

Globalisation and the European Labour Market

Winter Term 2015/2016

The 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.

Course structure:

- **Weekly** seminar meetings on **Tuesday, 18:00-19:30**, room GD 205, starting **13.10.2015**
- **Final seminar block** taking place on Thu **21.01.2016**, 09-18, Fri **22.01.2016**, 09-18, Sat **23.01.2016** 09-14, room *tba*

The weekly sessions will focus on issues related to introduction of the topic, academic writing, development of a scientific question, citation rules etc. The final seminar block is reserved for a full presentation and discussion of the course papers.

Course work:

- Each seminar participant is required to write a **course paper** of up to 15 pages (including tables, references etc. conforming to the seminar paper guide lines published on the chairs home page). The paper is due **07.01.2016, 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 the course paper** for 15-20 minutes and will briefly discuss another course paper for up to 5 minutes during the final block.
- The participants will give a **short presentation** (max. 5 minutes, max. 5 presentation slides) introducing their own seminar topic during the weekly sessions on **10.11.2015** and **17.11.2015**.
- Each seminar participant has to hand in a **written outline** of his or her course paper (0.5 pages, including a list of the relevant literature, the research question and a short plan of how the question will be answered). The outline is due on **02.11.2015, 24:00** and has to be submitted electronically as a **pdf** by sending it on time to geishecker@europa-uni.de.

Notes: The maximum number of pages or minutes is binding as are the deadlines.

Grading:

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

Registration:

Participants are required to hand in a list of their **first four preferences** for a topic in the first seminar session on Tuesday, 13.10.2015. We allocate the 1st preferences without overlap. In case of overlap we allocate the topic by random draw. A full list of allocated topics will be distributed on Wednesday, 14.10.2015. **Each participant with a topic is required to enrol for the course on HIS-Portal by Thursday, 16.10.2015, 23:50.** Otherwise the topic will be allocated to other potential participants.

Prerequisites:

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

Notes and FAQs:

- Deadlines: 14.10.2015, 16.10.2015, 02.11.2015, 07.01.2016
- 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.
- Your topic is not a scientific question. The question you have to develop yourselves.
- No, the listed literature is not sufficient for writing your paper but merely constitutes a starting point.
- 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.
- 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.
- Listed sub-topics should be interpreted in the context of the respective heading.
- 15 pages constitute the maximum length of the seminar paper not the minimum. Less is more!
- 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 geishecker@europa-uni.de per Email until October 13th 2014.

Block I: Globalisation: definition, current trends

1. The second wave of globalisation.
2. Market penetration strategies of European firms in China.

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

Block II: Reasons for increased globalisation

3. The role of institutions for fostering international trade.
4. The role of technological change for fostering international trade.

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

Block III: Welfare effects of international trade and the role of technology.

5. The Ricardo Model, comparative advantages and technological change.
6. Intellectual Property Rights: global initiatives for their protection.
7. Welfare effects of international trade and firm heterogeneity: A “new new trade” theory perspective.

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

Block IV: Distributional and Labour Market consequences of international trade

8. Labour market effects of international trade for high- and low-skilled workers with flexible wages.
9. Labour market effects of international trade for high- and low-skilled workers with rigid wages.
10. Chinese Import competition and the German labour market

Literature: Markusen et al. (1995), Krugman (1995), Krugman (2007), Economist (2007), Nickell et al. (2005), Dauth et al. (2014)

Block V: International Outsourcing / Offshoring

11. The Offshoring/Re-shoring phenomenon: Definition, measurement, trends.
12. Labour market effects of offshoring in a simple two-factor, two-sector Heckscher-Ohlin Model.
13. Empirical analysis of the effects of offshoring: aggregate employment
14. Empirical analysis of the effects of offshoring: the skill bias
15. Offshoring and Unionisation.

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

Block VI: Trade Policy

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

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

Block VII: Common anti-globalisation arguments

19. International Trade and Development

20. Exploitation in developing countries: Excesses and Self-Regulation Attempts

21. „Fair Trade for All“ – WTO negotiations and failure

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

Literature:

Arndt, „Globalization and the Open Economy“, North American Journal of Economics and Finance, 1997, 8(1), pp. 71-79.

Dauth, Findeisen, and Suedekum (2014). The rise of the East and the Far East: German labor markets and trade integration. Journal of the European Economic Association, 12(6), 1643–1675.

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Dreher, Gaston and Martens (2008), „Measuring Globalization – Gauging its Consequences“, New York: Springer.

Economist (2005), „The rise of nearshoring“, The Economist, 1.12.2005.

Economist (2007), „Rich man, poor man“, The Economist, 18.1.2007.

Economist (2007b), „In the shadow of prosperity“, The Economist, 18.1.2007.

Economist (2013), „Special report: Outsourcing and Offshoring“, The Economist 19.01.2013.

Feenstra and Hanson (2001): Global production sharing and rising inequality: A survey of trade and wages, Working Paper, 8372.

Kazim (2007), „Die Welt passt in ein Schiff“, Spiegel Online, 21. 2. 2007.

Krugman (1995), „Growing World Trade: Causes and Consequences“, Brookings Papers on Economic Activity, 1, pp. 327-377.

Krugman (2007), „Trouble With Trade“, New York Times, Op-Ed Columnist, 28.12.2007.

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Lommerud, Meland and Sorgard (2003), „Unionised Oligopoly, Trade Liberalisation and Location Choice“, The Economic Journal, 113, pp.782-800.

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OXFAM (2002), "Summary: Rigged Rules and Double Standards: trade, globalisation and the fight against poverty", <http://www.oxfam.org.uk/resources/papers/tradereport.html>.

Rodrik (1997), "Has Globalization Gone Too Far?", Washington: Institute for International Economics.

Samuelson (2004), "Where Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization", *Journal of Economic Perspectives*, 18(3), pp. 135-146.

Steingart (2007), "Das Ende der Globalisierung?", *Der Spiegel*, 10.12.2007.

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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