

GEST-S404: Topics in International Trade and Development

Course Overview

This note sets out the framework of the course, in addition to the course objectives, teaching arrangements, and teaching methods. It also explains the course requirements as well as the teaching assessments.

Course Proprietor

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Teaching Arrangements

There will be thirteen compulsory lecture classes starting on Tuesday September 21, which will be an introduction/organizational class to explain students the level that is required to follow this course. The classes are usually held in **R42.5.103 on Tuesdays from 16h00-18h00**.

The classes will consist of lectures and seminars. Seminars will normally start two weeks after the first lecture, but its organization will depend on the number of students subscribed. Note that the overall numbers of the classes and the numbers in the course may be limited at the discretion of the course proprietor. Students will be allocated to seminars at the beginning of the course

Course Objectives

This course is one of the examined options in the Master's that students are willing to take. The lectures and seminars provide an overview of the economics and political economy of trade. By conclusion of the course, students should be able to state the most important theoretical and empirical models of international trade, demonstrate how these models explain policy outcomes in different issue areas, and offer a sophisticated critique. Students should also have obtained a good knowledge of the principles, theories, and empirical outcomes of international trade.

It's important to understand that because the course is designed to teach students empirical approaches to explain economic trade models and policy outcomes, it would be useful for students to have a good understanding of empirical research analysis in economics before starting the course.

Previous background in economics will therefore be helpful and is hence required for students. Some quantitative training, usually in the form of some undergraduate course in principles of economics, international trade, and econometrics is a prerequisite for attending the course. However, quantitative training only in the form of undergraduate coursework in maths, statistics, commerce or finance, may well substitute for previous work in economics, provided you make the effort of working through the trade section of an undergraduate international economics textbook.

Brief Course Description

The focus of the course is on explanations of trade theory and empirics, including trade policy choices as a result of economic and political factors. The course will make a strong link with the issue of development as there is a close connection between trade and welfare. The course will first cover key economic models of international trade, and will subsequently discuss the effects of protectionism and liberalization in trade. The course will then discuss recent issue areas in trade such as regionalism, services, digital trade, and global value chains. Given that the course has a strong empirical focus, students will also study the econometric application of the various trade models.

Teaching Methods

The course consists of three elements: lectures, seminars, and independent study. Lectures only provide students with an overarching assessment of the issues. Students are expected to build on this general assessment through independent study and seminar discussion.

Lectures

The lectures will be given by Erik van der Marel. The lectures will normally, but not always, precede the seminar discussion on the topic which most probably takes place one or two weeks before.

Seminars

The seminars, also 13 in total, will also be held by Erik van der Marel. They begin two weeks after the introduction class. This introduction class will be organizational and will also try to allocate students for a particular seminar. If necessary, the second lecture course will also be used to allocate students for a seminar week. The seminars are organized around the topics set in the first class. Each week, two pairs of students will provide short introductions to the questions listed under each topic. Seminars provide an opportunity to explore the issues in more depth than is possible during the lectures and to extend discussion. All students are expected to prepare for the seminars.

Independent study

The third element of a course of this kind is independent study based on the reading list, question list, and beyond. As the lectures and seminars focus on mastering concepts and models, students are expected to read extensively to familiarize themselves with the various issue-areas. Recommended readings are provided for each topic, **and compulsory readings are provided by an ***. Seminar presenters may provide further specific information, tailored to the seminar and essay topics chosen by the students. Note that seminar presentations and, especially, essays will require substantial reading beyond the required material under each topic heading.

Course Requirements

The course has several requirements for participants of the course, seminar, and formative work. First, students are required to give brief introduction to the reading and central issues to start the discussion in the seminars. Every seminar, a pair of students will prepare a joint presentation of around 15 minutes in length. The seminar teacher will cut you off if you exceed this time. Each student will be required to contribute to and give at least two such introductory short presentations. Rather than providing a general overview of the topic, students should read the assigned works as theoretical explanations on which they should try to offer a critique. The seminar questions help serve as guidelines of what points to probe for. Students may use the computer and projector in the seminar room if they want, and they **must** provide an outline of your presentation to all seminar participants by the evening before the seminar or e-mail.

The seminar teacher will then ask one or more students to respond to the previous presentation in order to lead into the discussion. The discussant role will not be scheduled in advance, requiring all seminar participants to come prepared.

