

<b>Georg-August-Universität Göttingen</b> <b>Module M.WIWI-VWL.0040: Empirical Trade Issues</b>	6 C 3 WLH
<b>Learning outcome, core skills:</b> <ul style="list-style-type: none"> <li>• This course is intended to cast light on present-day controversies in international trade through assessment of the latest empirical analysis of a number of important topics of international trade research,</li> <li>• the main aim is to improve students' ability to evaluate and to undertake empirical research in international trade. All readers are expected to have completed graduate courses in microeconomics and econometrics,</li> <li>• the course is organized along five empirical questions:             <ol style="list-style-type: none"> <li>1. What do countries trade?;</li> <li>2. Why has trade increased so much?</li> <li>3. Why do we still trade so little?</li> <li>4. Did globalization contribute to the rise in inequality?</li> <li>5. Does trade increase productivity?</li> </ol> </li> <li>• we will learn the necessary modeling tools and empirical instruments that help answer these questions,</li> <li>• the course is also concerned with the <i>application</i> of econometric methods to assess trade policies and its economic effects. The computer software package STATA will be used for practical work. Previous knowledge of intermediate econometrics is required.</li> </ul>	<b>Workload:</b> Attendance time: 42 h Self-study time: 138 h
<b>Courses:</b> <b>1. Empirical Trade Issues (Lecture)</b> <i>Contents:</i> <i>Comparative Advantage, Trade Flows and Trade Policies</i> 1. Quantifying trade flows <ol style="list-style-type: none"> <li>1.1 Openness: measurement issues</li> <li>1.2 Trade composition: At the sectoral and geographical level</li> <li>1.3 Analysing trade flows, comparative advantage and terms of trade</li> <li>1.4 Analysing regional trade: Trade intensity and trade complementarity</li> <li>1.5 Main trade databases</li> </ol> 2. Trade Policies <ol style="list-style-type: none"> <li>2.1 Tariffs under WTO</li> <li>2.2 Import tariffs: Measurement issues and data</li> <li>2.3 Non tariff barriers: Price gaps and coverage ratios</li> <li>2.4 Trade policies and practices</li> </ol> 3. The distributional Effects of Trade Policies <ol style="list-style-type: none"> <li>3.1 Transmission of tariff changes</li> </ol>	2 WLH

<p>3.2 Linking trade policy to household welfare</p> <p>3.3 Combining survey data and trade policy data</p> <p>3.4 Empirical applications</p> <p><i>Testing New and New-New Trade Theories</i></p> <p>4. The gravity model of trade</p> <p>4.1 The gravity equation: Theoretical foundations</p> <p>4.2 Estimation methods</p> <p>4.3 Advanced gravity modelling issues</p> <p>4.4 Empirical applications</p> <p>5. Heterogeneous firms and trade</p> <p>5.1 Trade and Firm's Productivity</p> <p>5.2 Stylized Empirical Facts</p> <p>5.3 The Melitz Model. Key Implications</p> <p>5.4 Empirical Applications: Testing the Predictions</p> <p><i>Globalization, Regional Integration and its effects</i></p> <p>6. Trade and Regional Integration</p> <p>6.1 Regional versus Multilateral Trade Liberalization</p> <p>6.2 Economic Effects of Regionalism</p> <p>6.3 Evidence on the Trade Effects of Regional Agreements</p> <p>6.4 Impact of Trade Preferences</p> <p><b>2. Empirical Trade Issues (Tutorial)</b></p> <p><i>Contents:</i></p> <p>The computer software package STATA will be used for practical work to learn how to apply it to perform trade policy analysis.</p>	<p>1 WLH</p>
<p><b>Examination: Term Paper (max. 10 pages, based on the tutorial)</b></p> <p><b>Examination requirements:</b></p> <p>Students are required to write a term paper based on an empirical application using Stata.</p>	<p>2 C</p>
<p><b>Examination: Written examination (90 minutes)</b></p>	<p>4 C</p>
<p><b>Examination requirements:</b></p> <ul style="list-style-type: none"> <li>• Show a deep knowledge of the trade theories, policies and empirical trade models covered in the course,</li> <li>• show ability to explain the implications of trade theories and whether they apply to the world economy,</li> <li>• understanding of the economic logic behind trade policies and its economic effects,</li> <li>• being able to interpret tables of empirical results available in published economic research.</li> </ul>	

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<b>Admission requirements:</b> none	<b>Recommended previous knowledge:</b> M.WIWI-QMW.0004 Econometrics I and International Economics
<b>Language:</b> English	<b>Person responsible for module:</b> Prof. Dr. Inmaculada Martinez-Zarzoso
<b>Course frequency:</b> each winter semester	<b>Duration:</b> 1 semester[s]
<b>Number of repeat examinations permitted:</b> twice	<b>Recommended semester:</b> 2 - 4
<b>Maximum number of students:</b> 30	