

International Economy and Trade

Code: 101086
ECTS Credits: 6

Degree	Type	Year	Semester
2500259 Political Science and Public Management	OT	3	2
2500259 Political Science and Public Management	OT	4	0
2503778 International Relations	FB	2	2

The proposed teaching and assessment methodology that appear in the guide may be subject to changes as a result of the restrictions to face-to-face class attendance imposed by the health authorities.

Contact

Name: Rosella Nicolini
Email: Rosella.Nicolini@uab.cat

Use of Languages

Principal working language: english (eng)
Some groups entirely in English: Yes
Some groups entirely in Catalan: No
Some groups entirely in Spanish: No

Teachers

Jordi Salvador Sánchez

Prerequisites

This course relies on the basic knowledge a student can get when completing the basic course "Political Economy," that is, an understanding of the principles of economics and a knowledge of the basic features of the changing world economy and international relations.

Objectives and Contextualisation

This course aims to provide an overview of the modern theories of international economics from an empirical and theoretical viewpoint as well as the most adequate tools of analysis.

The first part of the course focuses on the international trade theory and basic monetary policies. The material covers the theory of the international trade from the beginning (Ricardo's theory) to the current state-of-the-art. The course also introduces students to current issues in trade theory, above all the ones associated with the role of trade policies for economic development and their impact at macro level.

The second part deals with the main problems associated with monetary transactions and international financial markets.

Finally, the course also provides information about international institutions involved in the decision making referring to trade policies.

Competences

Political Science and Public Management

- Applying the discipline's main theories and different fields to real practical and professional problems.
- Arguing from different theoretical perspectives.
- Demonstrating good writing skills in different contexts.
- Distinguishing the discipline's main theories and different fields: conceptual developments, theoretical frameworks and theoretical approaches underlying the discipline's knowledge and different areas and sub-areas, as well as their value for the professional practice through concrete cases.
- Identifying sources of data and conducting bibliographic and documentary searches.
- Interpreting and applying English texts in an academic way.
- Managing the available time in order to accomplish the established objectives and fulfil the intended task.
- Realising effective oral presentations that are suited to the audience.
- Showing a good capacity for transmitting information, distinguishing key messages for their different recipients.
- Synthesizing and critically analysing information.
- Working autonomously.
- Working in teams and networking, particularly in interdisciplinary conditions.

International Relations

- Analyse international society and its structure and understand its importance for real-life problems and professional practice.
- Analyse the structure and operation of international institutions and organisations (political, economic, military and security, environmental, development and emergency aid) both in the universal and regional spheres, with particular emphasis on the European Union, from either real or simulated cases.
- Apply knowledge of the structure and operation of international institutions to problems and/or practical cases, either real or simulated.
- Identify data sources and carry out rigorous bibliographical and documentary searches.
- Identify the main theories of international relations and their different fields (international theory, conflicts and security, international politics, etc.) to apply them in professional practice.
- Produce and prepare the presentation of intervention reports and/or proposals.
- Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
- Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
- Use English to receive and communicate analyses and proposals.
- Use metatheoretical data to argue and establish plausible relation of causality and establish ways of validating or rejecting them.

Learning Outcomes

1. Analyse and explain the functioning of the economy and international trade in the contemporary system.
2. Analyse the operation of the main universal and regional institutions that intervene in international finance and trade.
3. Analysing and explaining the economic dimensions behind public policies.
4. Analysing the impact of structuring factors of the economy and international trade (institutions, policies, and actors).
5. Arguing about the impact of international organizations on trade and international economy.
6. Arguing from different theoretical perspectives.
7. Assessing the role of the public sector as an economic agent.
8. Critically arguing the operations of the institutions and economic actors.
9. Critically evaluate the dynamics created in the interaction between the state and the market.
10. Demonstrating good writing skills in different contexts.
11. Describe the dynamics of economic systems, their limits and potential and their political consequences.
12. Describing the Spanish foreign sector: the dynamics of import/export, foreign investments in Spain and Spanish investments abroad.
13. Diagnosing specific situations and economic problems.
14. Efficiently describing forms of public intervention concerning the economic system.
15. Explain the theoretical models of economics taking into account different historical studies.

