

Course Specifications

Valid in the academic year 2018-2019

Economic Globalisation (F000751)

Course size (nominal values; actual values may depend on programme)
Credits 6.0 Study time 180 h Contact hrs 45.0 h

Course offerings and teaching methods in academic year 2018-2019

A (semester 2)	English	guided self-study	5.0 h
		lecture	30.0 h
		lecture: plenary exercises	10.0 h

Lecturers in academic year 2018-2019

Ruysen, Ilse EB21 lecturer-in-charge

Offered in the following programmes in 2018-2019

	crdts	offering
Master of Science in Business Economics (main subject Accountancy)	6	A
Master of Arts in Oriental Languages and Cultures (main subject China)	6	A
Master of Science in Business Economics (main subject Corporate Finance)	6	A
Master of Arts in Oriental Languages and Cultures (main subject India)	6	A
Master of Science in Political Science (main subject International Politics)	6	A
Master of Arts in Oriental Languages and Cultures (main subject Japan)	6	A
Master of Science in Business Economics (main subject Marketing)	6	A
Master of Arts in Oriental Languages and Cultures (main subject Middle East Studies)	6	A
Master of Science in Complementary Studies in Economics	6	A
Master of Science in Conflict and Development	6	A
Master of Arts in Global Studies	5	A
Master of Science in Conflict and Development	6	A
Exchange programme in Economics and Business Administration	6	A
Exchange Programme in Political and Social Sciences	6	A

Teaching languages

English

Keywords

International trade, capital flows, international migration, international trade policy, regional integration, world economy, World Trade Organisation

Position of the course

The course tries to answer two questions. First, what explains international economic relations between countries? Second, how can countries maximize the gains from international relations? What happens when countries actively intervene? The first question is dealt with in the parts 'Theory of international trade', 'Foreign Direct Investment and Multinational Corporations' and 'Determinants of international migration'. The second question is traditionally the subject of 'international trade policy'. The course economic globalisation is considered a basic course, which should make students familiar with the 'traditional' theory of international trade, the basics of 'modern' trade theory, theories of foreign direct investment and international migration, international trade policy and regional economic integration. Finally, with those students

who take this course as a 6 credits course, we will also see the principles and tasks of the World Trade Organisation as well as trade policy in developing countries.

Contents

The course will cover the following aspects:

1. International trade theory

- Motives for international trade:
 - Mercantilism (explanation of ideas and proof of principal mistake, including modern illustrations)
 - Comparative advantage (differences in technology and factor endowments as sources for international trade, the Heckscher-Ohlinmodel)
 - Scale economies, product differentiation and competition-effects as motives for international trade (the "new" trade theory)
- The welfare and income distribution implications of international trade
- International trade and economic development

2. Foreign direct investments and multinationals

3. International migration theory

4. International trade policy

- Policy instruments (tariffs, subsidies and quota's) and the effective rate of protection
- Gains and losses of tariff and non-tariff barriers to trade for a small and large economy
- Market imperfections and the influence of lobby groups

5. Regional economic integration

6. The international trade institutions: WTO/GATT and UNCTAD (not required for students who take the course as a 5 credit course)

7. Trade policy in developing countries and controversies in trade policy (not required for students who take the course as a 5 credit course)

Initial competences

Economics (e.g. Samuelson), basic micro-economics

Final competences

- 1 The ability to understand the inter- and intra-industry trade flows, foreign direct investment and international migration
- 2 Being able to interpret public discussions regarding trade liberalisation (based on an assessment of the welfare implications of the instruments of trade intervention)
- 3 Evaluating the arguments pro and contra protectionism (trade interventions)
- 4 Understanding the principles and functioning of the WTO and interpreting current trade policy disputes (not for students who take the course as a 5 credit course)

Conditions for credit contract

Access to this course unit via a credit contract is unrestricted: the student takes into consideration the conditions mentioned in 'Starting Competences'

Conditions for exam contract

Access to this course unit via an exam contract is unrestricted

Teaching methods

Guided self-study, lecture, lecture: plenary exercises

Extra information on the teaching methods

This course aims to impart the basic principles of the international economy, hence mainly in the form of ex-cathedra lectures, though with lively didactics and systematic illustrations based on practical examples, which also gives students the opportunity to pick up on (current) events.

Learning materials and price

P. Krugman, M. Melitz & M. Obstfeld, International Economics. Theory and Policy, 11th Edition, Cost: 66,74 EUR (Standaard Boekhandel)

References

- Ethier, Modern international Economics
- Södersten & Reed, International Economics
- Appleyard & Field, International Economics
- Williamson, The World Economy

Course content-related study coaching

Course related and relevant information additional to the lectures are offered by teacher and assistant.

On Minerva the students can obtain the slides of the course, a summary of the questions and answers with respect to the course and actual information concerning globalisation issues.

Evaluation methods

end-of-term evaluation

Examination methods in case of periodic evaluation during the first examination period

Written examination

Examination methods in case of periodic evaluation during the second examination period

Written examination

Examination methods in case of permanent evaluation

Possibilities of retake in case of permanent evaluation

not applicable

Extra information on the examination methods

Written exam which tests the understanding of the concepts, relations and structures concerning the international economy through a conceptually insightful exposition of the treated matter. Students who take the course as a 5 credit course will get a modified exam (i.e. without questions concerning the WTO, trade policy in developing countries and controversies in trade policy).

Calculation of the examination mark

End-of-term evaluation (100%).