

# Trade Policy

## Higher School of Economics

### Fall 2017

Lecture time: TBA

Course website: <https://sites.google.com/site/celiklev/teaching/tradepolicy>

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Office hours: Tuesday 14:00 – 15:00, Wednesday 16:30-17:30, or by appointment

#### 1. Course description

- a. Title of the Course: Trade Policy (MA-level)
- b. Pre-requisites: Calculus, Microeconomic Theory
- c. Course Type: Elective
- d. Abstract: We will study the causes and consequences of international trade, investigate why nations trade, what they trade, and who gains from trade. We will then look at the motives for countries or organizations to restrict or regulate international trade and study the effects of such trade policies on economic welfare.

#### 2. Learning Objectives

The goal of the course is to provide students with an understanding of the key issues that are important in trade policy and how international trade theory helps understand them.

#### 3. Learning Outcomes

By the end of this course, it is expected that the student will: 1) understand the key motives for international trade; 2) be familiar with the models used in international trade, from the classic ones to the latest developments; 3) understand the key policy issues and the theory relevant to their analysis; 4) have developed the capacity to read and understand the journal literature in the area of international trade.

#### 4. Course Plan

We will cover topics such as: 1) Why do nations trade: Comparative advantage models, Increasing-returns-to-scale models, and Imperfect competition models; 2) International trade and immigration; 3) Outsourcing/offshoring; 4) International trade policy: Tariffs, Quotas, Subsidies; 5) WTO: The prisoner's dilemma nature of protectionism, and the rationale for multilateral

cooperation; 6) International trade agreements, trade creation and trade diversion; 7) International trade and environmental policy.

## 5. Reading List

### a. Required textbook:

McLaren, John: *International Trade*, Wiley, 2012.

### b. Optional textbooks:

Feenstra, Robert: *Advanced International Trade*, Princeton University Press, 2004.

Feenstra, Robert and Alan Taylor: *International Trade* (2<sup>nd</sup> edition), Worth Publishers, 2011.

Krugman, Paul, Maurice Obstfeld, and Marc Melitz: *International Economics: Theory and Policy* (9th edition), Addison Wesley, 2011.

Markusen, James, James Melvin, William Kaempfer and Keith Maskus: *International Trade: Theory and Evidence*, McGraw Hill, 1995 (more technical – available online)

### Helpful non-technical reading:

Helpman, Elhanan: *Understanding Global Trade*, Belknap Press, 2011.

Irwin, Douglas: *Free Trade under Fire* (3<sup>rd</sup> edition), Princeton University Press, 2009.

Krugman, Paul: *Pop Internationalism*, MIT Press, 1997.

## 6. Grading System

There will be two in-class **tests** throughout the semester (first one counting for 30% and the second one for 40% of the final course grade). There will be two graded home assignments. Each will count for 10% of the final course grade. I expect attendance and participation in the lectures. This will count for 10% of the final course grade.

## 7. Academic Integrity

The Higher School of Economics strictly adheres to the principle of academic integrity and honesty. Accordingly, in this course there will be a zero-tolerance policy toward academic dishonesty. This includes, but is not limited to, cheating, plagiarism (including failure to properly cite sources), fabricating citations or information, tampering with other students' work, and presenting a part of or the entirety of another person's work as your own. HSE uses an automated plagiarism-detection system to ensure the originality of students' work. Students who violate university rules on academic honesty will face disciplinary consequences, which, depending on the severity of the offense, may include having points deducted on a specific assignment, receiving a failing grade for the course, being expelled from the university, or other measures specified in HSE's Internal Regulations.