



Göttingen, 27 October 2009

Wintersemester 2009/10 Bachelorseminar “Topics in Economic Globalization”

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First Meeting: Thursday October 22, 2009, 14-15 h
First Seminar Day: Saturday, November 21, 2009, 10-18 h
→ presentation of outline and introduction
Second Seminar Day: Saturday, January 9, 2010, 9-18:30 h
→ presentation of the seminar paper

Deadline for enrollment: Friday, October 30, 2009, 23:59 h
Deadline for sign offs: Friday, October 30, 2009, 23:59 h

Registration in FlexNow and studIP is compulsory!
Students may enroll later in case other students signed off.

Deadline for outline and introduction: Thursday, November 19, 2009, 23:59 h

Deadline for papers: Sunday, January 3, 2010, 23:59 h

Please send an electronic version of your seminar paper (preferably pdf, otherwise Word) to your supervisor.

If you fail to meet one of the last two deadlines, you fail the course!

After the deadline for seminar papers you will receive one of the papers written by another student as a paper for discussion. Please prepare a short critical review of this paper for the second seminar day.

Grading will be based on:

Your seminar paper (60 percent)
Your presentation of your paper and Q&A session (30 percent)
Your discussion of another paper (10 percent)
Your participation during discussions (at the margin)
(You will only be graded when present during all presentations!)

Language: Papers have to be written in German or English.
Seminar meetings will take place in English if necessary.

Topics in Economic Globalization

I. Introduction to Economic Globalization

1. What has Globalization been in the Past and in the Present?

Baldwin, R., and P. Martin (1999): Two Waves of Globalization: Superficial Similarities, Fundamental Differences, NBER Working paper no. 6904, Cambridge, MA.

Baldwin, R. (2006). Globalisation: The Great Unbundling(s), Technical Report.

Jeffrey D. Sachs; Andrew Warner; Anders Åslund; Stanley Fischer (1995): Economic Reform and the Process of Global Integration, Brookings Papers on Economic Activity, 1995(1), 25th Anniversary Issue, 1-118.

Kozul-Wright, Richard, and Paul Rayment (2004): Globalization reloaded: An UNCTAD Perspective, UNCTAD Discussion Paper No.167. Geneva: UNCTAD.

2. Measuring globalization

Dreher, A., Gaston, N. and Martens, P. (2008), Measuring Globalisation - Gauging its Consequences, Springer.

Arribas, I., Perez, F. and Tortosa-Ausina, E. (2009), Measuring Globalization of International Trade: Theory and Evidence, World Development 37(1), 127-145.

Heshmati, A. (2006), Measurement of a Multidimensional Index of Globalization, Global Economy Journal 6(2), Article 1.

OECD (2005). Measuring globalisation: OECD Handbook on Economic Globalisation Indicators, OECD, Paris.

II. Selected Instruments of Trade Regulation

3. Non-tariff barriers to trade – Protectionism now only for those who can afford the lawyers?

Feinberg, RM and KM Reynolds (2007): Tariff Liberalisation and Increased Administrative Protection: Is There a Quid Pro Quo?, The World Economy, 30(6), 948-961.

Konings, Jozef and Hylke Vandenbussche (2005): Antidumping Protection and Markups of Domestic Firms: Evidence from Firm Level Data, Journal of International Economics, 65(1), 151 - 165.

Prusa, TJ (2005): Anti-dumping: A growing problem in international trade, The World Economy, 28(5), 683-700.

Zhao, Longyue and Yan Wang (2008): Trade Remedies and Non-Market Economies: Economic Implications of the First US Countervailing Duty Case on China, World Bank Policy Research Working Paper No. 4560.

4. Special Trade agreements: Free Trade Agreements (FTAs) – When are they beneficial and for whom?

Ando, Mitsuyo and Shujiro Urata (2007): The Impacts of East Asia FTA: A CGE Model Simulation Study, Journal of International Economic Studies, Vol.11. No.2.

Trefler, Daniel (2004): The long and short of the Canada-US Free Trade Agreement, American Economic Review, 94(4), 870-895.

5. Special Trade agreements: Preferential Trade Agreements (PTAs) – When are they beneficial and for whom?

Egger, Peter and Mario Larch (2008): Interdependent preferential trade agreement memberships: An empirical analysis, *Journal of International Economics*, 76(2), 384-399.

Limão, Nuno (2006), Preferential Trade Agreements as Stumbling Blocks for Multilateral Trade Liberalization: Evidence for the United States, *American Economic Review*, 96(3), 896-914.

Limão, Nuno (2007): Are Preferential Trade Agreements With Non-Trade Objectives a Stumbling Block for Multilateral Liberalization?, *Review of Economic Studies*, 74(3), 821-855.

6. Special Trade agreements: Economic Partnership Agreements (EPAs) – When are they beneficial and for whom?

Antkiewicz, Agata and John Whalley (2006): BRICSAM and the non-WTO, *The Review of International Organizations*, 1(3), 237-261.

