

International Economics

ECON-UA9238-L01

NYU London: Fall 2023

Instructor Information

- Email address:
- Office hours: by appointment

Instruction Mode: In-person

Course Details

- Tuesday & Thursday
- Location:

Prerequisites

- ECON-UA 1: Intro to Macroeconomics (or equivalent course or AP MACROECONOMICS WITH SCORE OF 4 OR 5) and ECON-UA 2: Intro to Microeconomics (or equivalent course or AP MICROECONOMICS WITH SCORE OF 4 OR 5).

Course Description

The course develops a systematic understanding of the key areas of international economics theory namely, analysis of trade (comparative advantage, factor endowments, etc.), analysis of the welfare costs of trade barriers, the discussion of politics of protectionism and trade policy, purchasing power parity, interest rate parity and exchange rate relationships, monetary and fiscal policy under fixed and flexible exchange rates and the significance of different exchange rate regimes.

The teaching of the course is organized in weekly lectures (75 minutes) in which the theory of the topic is presented. Lectures are followed by seminars (75 minutes) in which the theory will be applied to practical exercises and case studies.

Course Objectives

Upon completion of this Course, students will be able to:

- critically assess the main institutions and functions of international economic organizations.
- critically evaluate the interrelationship between the three main areas of international economic activity trade, finance and investment and the rationale of economic integration.
- critically assess the nature and functions of the international monetary system.
- critically assess international businesses, formulate global strategies and undertake foreign investment.
- critically evaluate how multinational firms respond to international economic issues and provide solutions by integrating relevant theory with empirical evidence.

Assessment Components

If you are an NYU London study-away student, you are expected to attend in person. If you are accessing the class remotely, you must attend synchronously.

| Assignments/ Activities | Description of Assignment | % of Final Grade | Due |
|------------------------------------|---|---------------------------------|---------------------|
| Presentation | Each student (or group of two students) will present a summary of an assigned paper. This should take approximately 20 minutes (15 minutes presentation, followed by a discussion 5 min). | 15% | Sessions 11 & 12 |
| Mid-term exam | Online time assessment (OTA) open-book (3 hours) | 35% | Session 14 |
| Presentation | Each student (or group of two students) will present a summary of an assigned paper. This should take approximately 20 minutes (15 minutes presentation, followed by a discussion 5 min). | 15% | Sessions 26 & 27 |
| Final Exam | Online time assessment (OTA) open-book (3 hours) | 35% | Last session |

Failure to submit or fulfill any required course component results in failure of the class

Assessment Expectations

| Letter Grade | Grade Percentage | Description |
|---------------------|--|--|
| A-range | A = 93-100% A- = 90-92% | Excellent understanding of theory and evidence of clear thought in topics related to international economics. Students in this range will also have the capability to elaborate their own thinking and opinions about the methods covered in the module. |
| B-range | B+ = 87-89% B = 84-86% B- = 80-83% | Very good understanding of the theory and of the different possible applications of the models studied to real life problems. |
| C-range | C+ = 77-79% C = 74-76% C- = 70-73% | Good command of the material covered without complete understanding of the relations between different theories and of their applications to real life issues related to the topic. |
| D-range | D+ = 67-69% D = 65-66% | Evidence of effort and of some understanding of the topic. Students in this range will typically show a mechanical understanding of the material without the capability to extend this knowledge to similar methodologies and to relate concepts. |
| F | F = below 65% | Incorrect or null understanding of the theories and/or models covered in the module. |

Course Materials

Required Textbooks

- Yarbrough, B.V. and R.M. Yarbrough. 2013a. The World Economy: International Trade (7th ed.). ISBN: 1489538062
Available from www.amazon.com
- Yarbrough, B.V. and R.M. Yarbrough. 2013b. The World Economy: Open Economy Macroeconomics and Finance (7th ed.). ISBN: 1489538135
Available from www.amazon.com