Second, students must write a minimum of one essay of a maximum of **2,000 words** in length. Do not exceed the word limit. It is part of the learning exercise that you demonstrate you are able to provide a clear and concise answer and critique to the essay topic. Essay topics should generally be chosen from the questions given, which will be available during the introduction class. The purpose of the essays is to provide experience of summarising succinctly and engaging with the literature relevant to a particular question. Essays should be handed in to your seminar teacher, who will provide you with comments on them, and an indication of your performance. **Essays are due on November 7.** Essays must be handed in to the seminar teacher in electronic format. Note that although the essay exercise has the purpose to provide students with a formative element, they do also count toward your final course mark. You can be barred from taking the final exam if you fail to submit the essays. Essays handed in on time will generally be marked by the seminar teacher before the exam takes place. Essays handed in after they are due may be marked much later.

Course Assessment

Students will be required to sit a three-hour exam at the end of the trimester, during which they will have to answer various questions. The questions that were dealt with as part of the presentations and essay are guidelines for what students can expect in terms of exam questions. Altogether, the final note will consist out of a presentation (counting 20%), the essay (counting 30%), and the final exam (counting 50%).

The ULB takes the issue of plagiarism very seriously and will take action against students who engage in this practice, as it is highly destructive of the academic learning process. If you are unsure about what constitutes plagiarism, the following website of an International Relations scholar has extensive information and further links on the subject of good academic practise:

www.charleslipson.com/Reading-Writing-Plagiarismand-Academic-Honesty.htm.

Program

The program for the course is tentative, which means that the schedule below, including its topic coverage, is subject to potential change. Nonetheless, the topic outline should give students a good idea what areas will be covered.

Dates in 2021-22	Lecture / Seminar	Lecture Topic
September		
21-Sep	Introduction of the course	Introduction
28-Sep	Lecture 1 / <i>organizational seminar</i>	Classical Trade Theory
October		
5-Oct	Lecture 2 / <i>Seminar 1</i>	Neo-classical Trade
12-Oct	Lecture 3 / <i>Seminar 2</i>	New Trade Theory / Gravity
19-Oct	Lecture 4 / <i>Seminar 3</i>	New New Trade Theory / Firms
26-Oct	Lecture 5 / <i>Seminar 4</i>	Protectionism
2-Nov		<i>Catch-up class (if necessary)</i>
November		
9-Nov	Lecture 6 / <i>Seminar 5</i>	Political Economy of Trade Policy
15-Nov	Lecture 7 / <i>Seminar 6</i>	WTO & Regionalism
23-Nov	Lecture 8 / <i>Seminar 7</i>	Foreign Direct Investment (FDI)
30-Nov	Lecture 9 / <i>Seminar 8</i>	Trade and development
December		
7-Dec	Lecture 10 / <i>Seminar 9</i>	Trade in Services
14-Dec	Lecture 11 / <i>Seminar 10</i>	Digital Trade
21-Dec	Lecture 12 / <i>Seminar 11</i>	Global Value Chains

Reading for this Course

Though students are not expected to read every single item on the list, you should consult as many as possible. It is expected that everyone attending the weekly seminar will have read at least the **'required' readings for that week which is given in the reading list with an ***.

The course will follow several books with varying levels of economic rigour and one political economy book. The most advanced, and therefore difficult, international trade book is from Feenstra (2004) *Advanced International Trade: Theory and Evidence*, Princeton University Press. The other two trade economics books which are more accessible are from Krugman, Obstfeld and Melitz (2015) *International Economics: Theory and Policy*, Pearson, and from McLaren (2013) *International Trade*, Wiley. Lectures are based on these three books, plus the papers indicated on your reading list, but lectures may deviate from the material given in each chapter of the book as the lecturer follows his own slides with own input.

Hence, the students are advised to acquire one main international trade textbook according to their level of understanding, although this is not mandatory. In addition, the course will provide a reading list per week with theoretical and in particular empirical papers since the course has a large paper-based focus. Finally, since some topics deal with political economy issues of trade, this class will also use sections of Hoekman, Bernard and Michel Kosteci (2010) *The Political Economy of the World Trading System*, 3rd edition, Oxford University Press, USA. Some chapters are compulsory readings on the reading list. Students more interested in the political economy angle of international trade are advised to buy the book.