

Course Syllabus

Course	Trade policy
Lecturer	Paolo Giordani
Course Description	<p>This course introduces international trade theory and policy. The focus of the course is on policy analysis: while some emphasis is placed on surveying analytical models, the main interest is that of applying such models to shed light on relevant policy issues in international trade. The first part of the course will cover topics such as the determinants of international trade flows, winners and losers from trade, the impact of various trade policy instruments and the rationale of trade agreements. The second part will apply theory to understand the recent revival of protectionism as well as the current shift from multilateralism to bilateralism (and regionalism) in trade relations and its consequences for the EU.</p>
Primary References and Additional Materials	<ul style="list-style-type: none"> • Krugman, Obstfeld and Melitz. <i>International Trade: Theory and Policy</i> 10th edition [hereinafter KOM], selection of chapters. • Baldwin and Wyplosz (2020). <i>The Economics of European Integration</i>, 6th edition [hereinafter BW], selection of chapters. • Selected readings (specified below)
Course Objectives	<ul style="list-style-type: none"> • To understand the effects of trade (i.e. sources of gains and redistributive consequences) • To analyse the effects of trade policy and identify the rationale for international trade agreements • To understand the revival of protectionism and the consequences for the EU of the shift from multilateralism to bilateralism in trade relations
Prerequisite(s)	Introductory Economics
Teaching Method(s)	Formal lectures and in-class discussions
Assessment Method(s) and Grading Policy	<p>Students will organize in groups (of 3) and will give a presentation on a selected topic chosen among an array of topics proposed by the instructor. An informal requirement will be class participation: sharing questions and comments with the rest of the class.</p>

EXTENDED COURSE PLAN & LECTURE-SPECIFIC REFERENCES		
<i>*Lecture Duration: 2 or 3 hours</i>		
Lecture 1 (3 hours)	<i>Topic</i>	<p>Globalization: facts, causes and distributive consequences</p> <ul style="list-style-type: none"> • The facts of globalization • The gains from international trade • Winners and Losers in a globalized world • The political economy of protectionism • The resurgence of Protectionism
	<i>References</i>	<p>KOM, Chs. 1,2,3,5,6</p> <p>Rodrik (2018), “Populism and the Economics of Globalization.” Journal of International Business Policy, pp. 1–22.</p>
Lecture 2 (2 hours)	<i>Topic</i>	<p>The instruments of trade policy</p> <ul style="list-style-type: none"> • Costs and benefits of tariffs • Other trade policy measures
	<i>References</i>	<p>KOM, Ch. 9</p> <p>BW, Ch. 4.</p>
Lecture 3 (3 hours)	<i>Topic</i>	<p>Trade agreements</p> <ul style="list-style-type: none"> • The rationale behind trade agreements • A brief history of trade agreements • The economics of preferential trade agreements (PTAs)
	<i>References</i>	<p>KOM, Ch. 10</p> <p>BW, Chs. 5, 12.</p> <p>Rodrik (2018). «What Do Trade Agreements Really Do?» in the Journal of Economic Perspectives, Vol. 32(2), pp. 73–90.</p>
Lecture 4 (2 hours)	<i>Topic</i>	<p>Trade relations today: from a rules-based system to a power-based system</p> <ul style="list-style-type: none"> • Bilateralism Vs. multilateralism • Trade tensions: China Vs. US • The EU in the “new normal” of trade relations
	<i>References</i>	<p>Selected readings (freely available on the instructor’s website)</p> <ul style="list-style-type: none"> - Mattoo and Staiger (2019). “Trade Wars: What do they Mean? Why are they Happening Now? What are the Costs?” NBER Working Paper No. 25762. - Gonzales and Veron (2019). “EU Trade Policy amid the China-US Clash: Caught in the Cross-Fire?” PIIE Working Paper, 13-19.