Required Materials

The effects of China's integration into the world economy

- Autor, D.H., Dorn, D. and G.H. Hanson. 2016. The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade. *Annual Review of Economics* 8:1, 205-240. <https://economics.mit.edu/files/12751>
- Bloom, N., Kurmann, A., Handley, K. and P. Luck. 2019. The Impact of Chinese Trade on U.S. Employment: The Good, The Bad, and The Apocryphal. Working paper. <https://ideas.repec.org/p/red/sed019/1433.html>

Trade wars and trade talks: US-Sino Trade war

- Fajgelbaum, P.D., Goldberg, P.K., Kennedy, P.J. and A.K. Khandelwal. 2020. The Return to Protectionism. *The Quarterly Journal of Economics* 135(1), 1–55. <https://doi.org/10.1093/qje/qjz036>
 - Non-technical summary: <https://voxeu.org/article/return-protectionism>
 - Animation: <https://www.youtube.com/watch?v=-yDc3HXL41M>
- Matoo, A. and R. Staiger. 2019. Trade Wars: What Do They Mean? Why are They Happening Now? What are the Costs? World Bank Policy Research Working Paper No. 8829. <http://documents.worldbank.org/curated/en/147771555968441512/Trade-Wars-What-Do-They-Mean-Why-Are-They-Happening-Now-What-Are-the-Costs>

Trade wars and trade talks: Brexit

- Thomas, S. 2017. Brexit: The Economics of International Disintegration. *Journal of Economic Perspectives* 31(4), 163–184. <https://www.aeaweb.org/articles?id=10.1257/jep.31.4.163>
 - Non-technical summary: <https://voxeu.org/article/brexit-economics-international-disintegration>
- Mayer, T., Vicard, V. and S. Zignago. 2019. The cost of non-Europe, revisited”, *Economic Policy* 34 (98), 145–199, <https://doi.org/10.1093/epolic/eiz002>
 - Non-technical summary: <https://voxeu.org/article/revisiting-cost-non-europe>

Sovereign debt default and restructuring

- Tomz, M., Wright, M.L.J. 2013. Empirical Research on Sovereign Debt and Default. *Annual Review of Economics* 5:1, 247-272.
- Beers, D. and de Leon-Manlagnit, P., 2019. The BoC-BoE sovereign default database: what’s new in 2019? BOE Staff Working Paper No. 829 <https://www.bankofengland.co.uk/working-paper/2019/the-boc-boe-sovereign-default-database-whats-new-in-2019>
- Das, U.S., Papaioannou, M.G. and Trebesch, C., 2012. *Sovereign debt restructurings 1950-2010: Literature survey, data, and stylized facts*. IMF working paper. <https://www.imf.org/external/pubs/ft/wp/2012/wp12203.pdf>
- Zettelmeyer, J., Trebesch, C. and Gulati, M., 2013. The Greek debt restructuring: an autopsy. *Economic Policy*, 28(75), 513-563.

International taxation

- Zucman, G., 2014. Taxing across borders: Tracking personal wealth and corporate profits. *Journal of economic perspectives*, 28(4), pp.121-48.
<https://www.aeaweb.org/articles?id=10.1257/jep.28.4.121>
- Zucman, G., 2019. Global wealth inequality. *Annual Review of Economics*, 11, pp.109-138.
<https://www.annualreviews.org/doi/abs/10.1146/annurev-economics-080218-025852>
<http://gabriel-zucman.eu/files/Zucman2019.pdf>

Optional Textbooks & Materials

- Salvatore, D. 2010. *International Economics* (10th ed.). John Wiley & Sons. ISBN:978-0-470-50582-3
- Feenstra, R.C, and A.M. Taylor, 2021. *International Economics*. Macmillan. ISBN: 9781319218508

Resources

- Access your course materials: [Brightspace](#)
- NYU London and Living in London Info: [LDN](#)
- Databases, journal articles, and more: [Bobst Library](#)
- Assistance with strengthening your writing: [NYU Writing Center](#) (nyu.mywconline.com)
- Obtain 24/7 technology assistance: [IT Help Desk](#)

