

SUBJECT:	International Economics		
HOURS:	18	ECTS:	3

Name/title of the author:	Dr Marek Dąbrowski, Dr Piotr Stanek
Course Description:	The subject matter of international economics is focused on economic relations between countries. Its two main tasks are to explain patterns and benefits of international trade in goods and services and in financial assets, to explain how these processes impact on the way the economy works and to provide useful economic policy prescriptions for advanced, emerging and developing economies.
Learning Outcomes (skills and knowledge):	Upon the completion of this unit doctoral students will be able to define and describe important problems of contemporary international economics. They will also know how to design a research hypothesis and methodology in the field of international economics. Students will be up-to-date with recent developments in the field through articles in international journals as well as the most recent working papers.
Course Content:	<p>Introduction to international economics</p> <p>Theory of international trade</p> <p>Imperfect competition and international trade</p> <p>International corporations, foreign direct investments and outsourcing</p> <p>Theory and practice of international trade policy and the WTO Doha round</p> <p>International factors of production movements</p> <p>Balance of payments and exchange rate economics</p> <p>Macroeconomics of exchange rates systems. Choice of the exchange rate regime</p> <p>Mechanisms of financial and currency crises</p> <p>International monetary system</p> <p>Developing countries in the world economy. Some policy considerations</p>
Methods of Instruction:	Interactive lectures, analysis of articles
Assessment policy (examination):	Tests, essay.
References:	<p><b>Handbooks:</b></p> <p>R. Feenstra, <i>Advanced International Trade: Theory and Evidence</i>, Princeton University Press, 2003.</p> <p>R. Jones, P. Kenen, G. Grossman and K. Rogoff, <i>Handbook of International Economics</i>, vol. I – III, North – Holland , Amsterdam 1984-1995.</p> <p>P.J. Montiel, <i>International Macroeconomics</i>, Wiley- Blackwell, West Sussex 2009.</p> <p>M. Obstfeld and K. Rogoff, <i>Foundations of International Macroeconomics</i>, The MIT Press, Cambridge, Massachusetts – London 1998.</p> <p>L. Sarno and M.P. Taylor, <i>The economics of exchange rates</i>, Cambridge University Press, Cambridge 2002.</p> <p><b>Background reference undergraduate textbook:</b></p> <p>P.R Krugman, M.Obstfeld , <i>International Economics, Theory and Policy</i>, Addison – Wesley London , New York 2006.</p>

**Suggested list of articles (to be completed during classes):**

Broda, Christian and David E. Weinstein, 2006, "Globalization and the Gains from Trade," *Quarterly Journal of Economics*, May, 121(2), 541-585, NBER working paper no. 10314, <http://papers.nber.org/papers/w10314>

Costinot, A. "On the Origins of Comparative Advantage," *Journal of International Economics* 77 (2009) 255-264.

Caliendo, L. 2011. "On the Dynamics of the Heckscher-Ohlin Theory," mimeo. [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1712074](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1712074)

Hummels, D., D. Rapoport, and K. Yi, "Vertical Specialization and the Changing Nature of World Trade," *Federal Reserve Bank of New York Economic Policy Review*. <http://www.newyorkfed.org/research/epr/98v04n2/9806hummm.pdf>

Antràs, P. and E. Helpman. 2004, "Global sourcing" *Journal of Political Economy* <http://www.economics.harvard.edu/faculty/antras/papers/GSJPE.pdf>

Antràs, P. and E. Rossi-Hansberg. 2009. "Organizations and Trade," *Annual Review of Economics*. <http://www.princeton.edu/~erossi/TO.pdf>

Feenstra, Robert C. and Paul R. Bergin, Pass-through of Exchange Rates and Competition Between Floaters and Fixers, 2008, Revised version of NBER working paper no. 13620, November 2007.

Z. Darvas and J. Pisani-Ferry, The threat of 'Currency wars': a European perspective, Bruegel Policy Contribution Issue 2010/12, December 2010, <http://www.bruegel.org/download/parent/461-the-threat-of-currency-wars-a-european-perspective/file/945-the-threat-of-currency-wars-a-european-perspective-english/>

Benati, Luca & Goodhart, Charles, 2010. "Monetary Policy Regimes and Economic Performance: The Historical Record, 1979-2008," *Handbook of Monetary Economics*, in: Benjamin M. Friedman & Michael Woodford (ed.), *Handbook of Monetary Economics*, edition 1, volume 3, chapter 21, pages 1159-1236 Elsevier, available at [http://www.ecb.int/events/pdf/conferences/monetaryeconomics/item13\\_paper.pdf](http://www.ecb.int/events/pdf/conferences/monetaryeconomics/item13_paper.pdf)

Krugman, Paul R., *The Increasing Returns Revolution in Trade and Geography*, „*American Economic Review*” 2009, Vol. 99, No. 3 (June).

Ghosh, Atish R., Jonathan D. Ostry i Charalambos Tsangarides, *Exchange Rate Regimes and the Stability of the International Monetary System*, „IMF Occasional Paper” 2010, No. 270.