

Syllabus - Economics of Globalization

Course webpage: https://sebastien-laffitte.eu/teaching_globalization.html

1. Course description

The goal of this course is to provide an introduction to the economics of globalization. The notion of globalization is voluntary broad and includes several topics that will be covered along the course. This course is designed to provide both theoretical and empirical knowledge about globalization.

We will discuss the historical origins of globalization and reflect upon the state of the current globalization. We will then discuss the theories of trade and protectionism and interpret recent developments (e.g. the China-US trade war) in light of these theories. We will also discuss recent key issues such as the links between globalization, taxation and inequalities, the role of foreign investment and multinational firms in today's globalization and the tight links between globalization and the environment, from the coordination problems to the impact of trade and multinational firms on global warming. Some topics of international macroeconomy will be also treated.

2. Learning Outcomes

At the end of the course, the students must be able to understand some important challenges of the current globalization. They should be able to mobilize the knowledge to discuss these challenges and the questions at the center of the policy debate. They should have a good empirical knowledge of the current globalization.

3. Schedule

The course is composed of 11 sessions of 2 hours.

Session 1: Introduction of the course: what is globalization?

Session 2: Globalization: Past, Present, and Future

Session 3 and 4: The gains from trade: insights from trade theory

Session 5: Trade Policy: Trade Agreements, Protectionism, Tariff wars.

Session 6: Foreign Direct Investment

Session 7: Globalization and Inequality I: Inequalities among countries and development

Session 8: Globalization and Inequality II: Inequalities within countries

Session 9: Globalization and Inequality III: The International Tax System and Tax Havens

Session 10: Globalization and the Environment

Session 11: Exam

4. Reading Suggestions

I propose here reading suggestions. These readings are not mandatory for the course. Additional references will be given during the course.

- **Textbooks**
 - CORE Chapter 18
 - International Economics: Theory and Policy, Krugman, Obstfeld and Melitz, 11th edition
- **Books**
 - Rodrik, D., Straight Talks on Trade, Princeton University Press, 2017
 - Roberts, A., Lamp, N., Six faces of globalization. Who Wins, Who Loses, and Why It Matters, Harvard University Press, 2021
 - Goldberg P., The Unequal Effects of Globalization, MIT Press, 2023 (free e-book)
 - The Deaton Review, Trade and Globalization, 4 articles:
<https://ifs.org.uk/inequality/themes/trade-and-globalisation/>
- **Websites (policy notes)**
 - Cepii
 - Carnets Graphiques (in French),
http://www.cepii.fr/PDF_PUB/autres/40ans_carnetsGraphiques/40ans_carnetsGraphiques.pdf
 - Bruegel Institute
 - Peterson Institute for International Economics
- **Newspaper websites:**
 - The Economist
 - The Financial Times
- **Trade Data Visualisation**
 - Observatory of Economic Complexity: <https://oec.world/en>

5. Assessment

The grading will be based on a short policy note made in group (1/3), the presentation of the note to the class (1/3), and a final exam (1/3). Bonus will be given based on participation.

List of the presentations: To be determined soon.