

61338 - Globalization, International Trade and Economic Geography

Syllabus Information

Academic year: 2023/24

Subject: 61338 - Globalization, International Trade and Economic Geography

Faculty / School: 109 - Facultad de Economía y Empresa

Degree: 525 - Master's in Economics

ECTS: 3.0

Year: 1

Semester: Second semester

Subject type: Optional

Module:

1. General information

Modern economic theory cannot be understood without the revolution brought about in the eighties of the last century by the emergence of the New Theory of International Trade and in the nineties by the New Economic Geography, thanks to the work of authors such as Lancaster, Dixit, Stiglitz, Helpman, Ethier, Fujita, Thisse, Puga and, above all, Krugman. The work of authors such as Lancaster, Dixit, Stiglitz, Helpman, Ethier, Fujita, Thisse, Puga and, above all, Krugman, who made contributions along both lines.

The importance of considering the differentiated product or introducing increasing returns into models is difficult to overstate. Likewise, concepts such as path dependence, hysteresis, circular causation, endogenous asymmetry or catastrophic agglomerations are key in the most recent models.

From an empirical point of view, it is essential to know how the models and their theoretical implications have been contrasted with real-world data.

2. Learning results

The student, in order to pass this subject, must demonstrate the following results.

- 1.- To understand what globalization is, its causes, consequences and limits.
- 2.- To know the main models that explain why countries trade.
- 3.- To understand the theoretical models of economic geography.
- 4.- To master the main empirical results related to economic geography.
- 5.- To be able to carry out a solid empirical application that describes and analyses a specific economic landscape.
- 6.- To understand the basic theoretical fundamentals and the most important empirical regularities associated with urban economics

3. Syllabus

1.- Introduction.

2.- Globalization.

BLOCK I: INTERNATIONAL TRADE

3.- Introduction. Some data on world trade.

4.- Models that explain inter-industrial trade: Ricardo and Heckscher-Ohlin.

5.- The Helpman-Krugman model: inter- and intra-industrial trade.

BLOCK II: ECONOMIC GEOGRAPHY

6.- Introduction. Some data on specific economic landscapes: Europe, USA and China.

7.- The centre-periphery model.

8.- Other models of New Economic Geography (NGE).

9.- Instruments for empirical work.

10.- Economic geography: main empirical results.

11.- Introduction to Urban Economics I. The basic theoretical model.

12.- Introduction to Urban Economics II. Empirical aspects.

4. Academic activities

Face-to-face classes and individual student work.

5. Assessment system

There is a final exam to which students can bring all the bibliographic and computer material they want (notes, books, laptops). The grade of the final exam may be modified upwards, up to two points, by the presentation, by the student, of a voluntary work.