16. Explaining the consequences of a fiscal reform and changes on the government's tax issues.
17. Explaining the main characteristics of the economic policies of western governments.
18. Identify and analyse the roles of different actors, within and outside the state, in the operation of international economics and trade.
19. Identify data sources and carry out rigorous bibliographical and documentary searches.
20. Identify the problems faced by economic agents when making decisions in conditions of uncertainty, using different historical experiences.
21. Identifying sources of data and conducting bibliographic and documentary searches.
22. Interpreting and applying English texts in an academic way.
23. Make a historical analysis of current economic problems to better assess the evolutionary possibilities of economic systems.
24. Managing the available time in order to accomplish the established objectives and fulfil the intended task.
25. Produce and prepare the presentation of intervention reports and/or proposals.
26. Realising effective oral presentations that are suited to the audience.
27. Reflecting on the proposals of current economic policies, in several fields (financial, fiscal, incomes policy, etc.) and several territories (World, Europe, Spain).
28. Showing a good capacity for transmitting information, distinguishing key messages for their different recipients.
29. Specifying the roles, dimensions and structure of the public sector in the economy.
30. Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
31. Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
32. Synthesizing and critically analysing information.
33. Use English to receive and communicate analyses and proposals.
34. Use analytical tools for economics and international trade and apply them to different processes and case studies.
35. Use metatheoretical data to argue and establish plausible relation of causality and establish ways of validating or rejecting them.
36. Working autonomously.
37. Working in teams and networking, particularly in interdisciplinary conditions.

Content

Trade theory of Ricardo. The theory of Heckscher-Ohlin trade and its evolution. The new trade theory in conditions of imperfect competition and its empirical application. The movement of factors and foreign direct investment. Trade policy and economic integration. Institutions worldwide trade: from GATT to the WTO; Gender dimension and institutions. Monetary problems and the system of international payments. International monetary crises. Some case studies on current empirical evidence.

Methodology

Recitation classes

Tutorials and seminars

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Autonomous	88	3.52	2, 4, 23, 1, 3, 18, 8, 6, 35, 5, 7, 10, 14, 12, 11, 13, 25, 15, 29, 16, 17, 26, 24, 20, 19, 21, 22, 28, 31, 30, 27, 32, 36, 37, 34, 33, 9

Evaluation	8	0.32	38, 2, 4, 23, 1, 3, 18, 8, 6, 35, 7, 12, 11, 13, 15, 29, 16, 17, 20, 19, 21, 22, 28, 31, 30, 27, 32, 36, 37, 34, 9
Guided	15	0.6	8, 17, 24
Guided	35	1.4	4, 3, 8, 6, 5, 7, 10, 14, 12, 13, 29, 16, 17, 26, 24, 21, 22, 28, 27, 32, 36, 37

Assessment

The final learning assessment is the weighted average of the following activities:

- 50% Final exam covering the material of the course that the professor will communicate in class (which will be the official day scheduled for the Faculty),
- 30% Midterm evaluation (exercises, questions) as the professor will explain in class,
- 20% Presentations.

The final minimum grade to pass the course is 5. The final grade is the weighted average of the scores of all the activities proposed during the course.

If the final overall grade is lower than 3.5, the student must repeat the course next year.

Students with a final grade between 3.5 and less than 5 may take a retake exam. This assessment is organized by the Faculty during the session of exams. The retake exam grants maximum 1.5 points. If a student passes the retake exam, the final grade will be 5.

A student who does not perform any evaluative task is considered "not evaluable", therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable"

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Final exam	50%	2	0.08	4, 3, 8, 6, 5, 7, 10, 14, 12, 13, 29, 16, 17, 26, 21, 22, 28, 27, 32, 37
Midterm evaluation (questions, exercises...)	30%	1	0.04	38, 2, 4, 23, 1, 3, 18, 8, 6, 35, 5, 7, 10, 14, 12, 11, 13, 25, 15, 29, 16, 17, 26, 24, 20, 19, 21, 22, 28, 31, 30, 27, 32, 36, 37, 34, 33, 9
Presentations	20%	1	0.04	6, 10, 26, 21, 22, 28, 32, 37

Bibliography

Basic Reference:

- Markusen, J. R et al. (1995): *International trade: theory and evidence*. Retrieved from <https://mpra.ub.uni-muenchen.de/21989/>

Additional References:

- Crowley, M.A. (2019). Trade War: The Clash of Economic Systems Threatening Global Prosperity. Voxeu eBooks. Retrieved from <https://voxeu.org/content/trade-war-clash-economic-systems-threatening-global-prosperity>

- Evenett, S. (2017) Cloth for Wine? The Relevance of Ricardo's Comparative Advantage in the 21st Century. Voxeu eBooks. Retrieved from <https://voxeu.org/content/cloth-wine-relevance-ricardo-s-comparative-advantage-21st-century>

Articles:

- Callen, T. (2018, July 1). Purchasing Power Parity: Weights Matter. *Finance & Development. Back to basics compilation*. Page 44-45. Retrieved from <https://www.imf.org/external/pubs/ft/fandd/basics/44-purchasing-power-parity.htm>
- Catão, L. (2018, June 1). Real Exchange Rates: What Money Can Buy. *Finance & Development. Back to basics compilation*. Page 42-43. Retrieved from <https://www.imf.org/external/pubs/ft/fandd/basics/42-real-exchange-rates.htm>
- El-Erian, M.A. (2013, January 22) Beggar Thy Currency Or Thy Self? *Project-Syndicate*. Retrieved from <https://www.project-syndicate.org/commentary/the-logic-of-today-s-brewing-currency-wars-by-mohamed-el-erian>
- Ghosh, A. & Ramakrishnan, U. (2006). Do Current Account Deficits Matter? *Finance & Development*, December 2006, Volume 43, Number 4.

<https://www.imf.org/external/pubs/ft/fandd/2006/12/basics.htm>

- Mankiw, N.G (2018, February 16). Why Economists Are Worried About International Trade Economic View. *New York Times*. Retrieved from <https://www.nytimes.com/2018/02/16/business/trump-economists-trade-tariffs.html>
- Mankiw, N.G (2018, October 5) Surprising Truths About Trade Deficits. *New York Times*. Retrieved from <https://www.nytimes.com/2018/10/05/business/surprising-truths-about-trade-deficits.html>
- McDonald, B. (2018, June 1). International Trade: Commerce among Nations. *Finance & Development. Back to basics compilation*. Page 40-41. Retrieved from <https://www.imf.org/external/pubs/ft/fandd/basics/trade.htm>
- Rodrik, D. (2012, December 13). Global Capital Rules. *Project-Syndicate*. Retrieved from <https://www.project-syndicate.org/commentary/the-imf-s-timid-embrace-of-capital-controls-by-dani-rodrik>
- Rodrik, D. (2017, October 10). Growth Without Industrialization? *Project-Syndicate*. Retrieved from <https://www.project-syndicate.org/commentary/poor-economies-growing-without-industrializing-by-dani-rodrik>
- Rogoff, K. (2014, April 8). A Surplus of Controversy. *Project-Syndicate*. Retrieved from <https://www.project-syndicate.org/commentary/kenneth-rogoff-calls-for-more-facts-and-less-populism-in-trade>
- Sinn, H.W. (2017, July 21). How to Reduce Germany's Surplus. *Project-Syndicate*. Retrieved from <https://www.project-syndicate.org/commentary/reducing-germanys-current-account-surplus-by-hans-werner-sinn>
- The Economist (2017, July 8). The German problema. Why Germany's current-account surplus is bad for the world economy. The country saves too much and spends too little. Retrieved from <https://www.economist.com/leaders/2017/07/08/why-germanys-current-account-surplus-is-bad-for-the-world-economy>
- The Prize in Economic Sciences 2008: Paul Krugman. Retrieved from <https://www.nobelprize.org/prizes/economic-sciences/2008/press-release/>

Gender & Economics: Speeches

- Gita Gopinath, IMF Chief Economist

<https://blogs.imf.org/bloggers/gita-gopinath/>

- Kristalina Georgieva, Managing Director IMF

<https://www.imf.org/en/About/senior-officials/Bios/kristalina-georgieva>

- Carmen M. Reinhart, Vice President and Chief Economist of the World Bank Group

<https://www.worldbank.org/en/about/people/c/carmen-reinhart>