Topics & Assignments

| Week/Date | Topic | Reading | Assignment Due |
|---|--|---|----------------|
| Session 1 August 31 45 minutes Zoom session Mandatory attendance in classroom | Logistics and introduction to the course | None | NA |
| Session 2 September 5 Additional 30 minutes class | The FX market, interest rate and purchasing power parity | Chs. 2, 8 in (YYb) Chs. 13, 14 (FT) Class Notes | None |

| Week/Date | Topic | Reading | Assignment Due |
|---------------------------|---|----------------------------|-----------------------|
| Session 3 September 7 | The Balance of Payments and the Market for Good and Services in an Open Economy | Ch. 4 in (YYb) | None |
| Session 4 September 12 | | Ch. 14 (FT) Class Notes | |
| Session 5 September 14 | The Monetary Approach to the FX Rate in the Long Run | Ch. 4 in (YYb) | None |
| Session 6 September 19 | | Ch. 14 (FT) Class Notes | |
| Session 7 September 21 | Macroeconomic Policy under Fixed Exchange Rates | Ch. 6 in (YYb) | None |
| Session 8 September 26 | | Class Notes | |
| Session 9 September 28 | Macroeconomic Policy under Flexible FX and FX crises | Ch. 10 in (YYb) | None |
| Session 10 October 3 | | Ch. 20 (FT) Class Notes | |
| Session 11 October 5 | Paper presentations [15% of final grade] | | |
| Session 12 October 10 | Paper presentations [15% of final grade] | | |
| Session 13 October 12 | Reading class (activities TBC) | | |

| Week/Date | Topic | Reading | Assignment Due |
|---------------------------|---|--|-----------------------|
| Session 14 October 17 | Mid-term exam (3 hours OTA). Time TBC [35% of final grade] | | |
| Session 15 October 19 | Classical Theory | Ch. 2 (YYa) | None |
| Session 16 October 24 | | Chs. 1, 2, 4 (FT) OWID & UN Comtrade pages Class Notes | |
| Session 17 October 26 | Neoclassical Theory | Chs. 3, 4 (YYa) | None |
| Session 18 October 31 | | Chs. 1, 2, 4 (FT) OWID & UN Comtrade pages Class Notes | |
| Session 19 November 2 | New Trade Theories | Ch. 5 (YYa) | None |
| Session 20 November 7 | | Class notes | |
| Session 21 November 9 | Trade Policy | Chs. 6,7,8,9 (YYa) | None |
| Session 22 November 14 | | Chs. 8, 9 (FT) Class notes | |
| Session 23 November 16 | Economic Integration: Political Economy of Trade Policy | Ch. 9 (YYa) Class notes | None |

| Week/Date | Topic | Reading | Assignment Due |
|---------------------------------|--|----------------|-----------------------|
| Session 24 November 21 | Reading class (activities TBC) | | |
| Session 25 November 28 | Immigration, Foreign Investment and Multinational Corporations | Ch. 10 (YYa) | None |
| Session 26 November 30 | | Class notes | |
| Session 27 December 6 | Paper presentations [15% of final grade] | | |
| Session 28 December 8 | | | |
| Final Assessment December 14 | Final exam (3 hours OTA). Time TBC [35% of the final grade] | | |

Course Policies

Classroom Etiquette

- Please do not eat during class and minimize any other distracting noises (e.g. rustling of papers and leaving the classroom before the break, unless absolutely necessary).
- If you are not using your cell phone to follow the lesson, cell phones should be turned off or in silent mode during class time.
- Make sure to let your classmates finish speaking before you do.
- If deemed necessary by the study away site (ie COVID related need), synchronous class sessions may be recorded and archived for other students to view. This will be announced at the beginning of class time.
- Students should be respectful and courteous at all times to all participants in class.

