

Syllabus for course WORLD TRADE AND INVESTMENT

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| Course code: | 2MEQ20 |
| Course title: | World Trade and Investment |
| Number of ECTS credits allocated: | 6 (1 ECTS credit = 26 hours of workload) |
| Mode of delivery: | full-time; 2/2 (hours of lectures per week / hours of seminars per week) as semestral course |
| Mode of completion: | graded course |
| Semester: | Spring 2023 |
| Name of lecturer(s): | doc. Ing. Ludmila Štěrbová, CSc. (supervisor) |
| Prerequisites and co-requisites: | none |

Aims of the course:

The course aims at an overview of the international and investment flows from the perspective of economic relations among world states. The basis is established by the international trade theories and impact of international trade and investment on welfare and income distribution. Analysis of governmental policies impact on international trade and investment flows is a part of the course. The analysis is considered from economic, environmental, social, ethical and human rights perspectives, based on an overview of instruments that the government has at disposal. Governmental influence is reflected in the framework of international trade and investment agreements, international commitments and integration blocks. The discussion within the course embeds the current trends of globalization, including global value chains development, technological changes, competitiveness of countries based on innovations, institutional changes and crises.

Learning outcomes and competences:

Upon successful completion of this course, students will be able to:

- explain impact of international trade on economic welfare for states, using the international trade theories
- explain international trade and investment flows among states including commodity flows
- consider impact of governmental trade and investment policies on trade and investment flows in their relations
- evaluate impact of globalization trends on international trade and investment
- critically consider impact of international trade and investment on environment and impact of new technologies, respect to human rights and ethical principles on international trade and investment

Course contents:

1. International trade - overview, development.

(allowance 2/2)

- a. Flows of international trade;
- b. Position of individual countries in international trade;
- c. Commodity structure of international trade.

2. International investment - overview, development.

(allowance 2/2)

- a. Flows of foreign direct investment;
- b. Territorial structure of foreign direct investment;
- c. Areas of foreign direct investment.

3. Theoretical background of international trade.

(allowance 2/2)

- a. International trade theories;
- b. Functions of foreign trade;
- c. Impact of international trade and investment on economy of a state.

4. Governmental policies influencing trade.

(allowance 2/2)

- a. Governmental approach to the trade policy (protectionism, liberalism);
- b. Instruments of trade policy, their impacts and application, trade agreements;
- c. Ethical and human rights aspects embedded into governmental trade policy.

5. Governmental policies influencing foreign direct investment.

(allowance 2/2)

- a. Investment policy - governmental approach, instruments;
- b. International framework for investment policy - investment agreements;
- c. Investors decisions reflecting investment environment established by governmental policies.

6. Multilateral trading system.

(allowance 2/2)

- a. Principles, functions, institution (WTO);
- b. Rules on trade with goods and services;
- c. Trade related aspects of intellectual property rights.

7. spring/fall break

(allowance 2/2)

- a. Individual consultations with teacher;
- b. Preparation for midterm test;
- c. Preparation for team presentation.

8. Dispute settlement in international trade and in investment. Midterm test. (allowance 2/2)

- a. How the break of rules and commitments of international trade and investment are settled;
- b. Impact of concrete dispute settlement cases on changes in trade and investment policies;
- c. Midterm test.

9. Case study: trade and investment policy of chosen countries. (allowance 2/2)

- a. Trade and investment policy of the USA;
- b. Trade and investment policy of China;
- c. Impact of the trade policies of the USA and China on global trade and investment flows and partners.

10. Case study: trade and investment policy of an integration block. (allowance 2/2)

- a. EU as an actor in the multilateral trading system and in regionalism;
- b. EU Common Commercial Policy (areas, principles);
- c. Impact of the EU Common Commercial Policy on global trade and investment flows and partners.

11. Environmental impacts of international trade and investment. (allowance 2/2)

- a. Impacts of international trade and investment on various environmental areas (pros and cons);
- b. Ways to eliminate the negative environmental impacts;
- c. Students presentations.

12. Impact of world economic and political development on international trade and investment. (allowance 2/2)

- a. Crises and their relations to international trade and investment;
- b. Military aggression and impact on trade and investment relations and flows;
- c. Students presentations.

13. Impact of trends in globalization on international trade and investment. (allowance 2/2)

- a. Global value chains;
- b. Technological changes and innovations;
- c. Final essay.

Learning activities, teaching methods and workload (hours):

| Type of teaching method | Daily attendance |
|--|------------------|
| Participation in lectures | 24 h |
| Preparation for lectures | 24 h |
| Attendance at seminars/workshops/tutorials | 24 h |
| Preparation for seminars/workshops/tutorials | 24 h |
| Preparation of presentation | 24 h |
| Preparation for mid-term test(s) | 12 h |
| Preparation for final test | 24 h |
| Total | 156 h |

Assessment methods and criteria:

| Requirement type | Daily attendance |
|--|------------------|
| Active lecture/seminar/workshop/tutorial participation | 20 % |
| Presentation | 25 % |
| Mid-term test(s) | 25 % |
| Final test | 30 % |
| Total | 100 % |

Assessment:

| Graded courses | |
|----------------|------------------------|
| 1=A | Excellent (90 - 100%) |
| 2=B | Very good (75 - 89%) |
| 3=C | Good (60 - 74%) |
| 4=F | Insufficient (0 - 59%) |

Reading:

| Type | Author | Title | Published in | Publisher | Year | ISBN |
|------|--|---|--------------|---------------------------|------|-------------------|
| RQ | KRUGMAN, P R. -- MELITZ, M J. -- OBSTFELD, M. | International economics : theory and policy | Boston | Pearson Education Limited | 2018 | 978-1-292-21487-0 |
| RE | | Understanding the WTO | Geneva | World Trade Organization | 2010 | 978-92-870-3748-0 |
| RE | Birkbeck, C. D. Greening International Trade: Pathways Forward, https://tradehub.earth/wp-content/uploads/2021/11/Greening-International-Trade_18.07.2021.pdf , Forum on Trade, Environment and the SDGs (TESS), 2021 | | | | | |
| RE | Thrasher, R. How Global Trade Rules Put the World at Risk for Financial Crisis, https://www.bu.edu/gdp/2022/02/14/how-global-trade-rules-put-the-world-at-risk-for-financial-crisis/ , Global Development Policy Center, 2022 | | | | | |

RQ required

RE recommended