

**COURSE DATA****Data Subject**

Code	36488
Name	International trade
Cycle	Grade
ECTS Credits	6.0
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. year	Period
1316 - Degree in Economics	Faculty of Economics	4	Second term

Subject-matter

Degree	Subject-matter	Character
1316 - Degree in Economics	26 - Economía Internacional y Territorio	Optional

Coordination

Name	Department
REQUENA SILVENTE, FRANCISCO	132 - Economic Structure

SUMMARY

The course “International Trade” analyses the real part of the International Economy. Theoretical and empirical models of trade are studied, focusing on the interrelation between trade and welfare, as well as the effects derived from intervention in the markets. It is approached through three blocks: The first introductory block shows the interest and importance of its study, highlights the nature of relations between countries and addresses issues related to globalization and the different forms of measurement. In the second block, which is called theoretical aspects of trade, it is studied, through different explanatory models, why trade takes place, what factors influence its composition and behaviour, and what gains and losses exist for the countries that trade. Finally, the third block is dedicated to the study of intervention in the markets and focuses on tariff protection, non-tariff protection, the role of the WTO in world trade, as well as the analysis of trade policy carried out on developing countries.



PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

The student must keep in mind what has been learned in the subjects of the International Economics and Economy of the European Union.

OUTCOMES

1316 - Degree in Economics

- Show critical thinking skills.
- Be able to collect and analyse information.
- Have oral and written communication skills in the native language.
- Have decision-making skills and be able to apply knowledge to practice.
- Be able to work in a team (including interdisciplinary teams).
- Be able to learn autonomously.
- Be able to use ICTs.
- Know and understand the nature of international trade and of the financial framework in which it takes place.

LEARNING OUTCOMES

With the development of the International Trade subject it is intended: to show the scope and importance of the growing economic globalization; assess the costs and benefits of international trade; know the main theoretical models that explain international trade and the instruments used in trade policies; know the main institution that regulates international trade relations and understand the rationale behind the different trade agreements existing at the international level.

DESCRIPTION OF CONTENTS

1. MAIN ISSUES ON INTERNATIONAL TRADE. GLOBALISATION

The objective of this topic is to introduce the student to the subject, exposing its importance and the interest of its study to know the implications that trade (movement of goods, services, people and capital) has on well-being. The main issues to be highlighted are those related to the nature of commercial relations in the 21st century compared to the last century, which justify the need for new economic models that help us understand the pattern of trade and profits. trade.



2. TECHNOLOGY AND TRADE

This topic has a primary objective: to understand the meaning of comparative advantage. For this, Ricardo's model and the empirical evidence of said model are used.

3. RESOURCES, COMPARATIVE ADVANTAGE AND INCOME DISTRIBUTION. THE MODEL OF SPECIFIC FACTORS (RICARDO-VINER MODEL)

In this topic, a trade model based on the factor endowment of the countries is studied, with the characteristic that one of the two factors can be transferred between sectors, while the other cannot, as it is specifically assigned to one of the productive sectors. . The FS model serves to identify the winners and losers of trade in the short term and illustrates that the highly unequal distribution of trade gains within countries

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

Heckscher-Ohlin was the predominant model in international trade theory until World War II, in which the basis of exchanges is the difference in factor endowment between countries. In this chapter its operation is exposed, and the four theorems of the model (SS, R, HO, IFF) are demonstrated. In the last section, the results of its contrast are considered (HOV model).

5. International movement of factors: migration and foreign direct investment

Stylized facts

Trade gains and distributional effects worldwide.

Trade gains and distributional effects at the issuing country level.

Trade gains and distributional effects at the recipient country level

6. IMPERFECT COMPETITION, ECONOMIES OF SCALE AND PRODUCT DIFFERENTIATION IN INTERNATIONAL TRADE

Here begins the study of what has been coined as new theories, or modern theory of international trade. Next, three important changes are introduced in the hypotheses of the explanatory models of trade, such as the replacement of perfect competition, constant returns and homogeneous products.

