

# Foundations of Trade Policy and Trade Policy Data

**Semester:** Spring semester 2022

**Root Number:** 477679

**ECTS:** 3

**Lecturers:** Manfred Elsig, Selina Hauser, Patrick Tomberger and Achim Vogt

**Dates:** 7 – 10 June, 2022

**Audience:**

- The CAS TradeMod is aimed at professionals, researchers and graduate students (Masters and PhD), notably in Economics and Social Sciences. Undergraduate students will be considered only if their profile is outstanding.

## Course description

The main objectives of this course are twofold. First, the participants will be provided with theoretical foundations in several areas relevant to trade policy. Specifically, we will discuss welfare effects of the most important trade policy instruments, including non-tariff measures (NTM), as well as the political economy of preferential trade agreements (PTA) and the welfare effects thereof. Second, each of these theoretical sessions will be complemented by applied hands-on sessions on data availability and –handling using some of the most commonly applied datasets and software in those fields. Each of the four course days will begin with a theory session in the morning followed by an applied data session in the afternoon.

## Lecturers

### **Manfred Elsig**

Manfred Elsig is Professor of International Relations, Deputy Managing Director and Director of Research of the World Trade Institute of the University of Bern. From 2013-2017 he was the Director of the NCCR Trade Regulation. He studied at the universities of Bern and Bordeaux and earned a degree in political science. He worked from 1997 to 1999 at the Swiss Federal Office for Foreign Economic Affairs. He later joined the Political Science Institute at the University of Zurich and received his PhD (Dr Phil) in 2002 with a dissertation on European Union trade policy. From 2002 to 2004, he worked for UBS financial services group and as a personal advisor to the Minister of Economy of Canton Zürich. In 2004-2005, he was a teaching fellow at the International Relations Department at the London School of Economics and Political Science. From 2005 to 2009, he worked as a post-doc fellow at the World Trade Institute and at the Graduate Institute of International and Development Studies in Geneva. From 2009 to 2013, he was an Assistant Professor at the World Trade Institute.

His research focuses primarily on the politics of international trade, regional trade agreements, European trade policy, international organisations, US–EU relations, and private actors in global politics. He has published in international peer-reviewed journals including *International Studies Quarterly*, *European Journal of International Relations*, *European Union Politics*, *Journal of European Public Policy*, *Journal of Common Market Studies*, *Review of International Organizations*, *Review of International Political Economy*, and *World Trade Review*. He has been visiting lecturer/visiting professor at the University of Zurich, the University of Geneva, the Graduate Institute of International and Development Studies, the London School of Economics and Political Science, and the Thunderbird School of Global Management. His courses include international political economy (IPE), international relations theories, international institutions, globalisation and European integration, and research methods.

### **Selina Hauser**

Selina Hauser is a PhD candidate in Economics at the World Trade Institute (WTI) under the supervision of Prof. Dr. Joseph Francois. Her research aims to achieve a more comprehensive view on the impact of complex trade networks (global value chains, bilateral regulatory heterogeneity) on international trade flows and labour market transformations. She was part of a team coding data on the relation of global value chains and preferential trade agreements in collaboration with the OECD. Selina, a Swiss citizen, holds a master's degree in Applied Economic Analysis with special qualification in Trade and International Development from the University of Bern.

### **Patrick Tomberger**

Patrick Tomberger is a senior postdoc researcher at the World Trade Institute located in Bern, Switzerland. Before he joined the WTI, he worked as a pre-doc researcher at the University of Linz from 2010 to 2015 where he obtained a PhD in Economics. He also holds Master degrees in Political Economy and Political Science from the University of Innsbruck. He also worked as consultant for the World Bank and the OECD and has been part of projects funded by the European Union and the Swiss National Science Foundation. His main research interests are international trade, global value chains, input-output analysis and environmental economics. In those fields, he published in international peer-reviewed journals such as Applied Economics, The World Economy, Ecological Economics, Economics Letter, Empirical Economics, and Environmental and Resource Economics.

### **Achim Vogt**

Achim Vogt is a PhD student at the WTI working on non-tariff measures. Previously, he worked for the economic consultancy Ecorys Netherlands, mainly carrying out impact assessments of trade related policies. Achim holds a double BSc in International Business Administration and International Economics, and an MSc in Maritime Economics and Logistics (cum laude).

### Grading:

Grading will be based on a take home exam where the participants have to solve a data handling problem and/or descriptive exercise in groups of two. Datasets and software code will be made available by the lecturers. The exams are to be handed in until Sunday, June 12, 2022, 24:00 CET via e-mail or ILIAS.

## Course Overview

Class	Date	Lecturer	Time	Hours	Topic
1	07.06.	Tomberger	10:00-12:30	2.5	Theory on Trade Policy Instruments
2	07.06.	Vogt	14:00-16:30	2.5	Types of tariff classification and tariff data
3	08.09.	Tomberger	10:00-12:00	2.0	Economic theory on NTMs
4	08.06.	Vogt	14:00-16:30	2.5	NTM data
5	09.06.	Elsig	10:00-12:30	2.5	Political economy of PTA formation
6	09.06.	Hauser	14:00-16:30	2.5	The DESTA dataset
7	10.06	Tomberger	10:00-12:30	2.5	Economic analysis of PTAs
8	10.06	Vogt	14:00-16:30	2.5	World Bank PTA dataset

## Session 1 (Morning)

**Lecturer: Patrick Tomberger**

**Subject: Theory on Trade Policy Instruments**

### **Compulsory Reading Material**

- Krugman, P.R., Obstfeld, M. & Melitz M. J. (2018): International Economics. Theory and policy. 11<sup>th</sup> edition, Harlow, Essex: Pearson Education. Chapter 9.

