This is an advanced course focusing on the theory and empirics of trade policy. There are two strict prerequisites: (i) Econ 184 (international economics); (ii) intermediate microeconomics. The course focuses mainly on three topics: (1) Welfare and distributional implications of trade policy: Who gains and who loses from international trade? Is it possible for gainers to compensate losers, so that everyone gains from trade? (2) The political economy of trade policy: Why are seemingly inefficient trade barriers so widespread? Do governments have incentives to pursue beggar-thy-neighbor policies at the expense of trading partners, generating international Prisoners’ Dilemma situations? How are trade policies influenced by special interest groups and individual voters’ preferences? (3) The role of international trade cooperation: Why do countries sign trade agreements? How are they negotiated? How should trade agreements be designed? What are the tensions between national sovereignty and international trade courts? What can we learn from the experience of the WTO, NAFTA and other trade agreements?

Prerequisites: (1) Econ 184 (International Economics); (2) Intermediate microeconomics.

[Also GLBL 238]

Semester offered: Spring
Undergrad Course Category: International

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