# International economy

## Prof. Daniele Moro

***OBIETTIVO DEL CORSO E RISULTATI DI APPRENDIMENTO ATTESI***

The course aims to offer basic theoretical and applied tools for analysing the evolution of trade flows and investments between countries and the role of trade policies in the international economic context.

At the end of the course, students will have acquired:

* knowledge of the main interpretative models of the dynamics of international trade flows of goods and services and of the processes of internationalisation (of economies and businesses) and globalisation;
* the ability to apply the knowledge provided to the critical understanding of the phenomena affecting the evolution of international markets and trade, therefore of the main agents operating on these markets and their economic relations;
* the ability to formulate consistent business strategies and policy guidelines in the context of the evolution of international markets;
* understanding of the role of international institutions in regulating trade and the integration of economies;
* knowledge of some simple quantitative tools for analysing trade data.

***COURSE CONTENT***

The course addresses the following topics:

* Introduction to international economy.
* Classical theories of commerce:
* The concept of comparative advantage.
* Productivity and comparative advantages: the Ricardian model.
* Specific factors and distribution of trade benefits.
* Resource endowment and comparative advantages: the Heckscher-Ohlin model.
* Inter-sectoral trade.
* The new theories of international trade.
* External economies of scale and localisation of production.
* Product differentiation and imperfect competition.
* Foreign direct investments, outsourcing and multinationals.
* Intra-sectoral trade.
* The tools of commercial policy.
* Economic analysis of trade restrictions and their motivations.
* Trade negotiations and disputes and the role of international organisations.

***READING LIST***

*Reference textbook*

* P. Krugman-M. Obstfeld-M. Melitz, *Economia Internazionale 1.* *Teoria e politica del commercio internazionale*, Pearson, Addison Wesley, Milan, 2019 (11th edition).

*Other textbooks*

* G. De Arcangelis, *Economia Internazionale*, McGraw-Hill Education, Milan, 2017 (IV edition).
* R.C. Feenstra-A.M. Taylor, *Economia Internazionale*, It. ed. Edited by Giorgio Basevi, Hoepli, Milan, 2009.
* S. Dominick, *Economia internazionale: Vol.1 - Commercio internazionale*, Zanichelli, Bologna, 25 July 2016.

For each topic covered, the lecturer will provide reading list information and possible supplementary material during the course. The material will be made available on the Blackboard platform of the course.

***TEACHING METHOD***

The course includes 30 hours of lectures, during which case studies and empirical analysis tools can be presented.

***ASSESSMENT METHOD AND CRITERIA***

The assessment is based on the following criteria:

* a final written test. The questions will concern the topics covered in the course, both theoretically and empirically, and each question will be assigned a score to be specified during the final exam.
* participation to group test/work, mainly based on applying instruments for treatment and analysis of empirical data, on problem solving, and other questions (for a maximum of three additional points on the final exam grade).

The assessment aims to provide a sufficiently precise idea of the student's overall level of preparation on the entire programme and to help the lecturer understand both the students’ reasoning skills and their mastery of the methodological tools in interpreting and evaluating the phenomena that characterise international markets.

The final assessment of the course consists in awarding a mark on a thirty-point scale.

***NOTES AND PREREQUISITES***

Attendance is not compulsory, but recommended.

The detailed programme will be updated during the course. To successfully attend the course, students are required to possess basic knowledge of the fundamental concepts learned in the microeconomics, macroeconomics, and mathematics courses.

Information on office hours will be decided at the beginning of the course: see also the teacher's personal page at <http://docenti.unicatt.it/> and the Blackboard section.

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