

## **International Economy**

**B. Zimmer**

### **Résumé :**

The course provides an overview of the global economic context, characterized by globalization and regional integration processes. It consists of three parts. In the first part, students are introduced to classical and modern theories of international trade. A substantial chapter is dedicated to examination of efficient trade policies.

The second part deals with open macroeconomics, ranging from theories of international finance flows and determination of interest and exchange rates in interconnected economies to macroeconomic policies available to governments.

The final part focuses on European integration and in particular on European monetary integration. The aim is to provide answers to questions such as: Why did Europe set up its single currency? And how? Has the Euro been good for the economies of the members?

### **Plan :**

PART 1: Globalization and international trade – theory and policy

Chapter 1 : World trade – some facts

Chapter 2 : Comparative advantage : the Ricardian model

Chapter 3 : Resources and trade : the Heckscher-Ohlin model

Chapter 4 : Trade policy

PART 2: Open-Economy macroeconomics and exchange rates

Chapter 5 : National incomes accounting and the balance of payments

Chapter 6 : The Foreign Exchange Market and exchange rates

PART 3: Global and regional interdependences - the European Union context

Chapter 7: The history of the European monetary integration

Chapter 8: The specificities of the European Monetary Union (EMU)

Chapter 9: Is the EMU an Optimal Currency Area (OCA) ?

### **Bibliographie sélective :**

- P. Krugman, M. Obstfeld and M. Melitz, *International economics – Theory and policy*, 11<sup>th</sup> ed., 2018.
- R. Baldwin and C. Wyplosz, *The Economics of European Integration*, McGraw Hill, 6<sup>th</sup> ed., 2019.
  - K. Constant et al., *Economie internationale*, Vuibert, 2018.

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