



# Faculté des sciences économiques, sociales et politiques

## ESPO

ECON2208 **International Trade**

[30h+15h exercises] 6 credits

This course is taught in the 1st semester

**Teacher(s):** Philippe Monfort  
**Language:** french  
**Level:** 2nd cycle course

### Aims

- " An understanding of mechanisms linked to international trade.
- " The ability to interpret and discuss the main issues associated with international trade such as the liberalisation of markets, and the distribution of profits made as a result of this liberalisation.
- " An understanding of the main instruments of trade policy, their justification and their effects.

### Main themes

The International Trade course aims to familiarise students with the main currents of international trade theory. The arguments developed during the course will lead to structured discussion on issues relating to the effects of international trade, the nature of trade, the specialisation of economies, the sectoral and international distribution of revenue, and the issue of growth in the framework of an opening to international trade.

### Content and teaching methods

#### Content

##### 1. Perfect competition

This part mainly aims to study the impact of the development of trade on economies involved in international trade, and to identify the nature of the profits linked to trade. A definition will be produced of the concept of comparative advantage, and of the way they explain trade flows and the specialisations of economies in different frameworks of perfect competition (e.g. the Ricardian model, specific factors and Heckscher-Ohlin-Samuelson). The relevance of these theories will be evaluated by examining various stylised facts and empirical work (e.g. Leontief's Paradox and Leamer).

##### 2. Imperfect competition

The second part concentrates on the contributions made by theories of international trade in a framework of imperfect competition. The effects of trade and of trade policies are analysed in contexts of monopolistic and oligopolistic competition, with particular attention being drawn to the role played by multinational firms and the phenomenon of (de)localisation.

#### Method

This basic course covers a fairly wide field of subjects, although only the basics are introduced in the 30 hours of teaching. The additional 15 hours aim to provide an in-depth study of subjects examined during the course through an essay on a matter relating to international trade.

(e.g. modèle ricardien, specific factors, and Heckscher-Ohlin-Samuelson). The relevance of these theories is evaluated by an examination of the various stylised facts and empirical work (e.g. paradoxe de Leontieff, Leamer, #).

### Other information (prerequisite, evaluation (assessment methods), course materials recommended readings, ...)

Two-year degree courses in Economic Sciences.

Written or oral examination

P Krugman and M Obstfeld, 'International Economics', Addison-Wesley.

**Other credits in programs**

<b>ECON22</b>	Deuxième licence en sciences économiques	(6 credits)	Mandatory
<b>ECON22M</b>	Deuxième année de Maîtrise en sciences économiques	(6 credits)	Mandatory
<b>ECON2M1</b>	Master en sciences économiques, orientation générale	(6 credits)	
<b>MAP23</b>	Troisième année du programme conduisant au grade d'ingénieur civil en mathématiques appliquées	(4.5 credits)	