

Globalisation and the European Labour Market

Winter Term 2014/2015

Das economics seminar is directed towards students of *International Business Administration*, *Internationale Betriebswirtschaftslehre* and *Wirtschaft und Recht* as well as towards students of the discontinued study programs *Betriebswirtschaftslehre* and *Volkswirtschaftslehre*. The course belongs to the Schwerpunkt *European Economics* and thus is recommended for students who have successfully completed their first three semesters.

The seminar is structured into three blocks:

There are two compulsory opening sessions:

Tue 14.10.2014, 16-18, AM 02

Tue 21.10.2014, 18-20, AM 02

These sessions will focus on issues related to academic writing, development of a scientific question, citation rules etc.

The course is completed by a final seminar block taking place

Thu 22.01.2015 – Fr. 23.01.2015, 09-18, GD 04

In which term papers will be presented and discussed.

Course work: Participants will write a seminar paper of up to 15 pages (including tables, references etc. conforming to the seminar paper guide lines published on the chair's home page). The paper is due **January 7th 2015, 24:00** and has to be submitted electronically as a **pdf** by sending it in time to geishecker@europa-uni.de. Each seminar participant will also present his seminar paper for 15-20 minutes and will briefly discuss another seminar paper for up to 5 minutes during the final block.

Notes: The maximum of 15 pages is binding as is the deadline.

Grading: 40% presentation, 10% discussion, 50% seminar paper. Successful and timely completion of the seminar paper is a prerequisite for taking part in the final block.

Registration: Participant can register for one topic of their choice starting **October 15th, 9:00** by filling in the register form displayed in HG 052. Registration ends when all 20 topics are allocated or by **October 21st, 15.30**. First come, first serve.

Furthermore, students are required to send a detailed scientific question, a brief motivation of that question and an outline for their seminar paper by **November 7th 2014, 12:00 as a pdf by email to geishecker@europa-uni.de**. Not submitting in time will result in failing the course.

Prerequisites: successful completion of the courses „*Internationale Wirtschaftsbeziehungen*“ or „*Multinational Enterprises: Theory and Empirics*“ is recommended.

Notes and FAQs:

- i) Deadlines: 14.10-21.10, 2014; 7.11.2014; 7.1.2014
- ii) Please come to our office hours, preferably early during the semester. Arrange for a date by sending an Email to gampfer@europa-uni.de or geishecker@europa-uni.de . Last minute dates shortly before Christmas break are not feasible.
- iii) Your topic is not a scientific question. The question you have to develop yourselves.
- iv) No, the listed literature is not sufficient for writing your paper but merely constitutes a starting point.
- v) Further literature can be found in scientific journals. Acquaint yourselves with the online data bases of our library. Independent literature search is a corner stone for your seminar paper. How to find and cite relevant literature will be the subject of the first seminar sessions in October.
- vi) Simply mentioning literature is not sufficient. Literature has to be critically discussed and put into context and relation. Your task is to build a concise argumentation on the basis of cited literature.
- vii) Listed sub-topics should be interpreted in the context of the respective heading.
- viii) 15 pages constitute the maximum length of the seminar paper not the minimum. Less is more!
- ix) Read the chair's guideline for writing a seminar paper!

Following topics are currently available. Should you be interested in an interesting question that does not belong to one of the topics please contact me per Email until October 14th 2014.

Topic 1) Globalisation: definition, current trends

- a) The second wave of globalisation.
- b) Market penetration strategies of European firms in China.

Literatur: Dreher, Gaston and Martens (2008), Krugman und Obstfeld (2012); UNCTAD, World Investment Reports. UNCTAD Trade and Development Reports, OECD, Eurostat, Statistisches Bundesamt, Deutsche Bundesbank

Topic 2) Reasons for increased globalisation

- a) The role of institutions for fostering international trade.
- b) The role of technological change for fostering international trade.

Literatur: Krugman (1995), Krugman (2007), Kazim (2007), Bernhofen et al. (2013)

Topic 3) Welfare effects of international trade and the role of technology.

- a) The Ricardo Model, comparative advantages and technological change.
- b) *Intellectual Property Rights*: global initiatives for their protection.
- c) Welfare effects of international trade and firm heterogeneity: A “new new trade” theory perspective.

Literatur: Krugman und Obstfeld (2012), Markusen et al. (1995), Samuelson (2004), Melitz and Trefler (2012)

Topic 4) Distributional and Labour Market consequences of international trade

- a) Labour market effects of international trade for high- and low-skilled workers with flexible wages.
- b) Labour market effects of international trade for high- and low-skilled workers with rigid wages.

Literatur: Markusen et al. (1995), Krugman (1995), Krugman (2007), Economist (2007), Nickell et al. (2005),

Topic 5) International Outsourcing / Offshoring

- a) The Offshoring/Re-shoring phenomenon: Definition, measurement, trends.
- b) Labour market effects of offshoring in a simple two-factor, two-sector Heckscher-Ohlin Model.
- c) Empirical analysis of the effects of offshoring: aggregate employment
- d) Empirical analysis of the effects of offshoring: the skill bias
- e) Offshoring and Unionisation.

Literatur: Sven W. Arndt (1997), Storbeck (2004), Economist (2005), Economist (2013), Feenstra and Hanson (2001), Lommerud et al. (2003)

Topic 6) Trade Policy

- a) Welfare implications of tariffs, quotas and red tape.
- b) The transatlantic trade and investment partnership (TTIPS)
- c) EU trade policy with respect to agricultural products: status quo and reforms

Literatur: Krugman und Obstfeld (2012), Markusen et al. (1995), Steingart (2007), www.wto.org

Topic 7) Common anti-globalisation arguments

- a) International Trade and Development
- b) Exploitation in developing countries: Excesses and Self-Regulation Attempts
- c) „Fair Trade for All“ – WTO negotiations and failure

Literatur: Krugman und Obstfeld (2012), Rodrik (1997), Stiglitz und Charlton (2005), Deardorff (2003), OXFAM (2002), *attac*-Homepage

Literaturliste:

- Arndt, „Globalization and the Open Economy“, North American Journal of Economics and Finance, 1997, 8(1), pp. 71-79.
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- Economist (2007b), “In the shadow of prosperity“, The Economist, 18.1.2007.
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Steingart (2007), "Das Ende der Globalisierung?", *Der Spiegel*, 10.12.2007.

Stiglitz und Charlton (2005), "Fair Trade for All: How Trade Can Help Promote Development", Oxford University Press.

Storbeck (2004), "Outsourcing hilft dem Standort Deutschland", *Handelsblatt*, 7.4.2004.

UNCTAD World Investment Report, www.unctad.org

UNCTAD Trade and Development Report, www.unctad.org