Course Descriptions None 2018-2019

Course Title	International trade, technology, and distribution
Course Code	EBC4036
ECTS Credits	6,5
Assessment	Whole/Half Grades

Period

Period	Start	End	Mon	Tue	Wed	Thu	Fri
2	29-10-2018	21-12-2018	X		X		

Level	Advanced
Coordinator	Thomas Ziesemer For more information:t.ziesemer@maastrichtuniversity.nl
Language of instruction	English
Goals	The goal is learning to apply economic theory and the theory of economic policy to real world problems related to international trade, with a particular emphasis on the issues of technology, distribution and market imperfections. Empirical tasks for a country study paper help to learn handling data and trade indices.
Description	This course addresses a number of real-world problems that are related to the process of globalisation, and asks how the related market imperfections can be addressed by policy. Examples of the real-world problems that are addressed are CO2 emissions and global warming, rising and fluctuating global food prices, and inequalities in the personal and global income distribution. The course starts from a broad inquiry into what justifies policy interference in market economies, how adequate policy instruments are determined and distinguished from inadequate ones, and what is the damage from using inadequate policies. The answer to these questions is reflected by a hierarchy of economic policies that is found in the real world. The course addresses these policies, their justification and their working in the global economic context. Emphasis will be put on the general relationship between environmental problems and international trade, as well as on specific case studies. Examples of the cases studied are as follows. Are there adequate policy responses to this problem? Global inequality may be related to the diffusion of technical knowledge. This has both macroeconomic aspects, e.g., related to the unequal distribution of wealth and knowledge between countries, and microeconomic aspects, e.g., related to wage inequality across skills and sectors. Does international capital mobility help to offset such inequality, and do results depend on factor-price equalisation? Why does leadership move from one country to another in history? The methodology used is that of the theory of international trade and factor movements and multi-sector growth theory as well as empirical tasks comparing countries in Europe with countries from other continents. A policy that addresses global warming is installing property rights (for carbon emissions) and allows the owners of these rights to trade them, such as in the EU ETS (European Emission Trading System). What are the consequences of such a system when some trade partners of the EU have no environmental policy? What is the use of the related Clean Development Mechanism (CDM) if some countries have no other environmental policy at all? Doesn't the CDM shift the burden to the poor? Growth theory tells us that technical progress in agriculture and/or industry may be the major driving force of welfare increases. But how does this relate to the recent strong increases of food prices? What if food prices fluctuate and there is no insurance against it?
Literature	For trade theory: five chapters from Bhagwati, Panagariya, Srinivasan (1998); some chapters from Södersten/Reed (1994); articles including SMART model at http://wits.worldbank.org
Prerequisites	Basic theory of international trade according to Krugman/Obstfeld/Melitz or Feenstra/Taylor. Exchange students need to have obtained a Bachelor degree with a major in Economics . An advanced level of English
Teaching methods	PBL / Presentation / Assignment
Assessment methods	Final Paper / 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	Spec Global Innovation Economics
Master Economics	Electives