## **Economics of Global Competitiveness and Sustainability**

## Professor Martin Zagler

***COURSE AIMS AND LEARNING OUTOCOMES***

Territorial/national competitiveness and sustainability are becoming crucial drivers for firms’ performance in a globalized world. Most of the firm level decisions are for different reasons related to the territorial context where the firm is located. The objective of the course is to identify the most important elements in decisions made by firms in establishing a presence in Europe and internationally. After setting the stage with a discussion of globalization, the course opens with a review of readings about country risk and territorial competitiveness and proposes a series of practical tools for analysing national economies and their potential. The main points of reference are the instruments proposed by European and international organisations and by the principal agencies for rating the business environment of the points of destination for direct foreign investment. Moreover, specific attention is paid to the sustainability issue.

Upon completion of the program, students will be able to:

* understand the driving forces of globalization and its consequences;
* comprehend the relationship between competitiveness, terms of trade and exchange rates;
* identify the elements that cause an increase in country risk, including from an empirical profile;
* compare differing territorial performance based on competitiveness rankings;
* identify main sustainability issues in the perspective of Agenda 2030 – SDGs and evaluate public policies and private strategies impacting business environment;
* define the business environment of a given territory in terms of competitiveness and sustainability and respond to the demand of firms regarding the evaluation of location strategies.

***COURSE CONTENT***

1. Setting the Stage: Globalization
2. Competitiveness 101: Exchange rates and terms of trade
3. Beyond exchange rates: Competitiveness and ease of doing business
4. When things go wrong: Assessing Country risk
5. Sustainability and SDGs: concepts and measures.

***READING LIST [[1]](#footnote-1)***

A preliminary reading list is indicated below:

**Point 1**

* Dani Rodik, Symposium on Globalization in Perspective, Journal of Economic Perspectives, Vol 12(4), 1998. <https://www.aeaweb.org/articles?id=10.1257/jep.12.4.3>
* Robert C. Feenstra, Integration of Trade and Disintegration of Production in the Global Economy, Journal of Economic Perspectives, Vol 12(4), 1998. <https://www.aeaweb.org/articles?id=10.1257/jep.12.4.31>

**Point 2**

* Robert Feenstra and Alan M. Taylor (2017), International Macroeconomics, 4th edition, Macmillan, Chapters 2, 3, and 4.
* Paul Krugman, Competitiveness: A Dangerous Obsession, Foreign Affairs, Vol 73(2), March/April 1994. <https://www.jstor.org/stable/20045917?seq=1>
* J. Richard Huber, Effect on Prices of Japan's Entry into World Commerce after 1858, Journal of Political Economy, Vol 79(3), May/June 1971. <https://www.journals.uchicago.edu/doi/abs/10.1086/259771>

**Point 3**

* J. Stiglitz-A. Sen-J.P. Fitoussi, Report by the Commission on the Measurement of Economic Perfomance and Social Progress, 2009.
* S. Lall, Competitiveness indices and developing countries, an economic evaluation of Global Competitiveness Report, World Delevopment, Vol. 29, N.9, pp. 1501-1525, 2001.
* The Global Competitiveness Report, World Economic Forum, last year available.
* Ease of Doing Business Report, World Bank, last year available.

**Point 4**

* Robert Feenstra and Alan M. Taylor (2017), International Macroeconomics, 4th edition, Macmillan, Chapter 9.
* P. Manasse- N. Roubini,"Rules of Thumb" for Sovereign Debt Crises, IMF working paper, WP/05/42.
* Carmen Reinhart, Kenneth Rogoff, 2008, This Time is Different: A Panoramic View of Eight Centuries of Financial Crisis, NBER Working Paper No. 13882. https://www.nber.org/system/files/working\_papers/w13882/w13882.pdf
* The State of Public Finances Cross-Country Fiscal Monitor: November 2009, IMF Staff Position Note, November 3, 2009, SPN/09/25.

**Point 5**

* Gary D. Libecap, Addressing Global Environmental Externalities: Transaction Costs Considerations, Journal of Economic Literature 2014, 52(2), 424–479. <http://dx.doi.org/10.1257/jel.52.2.424>
* The sustainable development goals report, United Nations, last year available.

***TEACHING METHOD***

Lectures, case studies and practical exercises carried out with the guidance of the professor.

***ASSESSMENT METHOD***

There are three distinct evaluations during the course

* Active participation\* (10%)
* Group Work (30%)
* Final exam (60%)

(\* active participation can be substituted by an oral exam)

***NOTES***

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1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)