The main goals of the course are four. First, this subject provides students with the necessary conceptual tools to know and understand the existing interactions between economics and international policy issues. Second, this subject analyzes how those interactions affect decision making by firms. Third, the subject studies how corporations can consider the international political and economic situations in order to generate value for society and firms in a sustainable way.

In order to fulfill these objectives, in the first part of the course, the main conceptual tools to understand international policy issues are introduced and explained. In addition, those tools are applied to past and present conflictive situations. The subject includes a reflection about the future of the global political situation and the main trends that are shaping this future. In the second part of the subject, the main concepts about international trade are developed. Students analyze the reason why some countries are more successful than others in terms of international competitiveness. At the same time, students will be able to apply those concepts to decision making at the corporation level. In the last chapter, students analyze the role of the exchange rate in international trade. At the same time, they study the concept of common currency areas, and the impact of the euro and the Eurozone in international trade.

### GENERAL OVERVIEW

| Week 1  | 1. Introduction  
|         | 2. Explaining Conflict and Cooperation: Tools and Techniques of the Trade |
| Week 2  | 3. Globalization and Interdependence  
|         | 4. What Can We Expect in the Future |
| Week 3  | 5. World Trade: An Overview  
|         | 6. Labor Productivity and Comparative Advantage: The Ricardian Model |
| Week 4  | 7. Trade Policy in Developing Countries  
|         | 8. Controversies in Trade Policy |
METHODOLOGY

This course includes lectures as well as classroom discussions and students’ presentations. Students will need to do several readings before coming to class. Participation is compulsory. Every student has to submit four case studies and at least one compulsory essay and participate in presentations on different subjects.

ASSESSMENT

- Essay: 20%
- Case studies: 30%
- Participation: 10%
- Final exam: 40%

READINGS


BIBLIOGRAPHY


NOTE: Class attendance is essential in all courses. Therefore, it will be checked daily. Missing classes will negatively affect the students’ final grade.