E323 Firms in the Global Economy
Syllabus*

Dr. Knut Niemann

1 Lecturer

The lecturer of the course is Knut Niemann (knut.niemann@uni-tuebingen.de). If you have any questions or would like some clarification, please send an email.

2 Meetings

The course is taught in a compact block format, with lectures and tutorials on weekdays during the following two weeks:

- December 7–11, 2026
- December 14–18, 2026

The first meeting is on Monday, December 7, from 08:30 to 12:00 s.t. in the Fakultätssitzungsraum (WiWi Naukler). Times and rooms vary by day, and some days include afternoon sessions. Please consult the `ALMA course timetable` for all individual sessions and rooms.

Lectures introduce new topics. During tutorials, we review these topics interactively by solving exercise sheets. I strongly recommend working on these exercise sheets before we discuss them in class and allowing time for preparation and review between sessions. While attendance is not mandatory, active participation is essential for preparing for the exam. In general, solutions to the tutorials will not be uploaded.

3 Prerequisites

Students should be familiar with introductory economics, mathematical methods commonly used in economics (constrained optimization, derivation), and introductory econometrics (in particular, OLS regressions).

4 Learning objectives

Overall, the course is designed to provide students with a solid understanding of current economic models for multinational enterprises (MNEs). After successful completion of the course, students will be able to

- replicate and explain the main theory results and
- explain the main empirical evidence on the determinants of MNEs' international expansion strategies and the consequences of their activities for both home (source) and destination countries

*Syllabus version: November 11.

5 Learning platform

Course material will be uploaded to ILIAS as the course weeks approach and can be accessed at `https://ovidius.uni-tuebingen.de/goto.php/crs/5779737`. I recommend familiarizing yourself with the material before each session.

6 Assessment

To pass the course and earn 6 ECTS (B.Sc.), students must pass the written final exam. Exam dates have not yet been set and will be announced during the semester. The exam lasts 90 minutes, and the maximum number of points is 90. The questions will be similar to those discussed in the tutorials. A mock exam will be provided during the course and discussed in class near the end of the teaching block. For the exam, students are allowed to use a cheat sheet (one sheet of A4 paper where both sides may contain handwritten notes or printed notes that were handwritten on a tablet).

7 Content

This course focuses on the economics of MNEs, the main driver of globalization, and is structured around three main questions:

1. Why do firms become multinational?
2. Why do not all firms become multinational?
3. What are the consequences of MNEs' activities for their home and host countries?

8 Literature

There is no fixed textbook for the course. Instead, the course draws from various sources to discuss relevant topics. All course material is designed to be self-explanatory. Below are the primary references.

8.1 Textbooks

Navaretti, Giorgio Barba and Anthony J. Venables (2004). *Multinational Firms in the World Economy*. Princeton: Princeton University Press.

8.2 Articles

Antràs, Pol and Stephen R. Yeaple (2014). "Chapter 2 - Multinational Firms and the Structure of International Trade". *Handbook of International Economics*. Ed. by Gita Gopinath, Elhanan Helpman, and Kenneth Rogoff. Vol. 4. Handbook of International Economics. Elsevier, 55–130.

Arnold, Jens Matthias and Beata Smarzynska Javorcik (2009). "Gifted kids or pushy parents? Foreign direct investment and plant productivity in Indonesia". *Journal of International Economics*, 79(1): 42–53.

Bilicka, Katarzyna Anna (2019). "Comparing UK Tax Returns of Foreign Multinationals to Matched Domestic Firms". *American Economic Review*, 109(8): 2921–53.

Card, David, Jörg Heining, and Patrick Kline (2013). "Workplace Heterogeneity and the Rise of West German Wage Inequality". *Quarterly Journal of Economics*, 128(3): 967–1015.

Guadalupe, Maria, Olga Kuzmina, and Catherine Thomas (2012). "Innovation and Foreign Ownership". *American Economic Review*, 102(7): 3594–3627.

Javorcik, Beata Smarzynska (2004). "Does Foreign Direct Investment Increase the Productivity of Domestic Firms? In Search of Spillovers Through Backward Linkages". *American Economic Review*, 94(3): 605–627.