



Degree in International Studies - LM-52

Title of the course: International Political Economy

Name of the Chair of the course: CHIARA FRANCO

Compulsory/optional course: OPTIONAL

Year of the course and semester: Second Term

ECTS credit: 6

Number of hours: 42

General information and objective of the course

At the end of the course students will have basic knowledge of the issues related to the phenomenon of economic globalization by analysing in particular the functioning of international trade policies and the origin, structure and role of multinational firms.

The objective of the course is to enable students to:

- Describe the global economic situation through the interpretation of empirical data on export and import flows as well as foreign direct investments flows.
- Interpret the relationship between trade flows and some macroeconomic variables such as growth and development.
- Explain the motivations for which a firm becomes a multinational firm and how it can develop its presence on international markets.

Material and structure of the course

The program is made up of the following topics:

- Introduction to the phenomenon of globalization with respect to the general characteristics and trends of international trade.
- International Trade Theory: Comparative Advantage and Heckscher-Ohlin's Model

- New theories of international trade: intra-industry trade and the role of the firm.
- International trade policies: tariff and non-tariff barriers; the role of economic integration
- Foreign Direct Investment theory: how do firms become multinational companies and their impact in the countries of origin and destination.
- Impact of globalization on growth and economic development.

Main text book

- Beugelsdijk S., Brakman S., Garretsen H., van Marrewijk C. "International Economics and Business. Nations and Firms in the Global Economy", Second Edition, Cambridge University Press, 2013 - (Chapters 1,2,3,4,5,6,7, 13,14)

Further readings:

- Castellani D, Zanfei A “Multinational Firms, Innovation and Productivity”, Edward Elgar Publishing, 2006
- Mariotti, Sergio, and Lucia Piscitello, (eds.) “Multinazionali, innovazione e strategie per la competitività”. Il Mulino, 2006
- Melitz, P. Krugman-M. Obstfeld-M. “Economia Internazionale.” 10th Edition, Pearson 5, 2015
- Salvatore D. “Economia internazionale”, Zanichelli, 2016
- Slides and further material downloadable from e-learning Moodle

Pre-requisites, exams and assessment

- Students are advised to have a basic knowledge of the main microeconomic concepts but they will be nevertheless discussed during lectures.
- To verify knowledge, students attending classes may take a written mid-term exam that consists in open and multiple choice questions. To be admitted to the final written exam students must have obtained a grade equal or higher than 15 in the mid-term exam. The final grade will be supplemented by the evaluation of short oral presentations that will be done in class. Oral examination is optional and may be taken provided that the grade in the written exam is equal or higher than 18. The final grade can increase or decrease by 3 points.
- Upon request, Italian students may sit the exam in Italian.

Office hours

Dr Chiara Franco receives the students upon appointment. Email: chiara.franco@unipi.