Final exams

Final exams must be taken at their designated times. Should there be a conflict between your final exams, please bring this to the attention of the London Academics team

(nyul.academics@nyu.edu). Final exams may not be taken early, and students should not plan to leave the site before the end of the finals period.

Academic Honesty, Plagiarism and Late Work

Students at Global Academic Centers must follow the [University and school policies](#). You can find details on these topics and more on this section of our NYUL website (<https://www.nyu.edu/london/academics/academic-policies.html>) and on the Policies and Procedures section of the NYU website for students studying away at global sites (<https://www.nyu.edu/academics/studying-abroad/upperclassmen-semester-academic-year-study-away/academic-resources/policies-and-procedures.html>).

Attendance

Key information on NYU London's absence policy, how to report absences, and what kinds of absences can be excused can be found on our [website](#) (<http://www.nyu.edu/london/academics/attendance-policy.html>)

To ensure the integrity of the academic experience, class attendance is required and expected promptly when class begins. These rules apply to class excursions and activities as well.

Members of any religious group may, without penalty, excuse themselves from classes when required in compliance with their religious obligations, but must follow NYU London's absence reporting procedure. Please note that an absence is only excused for the holiday but not for any days of travel that may come before and/or after the holiday. See also [University Calendar Policy on Religious Holidays](#)

Moses Accommodations Statement

Academic accommodations are available for students with documented and registered disabilities. Please contact the Moses Center for Student Accessibility (+1 212-998-4980 or mosescsd@nyu.edu) for further information. Students who are requesting academic accommodations are advised to reach out to the Moses Center as early as possible in the semester for assistance.

Inclusivity Policies and Priorities

NYU's Office of Global Programs and NYU's global sites are committed to equity, diversity, and inclusion. In order to nurture a more inclusive global university, NYU affirms the value of sharing differing perspectives and encourages open dialogue through a variety of pedagogical approaches. Our goal is to make all students feel included and welcome in all aspects of academic life, including our syllabi, classrooms, and educational activities/spaces.

Pronouns and Name Pronunciation (Albert)

You can edit your pronoun and name pronunciation information on your Albert account, making it visible for faculty and staff. Information on how to do this can be found on the [Pronouns and Name Pronunciation web page](#).

Bias Response

The New York University Bias Response Line provides a mechanism through which members of our community can share or report experiences and concerns of bias, discrimination, or harassing behavior that may occur within our community. For more information, including how to report an incident, visit the [Bias Response Line website](#).

Your Lecturer

Dr Trino-Manuel Níguez is a Reader in Economics at the Westminster Business School, University of Westminster. He graduated with a BSc Degree in Economics (1997) and a MSc in Quantitative Economics (1999) at the University of Alicante. He was an Erasmus student at the University of Copenhagen in 1999 and a Research Scholar at the London School of Economics and Political Science in 2003-2004. He completed his PhD in Economics from the University of Alicante in 2004. Dr Níguez is a Senior Fellow of the Higher Education Academy (SFHEA). He has held visiting positions at the Bank of Spain and the University of Alicante. He has taught International Economics at NYUL since 2011. He was a Graduate Teaching Assistant at the University of Alicante from 1999 to 2003 and at the London School of Economics from 2003 to 2005. He also worked for the Spanish government as a professional clarinetist (1987 to 1992) and obtained a Degree of Teacher of Clarinet from the Superior Conservatory of Music "Oscar Espla" of Alicante in 1994.

His research interests are in the areas of econometric theory, financial and time series econometrics, optimal portfolio choice, and forecasting. He has published his work in *Economics Letters*, *Finance Research Letters*, *International Journal of Forecasting*, *Journal of Banking & Finance*, *Journal of Empirical Finance*, *Journal of Forecasting*, *Journal of Risk Finance*, *North American Journal of Economics and Finance*, *Oxford Bulletin of Economics and Statistics*, *Quantitative Finance*, and *Spanish Economic Review*, among other journals.