



STUDY PROGRAMME

ECO + ECO-EPPA

ACADEMIC YEAR

2023 - 2024

SEMESTER

2

COURSE TITLE

EU and International Trade

COURSE PROFESSOR

ERIK VAN DER MAREL

COURSE ASSISTANT

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NATURE OF COURSE (COMPULSORY, OPTIONAL)

COMPULSORY FOR ECO;  
OPTIONAL FOR ECO-EPPA

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

4,5

## 1. COURSE OBJECTIVE

The objective of the course is to use theoretical insights from traditional and modern trade theory to understand the consequences of trade integration in general and EU there where possible. A large usage will be made of existing empirical trade papers, showing its foundations and estimation methods, to provide quantitative evidence on the ongoing debate of international trade and globalization with respect to the EU. The second half of the course will delve deeper into the trade policy aspects of international trade, such as trade policy instruments as well as their political economy. The second half of the course will also discuss issue areas of international trade such as global value chains, digital trade, and structural change. All topics are underpinned by empirical research papers.

## 2. LEARNING OUTCOMES

Course-specific learning outcomes:

- a) A capacity to understand the theoretical modelling of trade integration under various assumptions regarding fundamental differences across countries and markets.
- b) An ability to read and understand modern empirical work assessing international trade and trade integration and its consequences, including those resulting from trade policy.
- c) Discuss the theoretical underpinnings of empirical research on international trade with a capacity to critically assess the methods employed.



At the end of this lecture, students should be able to:

- Describe, explain and illustrate core economic theory and selected policies related to international trade and trade policy.
- Understand the normative assumptions, implications and limitations of economic theory and economic policy making.
- Use economic concepts and theory to assess current problems and policies regarding international trade and globalization.
- Integrate their knowledge of related disciplines (in part related to the EU) into the domain specific knowledge of trade economics.

### 3. COURSE CONTENTS

1. Introduction: Globalization
2. Classical Trade Theory: Comparative Advantage, Gains from Trade and Ricardo
3. Neo-Classical Trade Theory: Factor Price Equalization and Heckscher-Ohlin
4. New Trade Theory: Monopolistic Competition, Economies of Scale and Gravity
5. New New Trade Theory / Firms
6. Protectionism and Other Specific Trade Costs & Political economy of trade policy
7. WTO and Regionalism
8. Trade, Structural Change, and Development
9. Digital Trade and Trade in Services
10. FDI and Global Value Chains

### 4. TEACHING METHOD(S)

Lectures and seminars, with the latter involving presentations and class participation.

### 5. COURSE MATERIAL

Lecture slides + readings, plus occasional new outlets.

### 6. EVALUATION

Presentation for about 20 minutes (counting 10-20 percent of the overall grade), plus a 3-hour closed-book written exam with open questions (counting 90-80 percent)