

INTERNATIONAL TRADE, L3

By E. Iliopoulos

This course aims at providing an introduction to the standard literature on international trade and on the related policy issues. It analyzes the empirical and theoretical fundamentals of international trade.

Lectures will first focus on the standard models of Ricardo and Heckscher-Ohlin so as to provide an understanding of the concept of comparative advantage vs absolute advantage. The course then discusses on the role of trade policies in a perfect competition framework and their impact on welfare.

After a brief overlook on migration and foreign direct investments, the course discusses then the implications for trade of some deviations from the “constant-return-to-scale” and “perfect competition” assumptions, respectively. I thus introduce a monopolistic competition setting so as to study the models of Krugman-Obstfeld and Melitz.

Manuals:

- Feenstra and Taylor (2008), International trade, Worth Publishers (NY).
- Krugman and Obstfeld (8th edition), International economics, Addison-Wesley.
- Mucchielli and Mayer (2nd edition), Economie Internationale, Dalloz.

Additional reference will be provided throughout the course.

Structure of the course:

12 lectures of 3 hours each.

Review sessions/tutorials (TDs): 12 sessions of 1.5 hours each.