

# Global Political Economy

## Academic Year 2018-2019

### **Lecturers:**

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### **Webpage of the course:**

<http://giovamarin.altervista.org/> Section "Teaching" or <https://tinyurl.com/yaqku3lj>

Material (e.g. slides, articles, etc) in electronic format will be posted on the course webpage

### **Object:**

The course is aimed at providing an overview of economic issues related to global economy by combining concepts of international economics and international business. A combination of standard economic models and empirical evidence (based on historical data or case studies) is employed to understand what drives international trade between countries and foreign direct investments of multinational firms as well as to discuss which are the consequences of globalization on socio-economic dimensions.

Specific goals of the course are:

- understand how to interpret data about globalization processes;
- gain knowledge about standard models that explain international trade flows and other internationalization patterns (mainly foreign direct investment and international fragmentation of production) carried out by multinational enterprises;
- evaluate how globalization processes impact socio-economic systems in both developed and developing countries.

### **Expectations:**

- Students are expected to actively attend classes. The professor will keep a register of class participation which will be reflected in the final assessment.
- Students are expected to obtain a copy of the text-books:
  - Beugelsdijk S, Brakman S, Garretsen H, van Marrewijk C "International Economics and Business. Nations and Firms in the Global Economy", Second Edition, Cambridge University Press, 2013

- Castellani D, Zanfei A "Multinational Firms, Innovation and Productivity", Edward Elgar Publishing, 2006

A copy of the texts is available at the concierge's desk on the upper floor of the Istituto di Lingue. You may take these for reading in the Faculty, but must return them to my mail box before leaving. The text will be supplemented with slides, academic articles and handouts delivered in class. Further readings and material are available on the webpage of the course.

- The evaluation consists of three blocks.
  - A first **midterm** written exam will take place on **February 26**. The aim of the first midterm exam is to assess the understanding of students about how to interpret data about globalization and on the concepts of 'comparative advantage' and 'factor endowment'.
  - A second component of the overall evaluation refers to the assessment of a **short essay** (prepared in group) aimed at discussing a specific topic assigned by the professor in the light of the models and data discussed in the previous classes. Essays must be **submitted** to the instructor by **April 1**. Groups of students will then be asked to **present** their topic in class (**April 2, 3, 16 and 17**). **Further information** about the short essay (length 4000-5000 words) will be delivered on the **February 27** in class.
  - The third component will be a **final** written exam that will take place on **April 10**.

The evaluation of the student is structured as follows:

Midterm exam	30%	
Students' essays and presentations	20%	
Final exam	50%	=100% (30 cum laude)

The Italian grading system operates on a 0 - 30 basis. For the purposes of this course:

30 - 30 e lode	=A
28 - 29	=A-
26 - 27	=B+
24 - 25	=B
22 - 23	=B-
20 - 21	=C+
18 - 19	=C
Below 18	=F

Grades will be assigned as above using a percentage format (out of 100%) and translated into the appropriate letter grade and Italian grade scale mark.

## Timetable:

Week	Date	Hrs	Title	References
1	15-16 Jan 2019	3.5	Introduction to the course: dimensions of globalization and key stylized facts	Slides; BBGV Ch 1 and 2
2	22-23 Jan 2019	3.5	Basic concepts of microeconomics and industrial organization	Slides; Varian Ch 5, 13, 14, 16
3	29-30 Jan 2019	3.5	Comparative advantage (Ricardo)	Slides; BBGV Ch 3
4	5-6 Feb 2019	3	Factor endowment: HO model	Slides; BBGV Ch 3
5	12-13 Feb 2019	3.5	Beyond comparative advantage and factor endowment: intra-industry trade	Slides; BBGV Ch 4
6	19-20 Feb 2019	3.5	Internationalization, firm heterogeneity and trade costs	Slides; BBGV Ch 4 and 6
7	26 Feb 2019	1.5	<b>Assignment of topics for essays and presentations to groups of students. The essay is due by April 1 (20% of final mark)</b>	
	27 Feb 2019	1.5	<b>Exam on lectures 1-8 (30% of final mark)</b>	
<b>Spring break</b>				
9	12-13 Mar 2019	3.5	FDI and firm-specific advantages	Slides; BBGV Ch 7
10	19-20 Mar 2019	3.5	Effects of globalization: economic growth, offshoring, wages, skills, inequality, social dimension, environment	Slides; BBGV Ch 13 and 14
11	26-27 Mar 2019	3.5	Technology, demand and FDI; asset-exploiting and asset-seeking FDI (Prof. Zanfei TBC)	Slides; CZ Ch 1, 2
12	2-3 Apr 2019	3.5	<b>Presentations</b>	
13	9 Apr 2019	1.5	<b>Review and Q&amp;A session</b>	
	10 Apr 2019	2	<b>Final exam (50 % of final mark)</b>	
14	16-17 Apr 2019	3.5	<b>Presentations</b>	