



Teacher(s)	Theodorakopoulos Angelos ;Çürük Malik ;
Language :	English
Place of the course	Louvain-la-Neuve
Prerequisites	<i>The prerequisite(s) for this Teaching Unit (Unité d'enseignement – UE) for the programmes/courses that offer this Teaching Unit are specified at the end of this sheet.</i>
Main themes	The students in this course are expected to prepare a paper on a topic in the daily news that is related to the trade theory models that we discuss in class. For example: what explains the wage gap between skilled and unskilled workers in Europe? Students are also required to solve problem sets that consist of questions raised in class. Discussion of solutions are done in class together with a discussion of the difficulties faced in solving the problems. The purpose of the course is to give Master students a solid knowledge of the field of International economics which they require if they want to pursue research in this field. The course particularly stresses the notion of comparative advantage and the link between trade, product and factor markets. This allows students to better understand the issues involved in policy debates on "globalization" and to better understand issues like the "anti-globalization movement".
Aims	<p>This course intends to teach Master students a course in Advanced International Trade. For this purpose we will use the handbook by Feenstra (2004) which is an internationally renowned book used in many Universities around the world. The course discusses -neo-classical trade models with perfect product and labor markets -modern trade models with imperfect product market (new economic geography models,..) -empirical evidence on the validity of theoretical trade models In addition the course will also engage in a discussion of some topics currently heavily researched in the literature.</p> <p>1</p> <p>-----</p> <p><i>The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".</i></p>
Evaluation methods	There will be a final oral examination which covers both the theory and the empirical part of the course.
Teaching methods	<p><u>Class participation</u> You are expected to attend all lectures and participate in discussions.</p> <p><u>Assignments</u> During the first part of the course, you will be given exercise problems in the lecture notes. These exercises will not be graded but the students are expected to work out the problems themselves to have a better understanding of the material, which will be helpful in the final examination.</p> <p><u>Presentations</u> During the last week of the second part of the course, each student will have to make a 15-minute presentation of a paper chosen from a list provided by the tutor. The presentations will be followed up by a 5-minute discussion/questions from the rest of the class. Unless the class size is large and groups need to be formed, the presentations will be student-specific. These presentations will not be graded but are expected to provide students with a better understanding of the material, which will be helpful in the final examination.</p>
Content	<p>The course aims to achieve two objectives. It intends to introduce the classical/modern trade models and their empirical tests to the students. Both theoretical and empirical frontiers in international trade research are priorities of the course. At the end of this course, the students are expected to have a good understanding on the fundamental issues in international trade: Why do nations/rms trade?, What are the possible gains from trade?, How are these gains distributed across different groups in a society?; and to use these insights to reflect on the contemporary debates, e.g. globalization, anti-globalization and rising protectionism. The course is divided into two parts: the first part, taught by Malik Curuk, will focus mainly on international trade theory; and the second part, taught by Angelos Theodorakopoulos, will concentrate on the empirical</p>

	aspects of trade. The details are provided below.
Bibliography	<ul style="list-style-type: none"> • Lecture notes and slides will be provided. • There is no required textbook for this course. However, we will sometimes draw from the following textbook: 'Advanced International Trade' by R.Feenstra, Princeton University Press, 2004 • Lecture notes and slides will be provided. • There is no required textbook for this course. However, we will sometimes draw from the following textbook: 'Advanced International Trade' by R.Feenstra, Princeton University Press, 2004 <p>[1] James E Anderson and Eric Van Wincoop. Gravity with gravitas: a solution to the border puzzle. American economic review, 93(1):170{192, 2003.</p> <p>[2] Thomas Chaney. Distorted gravity: the intensive and extensive margins of international trade. American Economic Review, 98(4):1707{21, 2008.</p> <p>[3] Arnaud Costinot and Jonathan Vogel. Beyond ricardo: Assignment models in international trade. economics, 7(1):31{62, 2015.</p> <p>[4] Alan V Deardorf. The general validity of the law of comparative advantage. The Journal of Political Economy, 88(5):941{957, 1980.</p> <p>[5] Rudiger Dornbusch, Stanley Fischer, and Paul Anthony Samuelson. Comparative advantage, trade, and payments in a ricardian model with a continuum of goods. The American Economic Review, 67(5):823{839, 1977.</p> <p>[6] Jonathan Eaton and Samuel Kortum. Technology, geography, and trade. Econometrica, 70(5):1741{1779, 2002.</p> <p>[7] Ronald W Jones. Comparative advantage and the theory of tariffs: A multi-country, multi-commodity model. The Review of Economic Studies, 28(3):161{175, 1961.</p> <p>[8] Paul R Krugman. Increasing returns, monopolistic competition, and international trade. Journal of international Economics, 9(4):469{479, 1979.</p> <p>[9] Marc J Melitz. The impact of trade on intra-industry reallocations and aggregate industry productivity. Econometrica, 71(6):1695{1725, 2003.</p> <p>[10] Marc J Melitz and Gianmarco IP Ottaviano. Market size, trade, and productivity. The review of economic studies, 75(1):295{316, 2008.</p> <p>4</p>
Other infos	A course in micro-economics, statistics and mathematics The exam is written and consists of questions related to the lectures in class Robert Feenstra (2004) "Advanced International Trade, Princeton University Press
Faculty or entity in charge	ECON

Programmes containing this learning unit (UE)				
Program title	Acronym	Credits	Prerequisite	Aims
Master [120] in Agricultural Bioengineering	BIRA2M	5	LECON2041	
Master [120] in Economics: Econometrics	ETRI2M	5		
Master [120] in Economics: General	ECON2M	5		