

<b>Module title</b>		<b>Abbreviation</b>
Trade Policy and the World Trading System		12-M-TP-152-m01
<b>Module coordinator</b>		<b>Module offered by</b>
holder of the Chair of International Macroeconomics		Faculty of Business Management and Economics
<b>ECTS</b>	<b>Method of grading</b>	<b>Only after succ. compl. of module(s)</b>
5	numerical grade	--
<b>Duration</b>	<b>Module level</b>	<b>Other prerequisites</b>
1 semester	graduate	--
<b>Contents</b>		
<p>Content: Based on a synopsis of the basic arguments in favour of free trade, this module provides a systematic introduction to and analysis of a number of arguments in favour of trade operations and trade policy instruments (duties, quotas etc.). The arguments that will be discussed include market power in international markets, domestic distortions, the strategic trade policy, the infant industry argument and industrial policy. The lecture will also address the political-economic causes of protectionist policies, the logic of international trade agreements as well as current issues of the world trade system.</p> <p>Outline of syllabus:</p> <ol style="list-style-type: none"> <li>1. Development of lines of the world trade system, of world trade and current issues</li> <li>2. The doctrine of free trade and its challenges</li> <li>3. Trade policy instruments and their effects under perfect competition</li> <li>4. Competition effects of market opening</li> <li>5. Native market failure: trade policy as a second, third, or ... -best</li> <li>6. Trade policy in market power on the international commodity markets</li> <li>7. Political economy, international integration and the world trade system</li> </ol> <p>Reading:</p> <ul style="list-style-type: none"> <li>- Key text for many sections of the course: Helpman, E. and Krugman, P. R. (1989), Trade Policy and Market Structure, The MIT Press, Cambridge, Massachusetts.</li> <li>- Lines of development and current issues of the world trade system are described in a clear and understandable way in the following books: Bhagwati, J. (2002), Free Trade Today, Princeton University Press. Bhagwati, J. (2005), In Defense of Globalization, Oxford University Press. Irwin, D. (2005), Free Trade Under Fire, Princeton University Press, 2nd Edition. Irwin, D. (1996), Against the Tide. An Intellectual History of Free Trade, Princeton University Press.</li> <li>- A basic knowledge of international economics is a prerequisite for participation in this course. Students can refresh their existing knowledge with the help of the two following textbooks: Krugman, P. R., Obstfeld, M. and Melitz, M. (2012), International Economics. Theory and Policy, Addison-Wesley, 9th Edition. Caves, R., Jones, R. W. and Frankel, J. A. (2007), World Trade and Payments. An Introduction, Addison-Wesley, 10th Edition.</li> </ul>		
<b>Intended learning outcomes</b>		
Students acquire a critical understanding of the benefits of free trade and the possible displayed at various circumstances economic policy arguments. Students are placed in a position to classify current trade policy issues critically-analytically and to present their ideas verbally and economically-intuitive. Students also gain an understanding of the structure and dynamics of the world trade order.		
<b>Courses</b> (type, number of weekly contact hours, language — if other than German)		
V (2) + Ü (2)		

**Method of assessment** (type, scope, language – if other than German, examination offered – if not every semester, information on whether module is creditable for bonus)

a) written examination (approx. 60 to 90 minutes) or b) term paper (approx. 15 pages)  
Language of assessment: German and/or English

**Allocation of places**

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**Additional information**

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**Referred to in LPO I** (examination regulations for teaching-degree programmes)

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**Module appears in**

Master's degree (1 major) Media Communication (2015)