

Economic Aspects of Globalization

**ECTS** : 3

**Volume horaire** : 27

**Description du contenu de l'enseignement :**

After a detailed introduction of the stylized facts on globalization, the course will focus on three key models of trade: (i) the Ricardian model of comparative advantages, (ii) the Factor Content of Trade, and (iii) the "New Trade" model under monopolistic competition introduced by Krugman (1979). In the second part, the course will focus on the international activity of firms and on the behavior of multinational enterprises (MNE). The last part of the course is dedicated the main obstacles to trade and on the welfare consequences of trade policies.

**Plan**

1. Stylized facts on globalization.
2. International trade under technological differences: the Ricardian model of comparative advantages.
3. International trade under differences in factor endowments: the HOS model.
4. Innovation, return to scale and product differentiation.
5. Foreign Direct Investment (FDI) and multinational firms (MNE).
6. Obstacles to trade.

**Compétence à acquérir :**

The objective of the course is to provide students with some key aspects of globalization and international trade. The students will be trained to have good knowledge of the main models of international trade and the key aspects of globalization. After attending the classes, the students will have a good knowledge of the determinants and consequences of globalization shocks such as trade liberalization and Foreign Direct Investment (FDI). This provides deep understanding of economic policy in a globalized world.

**Mode de contrôle des connaissances :**

Midterm exam (50%) Final exam (50%)

**Bibliographie, lectures recommandées :**

Krugman, P., Obstfeld, M. and M. Melitz, "International Economics: Theory and Policy", 11th edition Pearson.

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