Prof. Sobredo
ATTENDANCE
• PRINT your FULL NAME
• Major and Year (Freshman, Soph, etc.)
• How many ETHN classes have you taken?
• What is your goal in university?
• What is your educational goal for this class?

Ethnic Studies
Professor: James Sobredo, Ph.D.
Office: Amador Hall 563A
Syllabus is located online at:
www.csus.edu/aas/sobredo

Dr. J. Sobredo

Brief History of
International & World Trade
• Hellas: Alexander the Great (356-323 BCE)
  – Egypt, Middle East, India, Asia (Silk Road)
• Ancient Rome: Roman Empire
  – Egypt, Africa, Middle East, Europe, UK, India
• Venice & Marco Polo: Silk Roads
• Dutch East India Company (1602)
  – 1st Multinational Corporation & issued STOCKS
• British East India Company

World Trade,
Global Economy, Globalization &
Global Migrations
Why Did European Explorers “Sail the Ocean Blue”? 

- **GOAL** = Asia & the Spice Islands
  - Arab kept the routes secret
  - Led Europeans to believe it was in Africa
- **LOCATION** = National Secret
- **Enormous Profits: Magellan 10,000 times!**
  - Indonesia’s Spice Islands = the source
  - Venice = Europe’s main market place
- Marco Polo & overland route

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**China Today**

- Largest Economic Boom in History
- Largest Population
- 2nd Largest Econ (2010)
- Paul Krugman, Princeton (Econ) & Nobel Prize 2008: LARGEST economy in 15 years
- IMF says 2016
2012 Warning from World Bank

China faces crisis without economic reform - World Bank

China would face an economic crisis in the next 10 years if Beijing does not quickly overhaul its development model, World Bank and Chinese government researchers warned on Monday.

The world's second-largest economy was at a "turning point" and the need for deep reforms was urgent, the analysts said in a reportorrowing China's economic growth would nearly halve in the next two decades.

China Turned to Risky Devaluation as Export Machine Stalled

In SHANGHAI - China's central bank on Thursday devalued the currency, the renminbi, this time by 1.1 percent against the dollar.

The total devaluation since Tuesday is 4.4 percent, the biggest drop in decades.

Government officials, in an unexpected news conference on Thursday, stressed that the currency was not in free fall.

Global markets appeared to respond to the assurances. The Shanghai composite index ended the day higher.

The devaluation reflects weakness in the Chinese economy.

A weaker currency would make goods more affordable for overseas buyers, but it risks tensions with trading partners like the United States.
Real Life Example: NY Times, 20 August 2015

Future of China’s Economy
Quarter (Atlantic Magazine), 20 July 2015

Class Discussion:

What Has this Got to Do with:

1. The U.S. dollar’s strength?

2. The Price of Gasoline in the United States?

* * * EXPLAIN WHY * * *
ETHN 110 & ETHN 114

- Syllabus
- ASSESSMENT
- GRADES: 300 pts
  - 2 exams = 200 pts
    - SCANTRON 60%
    - Essays 40%
  - Oral History = 50 pts
  - Class work = 50 pts
  - Total = 300 pts
- EVERYTHING is submitted online SacCT

- Professor LECTURES & then allows discussion
  - No PPT available
  - See 80 yr old Berkeley Prof
- WAIT until lecture presentation is done before you ask questions
- Discussion time after lecture presentation
- Longer discussions on assigned topics on SacCT
- *Try to have fun in class :)

Price of Oil 71% & Gasoline: Supply & Demand

- Suppliers
  - OPEC
  - Russia
  - Canada
  - United States
    - Texas, Alaska, Oklahoma, N. Dakota
- Demand by customers
  - United States
  - China
  - India
- Disasters
  *refineries explode
- Politics
  *Niall Ferguson

Price of Oil & Gas: Supply & Demand

- Suppliers
  - OPEC
  - Russia
  - Canada
  - United States
    - Texas, Alaska, Oklahoma, N. Dakota
- Demand by customers
  - United States
  - China
  - India
- Disasters
  *refineries explode
- Politics
  *Niall Ferguson
Bloomberg Business News: 3. 24.2015

Professor’s analysis/POV: Shadow Banking

More Problems for China
Disputed Islands & Taiwan

“China’s New Island in the S Chia Sea”
BBC, 21 June 2015
Behind Deadly Tianjin Blast, Shortcuts and Lax Rules

TIANJIN, China — One partner was the son of a local police chief, the other an executive at a state-run chemicals firm. After meeting at a dinner party, they started a company here to handle the export of the most dangerous chemicals made in China, promising “outstanding service” and “good results.”

Within two years, Rui Hai International Logistics had built a reputation as the go-to place for businesses looking to ship hazardous materials to customers abroad, a niche market that had been dominated by sluggish state enterprises.

Rui Hai offered lower prices, a no-hassle approach to paperwork and quick government approvals. Business was brisk. It seemed like another success story for the Hebei New Area, a thriving economic development zone established here by the ruling Communist Party around one of China’s busiest ports.

Tianjin Explosion Reveals Company That Exploited Weak Governance

An aerial picture of the site in Tianjin, China, where warehouse explosions on Aug. 12 killed 149 people and injured more than 600. But Rui Hai International Logistics, which owns the warehouse, has emerged as a symbol of the high cost of weak regulation in a closed political culture rife with corruption.

At least 49 people were killed, including 27 firefighters, and hundreds were injured. Occurring just weeks before the 90th anniversary of the Communist Party, the disaster has given the ruling party a reminder of the high cost of lax regulation in a closed political culture rife with corruption.
Apple Stock Prices: iPhones are “Made in China”

Apple Inc. (NASDAQ: AAPL) - Sep 3 6:49 AM EDT
112.34 +4.62 (4.29%)

Google Finance • Yahoo Finance • MSN Money

Apple Inc. stock just fell apart this year - USA Today
wwwusatoday.com/story/money/2014/09/02/apple-stock/14652105/

5-year Chart of Oil Prices

'MPH economy very resilient,' amid China, US woes...

MANILA - The Philippine economy remains resilient to "external shocks," particularly the slowdown in China's economic growth and possible effects of the US Federal Reserve rate hike, National Treasurer Roberto A. Inigo said on Wednesday.

Inigo said the country's resilience to external risks can be attributed to reforms that are being undertaken by the government.

Hours worked per year

Average, 2014 (2013 for Belgium, Korea and Turkey)
Key Terms/Concepts

- **Silk Roads** = 1st major international trade to Asia
- Alexander the Great
- **Magellan & 10,000 profit**
- Dutch East India Comp.
  - 1602 multinational, stocks
- **China = #2 Economy**
- China’s currency
- IMF 2012 warning: China
- Prof. Paul Krugman’s prediction of China
- IMF 2016 Prediction
- Shadow banking
- China’s population
- Germany = #1 econ.
  - Workers work least number of hours
- Why devalue Chinese currency?
- China’s future: Japan or USA?
- **OIL: OPEC & Russia**

Oral History Project

ETHN 110 & ETHN 114
Go over in detail

**ETHN 119:**
Video-interviews & Daguhoy Lodge Project