Course Description
Econ 652 – Topics in International Trade is a PhD-level class. The course is designed primarily for students planning to write dissertations on a topic related to international trade. In order to take this class, you must have taken Econ 651 (International Trade) and Econ 613 (Econometrics) or you need the instructor's permission.

The main focus of this course will be on empirical trade papers and on the political-economy literature of trade. This course will cover selected topics of international trade, including: empirical evidence on trade patterns, volumes and composition; the impact of trade on growth and productivity; political economy models of international trade; international political economy and the world trading system. Journal articles and a couple of textbooks (Interest Groups and Trade Policy by Gene M. Grossman and Elhanan Helpman, and The Economics of the World Trading System, by Kyle Bagwell and Robert W. Staiger) will be used.

Requirements
• Email before each class: On the evening before each class (Monday evening), you must send me an email with some comments on the papers that will be covered in detail during the class, denoted by * (Please write Econ 652 on the subject of the email.) The email can be short and should briefly address the following points:
  o Why is the paper important (or why not)?
  o A description of the main features of the paper
  o What you liked – or did not like – about the paper
  o What parts of the paper were not clear or need further explanation

• Referee reports: You must write three referee reports on papers of your choice among those denoted ** in the reading list. The referee report should be approximately 3-4 pages doublespaced. Each referee report will include both a summary and a critical assessment of the paper. In particular, the first paragraph(s) should summarize the
paper for the editor and describe its main results. Next, the report should discuss the strengths and weaknesses of the paper – contrasting it to other papers in the literature as necessary. You should describe how the authors could address the weaknesses (if possible) and give your recommendations for changes that would improve the paper. Finally you should comment on the contributions of the paper to the existing literature (you may refer to papers that were published subsequently).

- Presentations: Each student is required to present at least once during the semester (possibly twice, the exact number will depend on the number of students enrolled). Each presentation will last approximately 45 minutes and will focus on one of the articles denoted ** in the reading list. Each presentation will be accompanied by a referee report on the article presented. Presentations will take place at the end of the semester and are meant to help you develop both a critical eye (each presentation will include a summary and a critical assessment of the paper) and presentation skills.

**Grading and deadlines**
The final grade will be a weighted average of your presentation(s) (30%), three referee reports (20% each) and emails (10%). You may skip 1 email during the semester without affecting this part of your grade. Two of the referee reports will be due before Spring break, and the third referee report will be due on the last day of class (May 4).

**Some data and Information Sources on Trade and Trade Policies**

- [World Bank's World Development Indicators](#) (import and export duties, trade volumes, other cross-national data).
- [Jon Haveman's International Trade Data](#)
- [Jon Haveman's Industry Concordances](#)
- [UNCTAD Trade Analysis and Information System (TRAINS)](#)
- [The Global Trade Negotiations Home Page](#)
- [WTO trade policy reviews](#)
- [Office of the United States Trade Representative National Trade Estimate Report on Foreign Trade Barriers](#)
COURSE OUTLINE

January 13  Introductions and some review of econometrics concepts and tools


Trade patterns, volume and composition

January 20  An Overview


January 27  Tests of the Ricardian theory and of the HOV theory


February 3  Gravity Equation

Harrigan, J., 2001. "Specialization and the Volume of Trade: Do the Data Obey the Laws?," NBER WP 8675 *


**February 10** Effects of trade costs on the composition and volume of trade


**Trade, productivity, technological diffusion and growth**

**February 17** Trade and growth


**February 24  Trade and Productivity**


**March 2  Evidence on international knowledge/technology diffusion**


*March 9  no class – spring break*

**Political economy**

**March 16  Political economy models of trade policy: Theory**


March 23 Empirical evidence


March 30 Empirical evidence


April 6        The Economics of the World Trading System

Bagwell, K. and R.W. Staiger, 2000. "GATT-Think," Department of Economics WP, University of Wisconsin-Madison (this paper covers material in the following chapters of Bagwell and Staiger's book: Chapters 1 (Introduction), 2 (The Theory of Trade Agreements), 3 (History and Design of GATT and WTO), Chapters 4 (Reciprocity), 5 (MFN), 6 (Enforcement)) *


April 13        Preferential Trade Agreements


Bagwell and Staiger, Chapter 7. **


April 20        presentations

April 27        presentations

May 4          presentations