

## Course Descriptions None 2014-2015

Course Title Emergence of the Global Economy  
 Course Code EBC4153  
 ECTS Credits 6,5  
 Assessment None

| Period | Start     | End      | Mon | Tue | Wed | Thu | Fri |
|--------|-----------|----------|-----|-----|-----|-----|-----|
| 5      | 13-4-2015 | 5-6-2015 | X   |     | X   |     |     |

Level Intermediate/Advanced  
 Coordinator Marco Capasso For more information:m.capasso@maastrichtuniversity.nl  
 Language of instruction English

Goals The central topic of this course is how globalization affects the international income distribution. Do increased opportunities for global interaction lead to global convergence of living standards, or does globalization also have a large amount of losers, so that global divergence results?

Description Globalisation means increased interdependence between national economies. On the one hand, globalisation is a gradual, evolutionary process, which first became visible at the end of the 19th century, when the part of world production that was traded internationally increased sharply, and multinational companies began to emerge. On the other hand, globalisation can be seen as the result of the breaking up of the so-called Bretton Woods international economic order in the beginning of the 1970s, which led to a completely different role of exchange rates, capital flows and monetary policy in the global economy. This course starts with a review of the different institutional, technological and economic forces that led to globalisation. It then focuses on the nature of global economic interdependence, and its consequences for growth and (in)equality in the world.

The course distinguishes various forms of interdependence, such as the diffusion of technological knowledge, migration, international investment flows, and trade. The first part of the course takes a broad historical view on how these flows developed over time, culminating in what is nowadays called globalisation. This includes an overview of the factors influencing diffusion of technological knowledge (and the impact on catching-up based growth), the institutional arrangements of the world economic order (Bretton Woods and its demise, as well as the emergence and role of institutions such as the IMF and the World bank), the evolution of global capital markets (including deregulation of financial markets and the emergence of new financial instruments, as well as foreign direct investment flows).

The second part of the course looks at the consequences of increased interdependence in the global economy. It addresses the evolution of the world income distribution, both between countries and at the personal level, and introduces analytical tools (economic models) that can be used to analyse this. This part also covers such topics as the distinction between the short and the long run (business cycles vs. trend growth rates). Altogether, the course provides a comprehensive overview of the roots and consequences of globalisation.

Literature A collection of articles and book chapters taken from the advanced economic literature.

Prerequisites A comprehensive knowledge of basic theory in International Economics, taught at SBE. an advanced level of English

Teaching methods PBL

Assessment methods Participation / Written Exam

Evaluation in previous academic year For the complete evaluation of this course please click <http://iwio-sbe.maastrichtuniversity.nl/rapporten.asp?referrer=codeUM>

This course belongs to the following programme / specialisation

|                         |                             |
|-------------------------|-----------------------------|
| Master Economics        | Electives                   |
| Master Economics        | Global Innovation Economics |
| Master Fiscale Economie | Economics Electives         |
| SBE Exchange Master     | Master Exchange Courses     |
| SBE Non Degree Courses  | Master Courses              |