Vollmer, Sebastian, Inmaculada Martínez-Zarzoso, Felicitas Nowak-Lehmann D., Nils Klann (forthcoming): EU-ACP Economic Partnership Agreements - Empirical Evidence for Sub-Saharan Africa.

III. Globalization in Services

7. Service trade versus activity of multinationals: On the importance of GATS modes of supply

Bensidoun, I. and Ünal-Kesenci, D. (2008). Globalisation in Services: From Measurement to Analysis. OECD Statistics Working Papers No. 2008/3.

Kirkegaard, J. F. (2008). Distance Isn't Quite Dead: Recent Trade Patterns and Modes of Supply in Computer and Information Services in the United States and NAFTA Partners. Peterson Institute Working Paper Series WP08-10. Peterson Institute for International Economics.

8. What are the determinants of international trade in services?

Ceglowski, J. (2006). Does gravity matter in a service economy? *Review of World Economics*, 142(2) :307–329.

Head, K., Mayer, T., and Ries, J. (2007). How remote is the offshoring threat? CEPII Working Paper, No 2007-18 :1–30.

Kimura, Fukunari and Lee, Hyun-Hoon (2008). The Gravity Equation in International Trade in Services. *Review of World Economics (Weltwirtschaftliches Archiv)*, vol. 142(1), pages 92-121.

9. Are there reasons to fear the offshoring of service activity?

Amiti, M. and Wei, S.-J. (2005). Fear of service outsourcing: is it justified? *Economic Policy* 20(42), 308-347.

Amiti, M. and Wei, S.-J. (2007). Does service offshoring lead to job losses? Evidence from the United States. Mimeo.

Bhagwati, J., Panagariya, A. and Srinivasan, T. N. (2004). The Muddles over Outsourcing. *Journal of Economic Perspectives* 18(4), 93–114.

Blinder, A. S. (2006). Offshoring: The next industrial revolution? *Foreign Affairs*, 85(2).

Görg, H. and Geishecker, I. (2008). Services, Offshoring and Wages: Evidence from Micro Data. IZA Discussion Paper No. 2008/22.

Kirkegaard, J. F. (2007). Offshoring, Outsourcing, and Production Relocation - Labor-Market Effects in the OECD Countries and Developing Asia. IIE Working Paper No. 07-02.

10. Is the globalization in services beneficial for developing countries?

- Dihel, N., Eschenbach, F. and Shepherd, B. (2006). South-South Services Trade. OECD Trade Policy Working Papers 39, OECD, Trade Directorate.
- Dossani, R. and Kenney, M. (2007). The Next Wave of Globalization: Relocating Service Provision to India. *World Development*, Elsevier, 35(5), 772-791.
- Whalley, John (2004). Assessing the Benefits to Developing Countries of Liberalisation in Services Trade. *The World Economy*, 27(8), 1223-1253.

IV. Economic Globalization and International Politics

11. Do democratic states trade more? Are more open states more democratic?

- Aidt, T. S. and Gassebner, M. (2007). Do Autocratic States Trade Less? Cambridge Working Papers in Economics 0742, Faculty of Economics, University of Cambridge.
- Dai, X. (2002). Political Regimes and International Trade: The Democratic Difference Revisited. *American Political Science Review* 96(1): 159-165.
- Lopez-Cordova, J. E. and Meisner, C.M. (2005) The Globalization of Trade and Democracy, 1870-2000. NBER Working Paper No. 11117.

12. Do international diplomatic relations increase trade?

- Head, K. and Ries, J. C., Do Trade Missions Increase Trade? (2006). Sauder School of Business Working Paper.
- Nitsch, V. (2007). State Visits and International Trade. *The World Economy*, Vol. 30, No. 12, pp. 1797-1816, December 2007
- Rose, A. K. (2007). The Foreign Service and Foreign Trade: Embassies as Export Promotion. *The World Economy*, Vol. 30, No. 1, pp. 22-38.

13. Consumer boycotts: Does international politics affect commerce?

- Ashenfelter, O., Ciccarella, S. and Shatz, H. J. (2007). French Wine and the U.S. Boycott of 2003 : Does Politics really Affect Commerce ? NBER Working Paper 13258.
- Chavis, L. and Leslie. P. (2007). Consumer boycotts: the impact of the Iraq war on French wine sales in the U.S. NBER Working Paper 11981.

14. What is the link between international terrorism and globalization?

- Dreher, A. and Gassebner, M. (2008). Does political proximity to the U.S. cause terror? *Economics Letters* 99, 1: 27-29.
- Li, Q. and Schaub, D. (2004). Economic Globalization and Transnational Terrorism: A Pooled Time-Series Analysis. *Journal of Conflict Resolution* 48 (2) 230-258.
- Mirza, Daniel and Verdier, Thierry (2006). Are lives a substitute for livelihoods ? Terrorism, security, and U.S. bilateral imports. Policy, Research working paper WPS 4094.

