Change in 2018: Implications for Business [317-032]

### Assignment questions

1. Who should take the lead in coordinating and encouraging climate change efforts across the world?
2. Which role should companies play in this process: should they take action by their own act, or should governments coordinate them, and if so, through which type of policies?
3. Which factors are responsible for the substantial differences in people's attitudes on climate change across countries?

### The BGIE Twenty: 1FTWE and Market Failures

## April 30, 2019 3:33 PM | BGIE | Class 27: Goodbye IMF Conditions, Hello Chinese Capital: Zambia's Copper Industry and Africa's Break with Its Colonial Past

### Introduction

Since European nations raided Africa's coasts in search of slaves, the continent's relationship with the world's richest nations has been marred by mistrust. Even when the colonial powers retreated, foreigners continued to play a strong role in the continent. Lending through the IMF and the World Bank sought to help impoverished nations but often entailed tough conditions. Celebrities, such as rock star Bono and tech entrepreneur Bill Gates, were also famous for trying to help Africa's poorest, the first by promoting debt forgiveness and the latter by distributing Mosquito nets to fight malaria. While the effects of aid were disputed, the main improvements came as growth peaked following the rise in the price of commodities. China's role was increasing in the new millennium, providing FDI and infrastructure investments, often connected to these commodities. Yet this was not without controversy.

### Materials

CASE: Goodbye IMF Conditions, Hello Chinese Capital: Zambia's Copper Industry and Africa's Break with Its Colonial Past [717-034]

Optional reading: For students interested in learning more about the different ways African countries are partnering with China, you can download [this report](#) by McKinsey & Company from [their website](#) [focus on the executive summary (p. 8-15) and chapter 4 (p. 50-59)].

### Assignment questions

1. Why do the US and international organizations (like the IMF and World Bank) impose so many conditions on their loans to African nations?
2. Why is China so interested in investing in Africa?
3. Does Zambia benefit from Chinese investment? How?

## May 7, 2019 3:33 PM | BGIE | Class 28: The Last Hegemon? US-China Relations and the Future of World Order

### Introduction

In the spring of 2018, it was evident that China's remarkable economic performance over the last forty years had put it in a position to potentially surpass the United States as the world's largest economy in the near future. While China's rise had been mostly peaceful thus far, President Xi Jinping seemed increasingly determined to assert China's place in the region and the world politically and militarily. This challenged the "liberal world order" that the United States had led since 1945, a world order oriented towards a rules-based system that sought to maintain security, open markets, and free trade via institutions like the IMF, World Bank, WTO, and NATO. This seemed to portend a possible shift in global hegemony from the United States to China, or maybe, if China was unable or unwilling to fulfill that role, towards a multi-polar order in which conflict between those poles could be endemic. What did China's rise portend for the future of globalization?

### Materials

CASE: The Last Hegemon? US-China Relations and the Future of World Order [718-059]

BGIE20: Hegemony [719-014]

### Assignment questions

1. Is China seeking to replace the current American-led world order with a new one of its own design? What would that look like? Is China capable of playing the role of global hegemon?
2. How should the United States respond to China's rise/challenge? Should it seek to preserve its hegemony? Can it maintain key elements of its position and the world order without conflict?
3. Is a shift in hegemony an inevitable product of shifts in underlying forces – economics, demographics, etc. – or is it within the power of political leaders to determine? What sort of choices would determine it?

### The BGIE Twenty: Hegemony; Modernization

## May 8, 2019 3:33 PM | BGIE | Class 29: Wrap up session

This class is a wrap up session.