

Sessions 20-22. Imperfect competition, international factor mobility and internationalization strategies

9. Imperfectly competitive trade, homogeneous good, use/abuse of market power
 - 9.1 Causes of imperfect competition
 - 9.1.1 Size (firm/country) based on endowment of strategic factor or economies of scale
 - 9.1.2 Trade policy or domestic regulation gives domestic firm dominant position
 - 9.2 Monopoly power and trade
 - 9.2.1 Monopoly: theoretical behavior of the firm
 - 9.2.2 Monopoly power on international market and domestic monopoly (importer, exporter)
 - 9.2.3 Modeling oligopoly in a trade context: cartel, price leadership
 - 9.3 Imperfectly competitive trade and economies of scale (EOS)
 - 9.3.1 Internal/external EOS
 - 9.3.2 Importance of EOS
 - 9.3.3 EOS and market structure (product differentiation) without international factor mobility: implications for industry structure; change in the nature of the goods market; input markets, their use and factor allocation; production functions; production possibilities; and specialization, trade and social welfare
10. International factor mobility
 - 10.1 Theoretical issues
 - 10.1.1 Expectations for direction of factor flows
 - 10.1.2 Relationship between factor mobility and trade
 - 10.1.3 Relevance of H-O-S theorems when factors are internationally mobile
 - 10.1.4 Factors and international factor markets: case for liberalization
 - 10.2 Trends in international factor mobility: (labor) migration and flow of capital
 - 10.3 Reasons for international factor movement
 - 10.2.1 Labor mobility: types of labor; economic motivation for its movement; background factors, regulations and constraints; Trends and opportunities for labor migration; and net effect on jobs, wages, production and trade and social welfare
 - 10.2.2 Capital mobility: types of capital; economic motivation for its movement; background factors; regulations and constraints; Trends and opportunities for labor migration; and net effect on jobs, wages, production and trade and social welfare
 - 10.4 International factor mobility, economies of scale and product differentiation
 - 10.4.1 Trade based on EOS and/or demand differences not factor endowments
 - 10.4.2 Trade patterns are not predictable
 - 10.4.3 Intra-industry trade, intra-firm trade and foreign direct investment
 - 10.4.4 H-O-S model relaxing the assumptions of no international factor mobility or EOS
11. Firm's choice of an internationalization strategy: trade or investment abroad
 - 11.1 Why is FDI driven by multinational corporations?
 - 11.1.1 Ownership advantages
 - 11.1.2 Industry or market structure
 - 11.1.3 Incentives through horizontal integration/coordination
 - 11.1.4 Incentives through vertical integrations/coordination
 - 11.1.5 Location-specific variables
 - 11.1.6 Other strategic factors
 - 11.1.7 Policy and regulatory space
 - 11.2 Internationalization strategy of a firm
 - 11.2.1 Export platform when foreign demand factors are similar to the home country
 - 11.2.2 Export platform when foreign demand factors are different than in the home country
 - 11.2.3 FDI base when foreign demand factors are similar to the home country
 - 11.2.4 FDI base when foreign demand factors are different than in the home country