V. Migration

15. Labour migration – Who migrates and why?

Bentolila, Samuel, Juan J. Dolado and Juan F. Jimeno (2008): Does immigration affect the Phillips curve? Some evidence for Spain, *European Economic Review*, 52(8), 1398-1423.

Docquier, Frédéric, A. Marfouk (2006): International migration by educational attainment (1990-2000), in: C. Ozden and M. Schiff (eds). *International Migration, Remittances and Development*, Palgrave Macmillan: New York, chapter 5.

Freeman, Richard B. (2006): People Flows In Globalization, *Journal of Economic Perspectives*, 20(2), 145-170.

16. Who gains from drained brains?

Beine, Michael, Frédéric Docquier, Hillel Rapoport (2001): Brain drain and economic growth: theory and evidence, *Journal of Development Economics*, 64, 275-89.

Beine, Michael, Frédéric Docquier, Hillel Rapoport (2008): Brain drain and human capital formation in developing countries: winners and losers, *Economic Journal*, 118, 631-652.

17. Which effects do we see from Diaspora Knowledge Networks?

Séguin, Béatrice, Peter A. Singer, Abdallah S. Daar (2006): Science Community: Scientific Diasporas, *Science* 312(5780), 1602 – 1603.

Pedersen, Peder J., Mariola Pytlikova and Nina Smith (2008): Selection and network effects: Migration flows into OECD countries 1990–2000, *European Economic Review*, 52(7), 1160-1186.

18. What are the effects of Exile Communities' Remittances?

Faini, Riccardo (2007): Remittances and the Brain Drain: Do More Skilled Migrants Remit More?, *World Bank Economic Review*, 21 (2), 177-191.

Niimi, Yoko, Çağlar Özden and Maurice Schiff (2008): Remittances and the Brain Drain: Skilled Migrants Do Remit Less!, IZA discussion paper 3393.

Guideline for Seminar Papers

Editing

You may use any word processing software that you feel comfortable with. Preferentially make use of LaTeX in case you decide to use a lot of formulas in your paper. Papers have to be submitted by Email in PDF format.

Style

- Font Size: 12 pt
- Line Spread: 1.5pt
- Alignment: justified
- border: 2.5cm

Length

The seminar papers should not exceed 12 pages excluding references, tables and title page.

Organization

- Cover (Include name, student number, title)
- Table of Contents: Number headings in the table of contents and the text identically.
- Table of Figures: List all figures (if any) with number and heading.
- List of Tables: List all tables with number and heading.
- (Table of Symbols: List all symbols and variables (if any) with their definitions.)
- Content: The introduction leads to and defines the subject, the body deals with the subject and the summary sums up the results in a critical manner. Number content, table of contents, table of figures, the list of tables, and the table of symbols. Reduce the number of footnotes to a minimum. Abbreviations have to be explained. Number only important equations that you refer to. Within the text argue in economic terms and not with variables. Orthography, grammar, and style are taken into account. Refrain from excessive bulleting and numbering.
- References
- (Appendix)

Quotations, References and Plagiarism

Quotations: use Harvard style, i.e. quote within the text and not in footnotes (e.g. as has been shown by Sturm (2006)...).

References: all studies that you have quoted in the text have to appear in the reference list. Anything that you have only read, but that is not quoted in the text, must NOT appear in the list of references. There are no restrictions on the reference style. However, consistency is required.

Plagiarism: any text parts (of more than two words) or ideas that are not strictly your own have to be marked. That means that the text has to be phrased in a way that makes unambiguously clear which parts are your own thoughts and which part repeats ideas from other persons. Failure to do so will result in the rejection of your paper, i.e. you fail the course, and possible further disciplinary measures by the Georg-August University Göttingen. Don't even think about copy/pasting your paper from the internet. Each paper will be tested in that respect.

Finding Literature

The references that you get from us are only a starting point (and we will not provide these articles). You are supposed to do your own literature research. The first step in the search for relevant literature is to check the reference lists of the literature that we gave you. Good sources for economic literature, among others, are:

- <http://ideas.repec.org>
- <http://www.jstor.org>
- Business Source Premier and EconLit (via the university library website)
- <http://www.nber.org>
- <http://www.cepr.org>

A rule of thumb is that the list of references should have about as many entries as there are pages in the seminar paper, e.g. 20 pages, 15-25 references. Be prepared to read about the double amount of papers that finally make it into the list of references. Wikipedia is NOT a scientific source.

Deadlines

Make sure that you hand in your paper *exactly* on time. If you miss the deadline, the rules are strict and you will not pass the course.

Interaction with your supervisor

It is recommended that you meet your supervisor (at least once, but better twice) in order to discuss the progress of your paper.