

B016435 - INTERNATIONAL ECONOMICS II

The main aim of the course is to help understand specific features of the current wave of globalization as well as countries' -and firms'- reactions to it. The course is divided into two parts. The first, after an introduction on how to measure globalization, also accounting for the value added in each country, analyzes historical trends in integration (trade, capital, people, ideas) on the base of existing models of international trade (from Ricardo to models of heterogeneous firms). It also highlights the role of China and India in the global economy (differences in specialization patterns, attractiveness for investments etc). The second part illustrates new issues raised by the globalization process, such as offshoring, outsourcing, and the theories recently developed to address them ("new new" trade theories). It also emphasises the role of imported inputs for the competitiveness of a country.

More specifically, lectures deal with a number of theoretical and empirical issues in order to address questions such as: To what extent is globalization a new phenomenon? Is rising north-south trade responsible for increasing inequalities in the north? What are the causes and consequences of changes in the terms of trade for developing countries? (with a focus on food prices and raw materials) Where are we in the negotiation at WTO? Are services so different from manufacturing? What is the Transatlantic Trade and Investment Partnership (TTIP)? What is the effect of offshoring on employment? And on productivity? How does migration fit into this picture? Are migrants complementary or substitutes to trade and offshoring? How-if- do exporting firms differ from multinationals? Is there an heterogeneity between exporters? And between foreign investors? How important are imported inputs for heterogeneous international firms? Do institutions and cultural differences affect international specialization? To what extent?

The first part of the course consists of traditional lectures (with the support of slides, book chapters and articles). The second half of the course includes student seminars. Students are required to read articles, comment on data and link data and theory.

Key topics include: •globalization: useful definitions; •statistical and economic indicators of globalization, specialization, imbalances; •Ricardo's model of International Trade (brief); •Hescker-Olin model; •Imperfect competition models; •geography models; •Movements of capital and workers; •Offshoring and outsourcing; •FDI and multinational; •R&D internationalization; •Migrations; •Trade policies and International agreements (TTIP).

list of the individual lectures (as well as lecture notes) posted in Moodle

Feenstra, Robert C. and Alan M. Taylor (2017), International Economics, 4th edition, Worth Publisher ISBN-10: 1-319-06173-7; ISBN-13: 978-1-319-06173-9; Format: Paper Text, 464 pages

The student assessment comes from

- 50%: Written test on the models studied. No notes can be used.
- 40%: ppt presentation in class
- 10% participation.

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