



Academic Year 2022-2023

Syllabus

Global International Economics

9 CFU

1st Module: Prof. Paolo Paesani

2nd Module: Prof. Prof. Lorenzo Pecchi

Course Description

The Course is divided into two Modules (Introduction to International Economics and International Economics).

The first module provides students with an overview of the economic and financial links between a country and the world economy, using the balance of payments and the Keynesian income-expenditure model in an open economy as a reference.

In the second module, we start by the evidence that grasping globalization requires us to understand what are the determinants of international trade and how production is organized across national boundaries. In the first part of the course we study the paradigms of foreign trade that were developed in the XIX and XX centuries (Ricardo, Heckscher and Ohlin) together with the “new” trade models which emphasize economies of scale, monopolistic competition and the role of multinational firms. We will examine who benefits and who loses from trade and the welfare effects of various trade policies.

In the second part of the module we study the financial aspects of foreign trade: the balance of payments, the determinants of the foreign exchange markets and the various international monetary systems which have appeared in the last two centuries with a final focus on the European Monetary Union and Brexit.

International Economics, an introduction (1st Module)

Duration, Timetable and Period of the Course

The course consists of 21 hours of lessons (on 3 topics), check the timetable. Students are asked to always be present at lessons in order to avoid delays and repetitions.

Teaching Method

Lectures will make use of oral presentations. Analysis will also be presented at the board, and used for open discussion. Interaction between teacher and student will be encouraged.

Schedule of Topics

Topic 1	The nation and the world economy
Topic 2	Balance of payments and international investment position
Topic 3	The Keynesian open economy model and its balance of payment implications

Textbook and Materials

- *The Economy*. CORE Project (selected chapters). <https://core-econ.org/the-economy/?lang=en>
- Lecture material handed over on line.

Teaching Method

Students are expected to read the material for every class and participate in every lecture.

International Economics (2nd Module)

Schedule of Topics

Topic 1	World Trade Overview
Topic 2	The Ricardian Model
Topic 3	The Specific Factors Model
Topic 4	The Heckscher-Ohlin Model
Topic 5	The Standard Trade Model
Topic 6	External Economies of scale and Monopolistic Competition
Topic 7	International Trade policies
Topic 8	National Income Accounting, Current Account and Balance of Payment
Topic 9	Determination of FX in the Short-run and in the Long-run
Topic 10	Alternative International Monetary System: An Historical Overview
Topic 11	Optimal Currency Area and the European Experience
Topic 12	Financial Globalization: Opportunity or Crisis?

Textbook and Materials

The reference book of the course is *International Economics: Theory and Policy* by Krugman-Obstfeld-Melitz which cover all of the above topics. I also recommend students to read *Understanding Global Trade* by E. Helpman which using a minimum of technical terms presents the most recent theoretical and empirical developments in international economics. A more policy oriented book which I also encourage to read is *The Globalization Paradox: Democracy and the Future of the World Economy* by D. Rodrik.

Assessment

Module I (Prof. Paesani) counts for 1/3 of the course grade. **Module II** (Prof. Pecchi) counts for 2/3 of the course grade.

Module 1. During the week of the mid-term a written exam for attending students (more than 80% of in class presence) will be administered. Non attending students and students who do not take or fail the mid-term will take a written exam at the end of the course.

Module 2. Students will be assessed on the results obtained on the homework to be done in groups and the final written exam which is done individually. Homework counts for 30 per cent and final exam for 70 per cent. Students who have not attended at least 15 lectures for the 2 hours will be valued only on the written exam.

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Office hours

By appointment: paolo.paesani@uniroma2.it . You can usually talk to the teacher after class.

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NOTE: If you are an Erasmus or a non Global Governance student who would like to attend one or more courses in the Global Governance programme, please be aware that, **before enrolling in the course**, you should have read the code of conduct and the procedural rules characterizing our programme. We assume that, if you enroll in the course, **you have read and accepted all Global Governance values and rules**. Notice that attendance is required from the very first lesson and you need to attend at least 80% of the course to be considered an attending student.