7. Outsourcing of goods and services

Outsourcing is a type of international trade different from that analyzed in the models belonging to classical and neoclassical theory, in which final goods are exchanged. Outsourcing is a relatively new facet of trade, it is the result of the production of various parts of the production of a good and / or the provision of a service, in different countries. By applying the same ideas developed for the trade in final goods. This topic presents a theoretical model of outsourcing that, through the variation of relative labor wages, predicts an increase in the relative demand for skilled labor in both countries and gains from trade.

**8. TRADE POLICY**

This topic studies the impact of the intervention on the markets. After classifying the instruments of trade policy (tariff and non-tariff barriers) the economic effect of protectionist measures is analyzed from a general economic analysis in a situation of perfect and imperfect competition.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Development of group work	25,00	0
Development of individual work	30,00	0
Preparing lectures	15,00	0
Preparation of practical classes and problem	10,00	0
Resolution of online questionnaires	10,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

The development of the subject is structured around four elements:

1. The set of theoretical face-to-face classes where the teacher will explain the different headings that make up the program, indicating, where appropriate, the sources in which to expand the different perspectives introduced.
2. The set of practical face-to-face classes that complement the contents analyzed in the theoretical sessions. Assistance is considered essential insofar as it guarantees an adequate transmission of knowledge. These classes require the active participation of the student through her intervention in the work groups that will function throughout the entire course.
3. Through the virtual classroom where the teacher will publish throughout the course any material that facilitates the follow-up of the subject, as well as the practical materials with the content corresponding to each of the topics of the program.
4. The study and individual preparation of the subject, supported whenever the student deems it appropriate by the tutorials.



EVALUATION

The final grade for the course consists of the combination of the following two elements: Continuous assessment (40% of the final grade) with work to be developed during the course in each of the practical classes. The works will be individual or in groups. In the event that a group size criterion is required, groups may not have more than three students. The final grade obtained in the continuous evaluation by the groups, depending on their participation throughout the course, may obtain up to a maximum of 4 points. Continuous evaluation activities will not be recoverable. The written exam (60% of the final grade) will have questions elaborated on the theory materials and the contents of the practical classes. The questions will have a theoretical or theoretical-practical nature. The final mark of the exam will be on a scale from 0 to 10 and will result from the weighted sum of the marks of each of the questions. For the final grade, in the first and second examination session, the grade obtained by the groups of practical classes will be added, as long as the result of the written exam is higher than 4 points.

REFERENCES

Basic

- Feenstra, R. y Taylor, A. (2011): Comercio Internacional, Editorial Reverte, Barcelona.

Additional

- Krugman, P.K., Obstfeld, M. y Melitz, M.J. (2016): Economía Internacional, Pearson, Madrid.

ADDENDUM COVID-19

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

1. Contents

The contents initially collected in the teaching guide are maintained

2. Volume of work and temporary planning of teaching

- to. Maintenance of the weight of the different activities that add up to the hours of dedication in ECTS credits marked in the original teaching guide.
- b. Sessions scheduled on the same dates and times with the same duration.

3. Teaching methodology

- to. Uploading materials to the virtual classroom
- b. Each teacher can use the BBC synchronous videoconference, the BBC asynchronous videoconference and the speech slides as a substitute for the lecture and practical classes.
- c. At the teacher's choice, the tutorials will be done by videoconference or forum in the Virtual Classroom.



4. Evaluation

- to. The weight is increased in the final grade of the continuous assessment. The new weightings are: continuous assessment (30%) and the final exam (70%).
- b. The restriction of having passed the final exam to pass the course is maintained.
- c. In the event that the final exam cannot be face-to-face, the final exam will be online and will consist of a written exam, an oral exam by videoconference, or both.

5. Bibliography

The recommended bibliography is kept as it is accessible