



COURSE DATA

Data Subject

Code	43739
Name	International trade
Cycle	Master's degree
ECTS Credits	4.0
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. Period year
2166 - Master's Degree in Economic Globalisation: International Trade Management	Faculty of Economics	1 First term

Subject-matter

Degree	Subject-matter	Character
2166 - Master's Degree in Economic Globalisation: International Trade Management	11 - International economic flows	Optional

Coordination

Name	Department
ESTEVE PEREZ, SILVIANO	132 - Economic Structure

SUMMARY

This course will analyse the causes and consequences of international trade, investment and migration. In particular, we will study why nations trade, what they trade and the gains from trade. Firm decision to export and/or to invest abroad will also be examined. The course will use extensively micro-economic tools. Topics covered include main models of international trade and its extensions, the study of multinationals, offshoring, global value chains and some trade policy tools.



PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

English version is not available

DESCRIPTION OF CONTENTS

1. Topic 1.- MAIN QUESTIONS IN INTERNATIONAL TRADE.

- 1.1.- Why study international trade?
- 1.2.- Important questions: trade pattern, trade profits, distributive effects, business policy
- 1.3.- Stylized facts of international trade.

2. Topic 2.- TRADE, TECHNOLOGY AND WAGES. THE RICARDO MODEL.

- 2.1.- The concept of comparative advantage
- 2.2.- Ricardo's model.
 - 2.2.1.- The hypotheses.
 - 2.2.2.- Production possibilities.
 - 2.2.3.- Prices in autarky
 - 2.2.4.- Determination of prices in free trade
 - 2.2.5.- Trade pattern and trade profits
- 2.3.- Empirical evidence of Ricardo's Theory.

3. Topic3.- TRADE AND INCOME DISTRIBUTION. THE SPECIFIC-FACTOR MODEL (MODELO RICARDO-VINER)

- 3.1.- The SF model.
 - 3.1.1.- The hypotheses.
 - 3.1.2.- Production Possibility Frontier.
 - 3.1.3.- Equilibrium under autarky.
- 3.2.- Equilibrium under free trade.
 - 3.2.1.- Terms of trade.
 - 3.2.2.- Gains from trade.



3.2.3.- Remuneration of factors and income distribution.

3.3.- Empirical evidence.

4. Topic 4.-TRADE AND FACTOR ABUNDANCE. THE HECKSCHER-OHLIN MODEL.

4.1.- The Heckscher-Ohlin Theory.

4.1.1.- The hypotheses.

4.1.2.- Intensity and abundance.

4.1.3.- Production possibility frontier.

4.1.4.- Determination of the balance without and with free trade.

4.2.- The Heckscher-Ohlin Theorem Theorems.

4.2.1.- The Heckscher-Ohlin Theorem.

4.2.2.- The Stolper-Samuelson Theorem.

4.2.3.- The Factor Price Equalization Theorem.

4.4.- Contrasting the Heckscher-Ohlin model.

4.4.1.- Leontief's paradox.

4.4.2.- Response to Leontief's work.

4.4.3.- The factor content of trade model (H-O-V model)

4.4.4.- Attempts to reconcile the theory with the paradox de Leontief: Trefler's contributions

5. Topic 5.-INTERNATIONAL MOVEMENT OF FACTORS: MIGRATION AND FDI.

5.1.- International migration

5.1.1.- Determinants.

5.1.2.- Gains from trade and distributive effects worldwide.

5.1.3.- Trade gains and distributive effects at the issuing country level.

5.1.4.- Trade gains and distributive effects at the recipient country level.

5.2.- Foreign direct investment.

5.2.1.- Multinationals and IDE.

5.2.2.- Trade gains and distributive effects worldwide.

5.2.3.- Trade gains and distributive effects at the issuing country level.

5.2.4.- Trade gains and distributive effects at the recipient country level.

5.3.- Empirical evidence on the impact of migration on labour markets

6. Topic 6.- TRADE IN THE PRESENCE OF IMPERFECT COMPETITION, ECONOMIES OF SCALE AND PRODUCT DIFFERENTIATION.

6.1. The reciprocal dumping model (duopoly and homogeneous products)

6.2.- The Krugman model (monopolistic competition, economies of scale, product differentiation)

6.3. The Melitz model. Heterogeneity of companies in international trade

6.4. The gravity model of trade



7. TOPIC 7.- MULTINATIONALS, OFFSHORING AND GLOBAL VALUE CHAINS.

- 7.1.- An outsourcing model.
- 7.1.1.- Value chain of activities.
- 7.1.2.- Changes in trade costs
- 7.2.- The profits from outsourcing.
- 7.2.1.- Simplified outsourcing model
- 7.2.1.- Production in the absence of outsourcing

8. TRADE POLICY.

- 8.1.- The instruments of trade policy: classification of trade controls, concepts.
- 8.2.- Tariffs and their economic effects.
- 8.3.- Quotas and their economic effects
- 8.4.- Export subsidies.
- 8.5.- Other non-tariff protection instruments.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	27,00	100
Group work	8,00	100
Tutorials	2,00	100
Other activities	2,00	100
Seminars	1,00	100
TOTAL	40,00	

TEACHING METHODOLOGY

English version is not available

EVALUATION

English version is not available

REFERENCES



Basic

- Feenstra, R. & Taylor, A. (2016): International Trade, Mc Millan Learning

Krugman, P.K., Obstfeld, M. & Melitz, M.J. (2016): International Eco-nomics, Pearson.

ADDENDUM COVID-19

This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

English version is not available

Las sesiones de la asignatura tendrán carácter estrictamente presencial, tanto las clases, seminarios... como las pruebas de evaluación. Solo en caso de que la situación sanitaria lo requiriese, se modificaría esa exigencia de presencialidad.

En particular, si alguno de los alumnos se viese obligado a respetar un confinamiento que le impida la asistencia a las sesiones, la UV arbitraría los mecanismos necesarios para que, solamente durante el tiempo en el que se prolongase ese confinamiento, el alumno pudiese seguir el curso de manera no presencial, preferentemente de manera sincronizada con sus compañeros.