# Elements of International Economics

## Prof. Raul Caruso

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course aims to address the main themes of international economics, both on a theoretical level and by means of selected empirical evidence. The course also addresses the interdependence between economics and security on a global level. As a rule, the course will be divided into three sections: (i) the first section will present the main theories typical of the study of international economics; (ii) the second section will present recent developments in important markets such as finance and labour; (iii) the third section will present the economic aspects of international relations, particularly as regards security.

In terms of knowledge and understanding, at the end of the course, students will be able:

– to use the specialist language of the discipline, as well as its main theoretical tools and concepts.

– to use the various sources of information and international economic data.

– to critically understand economic information as conveyed by mass media.

In terms of applying knowledge and understanding, at the end of the course, students will be able:

– to identify the fundamental economic aspects of globalisation

– to identify the economic factors underlying global political events.

– to develop and formulate policy solutions independently with regard to international economic relations.

***COURSE CONTENT***

The international economy: as a topic; key players.

International trade and free trade.

Labour productivity and the theory of comparative advantages.

The theory of factor endowments.

Monopolistic competition and international trade.

Intra-industrial trade.

Industrial districts and international trade.

The gravity model of trade and geographical distance.

Trade policies: duties, quotas and subsidies.

Direct investment abroad.

International labour mobility.

Exchange rate, price law and purchasing power parity.

Aspects of the international monetary system

European economic integration and the euro.

National accounts and balance of payments

Economic sanctions and international trade.

The international arms market and military expenditure.

Global governance of the economy: IMF, WTO and the World Bank

Crises and their impact on international economic relations.

***READING LIST***

P.R. Krugman-M. Obstfled-M. Melitz, *Economia Internazionale vols. 1 and 2,* Pearson, 2018.

R. Caruso, *Economia della pace,* Il Mulino, 2017.

***TEACHING METHOD***

Frontal lectures.

***ASSESSMENT METHOD AND CRITERIA***

Attending and non-attending students will be able to choose one of the following exam options:

**Option 1**

1. Five tests and practical activities at various points throughout the course via the digital platform (75%).

2. Final individual assignment (25%), for which students will answer one open question.

**Option 2**

1. Final individual assignment (100%), for which students will answer three open questions.

We have devised this system so that students are in the best position to take and pass the exam. In general, this approach makes it possible to assess students’ overall preparation as well as their ability reinterpret particularly important themes in their own way. More specifically, in the case of option 2, the three open questions are worth the same number of points, marked from 0 (unattempted) to 10 (exemplary answer).

***NOTES AND PREREQUISITES***

*Prerequisites*

As this is an introductory course, there are no prerequisites in terms of contents.

*Communication regarding the final assignment*

The procedure and deadlines for the final individual assignment will be communicated on the lecturer's webpage and on Blackboard.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG or on the Faculty notice board.