### **Optional Reading Material**

- Arndt, S.W. (2012): Free trade and its alternatives, in: Kreinin M.E. and M.G. Plummer (eds.): The Oxford Handbook of International Commercial Policy. Oxford University Press.
- Josling, T. (2012): Agriculture, in: Kreinin M.E. and M.G. Plummer (eds.): The Oxford Handbook of International Commercial Policy. Oxford University Press.
- Van Marrewijk, C. (2012): International Economics – Theory, application, and policy, Second Edition, Oxford University Press. Chapter 10.

## Session 2 (Afternoon)

Lecturer: Achim Vogt

**Subject: Tariffs & tariff data**

### Compulsory Reading Material

- World Trade Organization, ed. A Practical Guide to Trade Policy Analysis. Geneva: World Trade Organization, 2012. Chapter 2: Quantifying trade policy.

### Optional

- Beckman, Jayson, Fred Gale, and Tani Lee. "Agricultural Market Access Under Tariff Rate Quotas." Economic Research Report. Washington DC: USDA, 2021.
- Guimbard, Houssein, Sébastien Jean, Mondher Mimouni, and Xavier Pichot. "MAcMap-HS6 2007, An Exhaustive and Consistent Measure of Applied Protection in 2007." International Economics 130 (February 1, 2012): 99–121.  
[https://doi.org/10.1016/S2110-7017\(13\)60046-3](https://doi.org/10.1016/S2110-7017(13)60046-3).
- Mattoo, Aaditya, Nadia Rocha, and Michele Ruta, eds. Handbook of Deep Trade Agreements. Washington DC: World Bank Group, 2020. Chapter 1: Preferential tariffs.

### Comment

Please make sure that you have a functioning account on:

- <https://www.macmap.org>
- <https://wits.worldbank.org>

## Session 3 (Morning)

Lecturer: Patrick Tomberger

**Subject: Economic theory on NTMs**

### **Compulsory Reading Material**

- Disdier, A.-C. and Fugazza Marco (2019): A practical guide to the economic analysis of non-tariff measures. World Trade Organization and UNCTAD.
- Burfisher M. (2016): Introduction to computable general equilibrium models. Cambridge University Press. Chapter 9.

## Session 4 (Afternoon)

Lecturer: Achim Vogt

**Subject: NTM data**

### Compulsory Reading Material

None.

### Optional

General overview of NTMs and data:

- Disdier, Anne-Célia, and Marco Fugazza. A Practical Guide to the Economic Analysis of Non-Tariff Measures. UN, 2020. <https://doi.org/10.18356/b9cc8a8d-en>.
- Cadot, Olivier, and Mariem Malouche, eds. *Non-Tariff Measures: A Fresh Look at Trade Policy's New Frontier*. Chapter 2: How Much Light Do WTO Notifications Shed on NTMs? London: CEPR, 2012.
- Rau, Marie-Luise, and Achim Vogt. "Nontariff Measures: Data Concepts and Sources." In *Behind-the-Border Policies: Assessing and Addressing Non-Tariff Measures*, edited by Bernard Hoekman and Joseph Francois, 11–47. Cambridge: Cambridge University Press, 2019. <https://doi.org/10.1017/9781108751698.002>.
- UNCTAD. "UNCTAD TRAINS: The Global Database on Non-Tariff Measures." Geneva: UNCTAD, 2017.

For a classification of NTMs:

- UNCTAD. "International Classification of Non-Tariff Measures 2019." Geneva: UN, 2019. <https://doi.org/10.18356/33bf0bc6-en>.

Online resources for NTM data:

- <https://trains.unctad.org>
- <http://i-tip.wto.org/goods/default.aspx?language=en>



## Session 5 (Morning)

**Lecturer: Manfred Elsig**

**Subject: Political economy of PTA formation**

### Compulsory Reading Material

- Wüthrich, Simon, & Elsig, Manfred. 2021. Challenged in Geneva: WTO Litigation Experience and the Design of Preferential Trade Agreements. *Business and Politics*, 23(3), 344-363. doi:10.1017/bap.2020.20
- Allee, Todd and Manfred Elsig. 2017. "Veto Players and the Design of Preferential Trade Agreements". *Review of International Political Economy*, vol. 24, no. 3, pp. 538-567.
- Allee, Todd, and Manfred Elsig. 2016. "Why do some international institutions contain strong dispute settlement provisions? New evidence from preferential trade agreements". *The Review of International Organizations*, vol. 11, pp. 89-120.

### Optional Reading Material

- Elsig, Manfred and Sebastian Klotz. 2021. "Digital trade rules in preferential trade agreements: Is there a WTO impact?". *Global Policy*, vol. 12, no. 4, pp. 25-36.
- Baccini, Leonardo, Andreas Dür and Manfred Elsig. 2018. "Intra-Industry Trade, Global Value Chains, and Preferential Tariff Liberalization". *International Studies Quarterly*, vol. 62, no. 2, pp. 329-340.
- Allee, Todd, Manfred Elsig and Andrew Lugg. 2017. "The ties between the World Trade Organization and preferential trade agreements: A textual analysis". *Journal of International Economic Law*, vol. 20, no. 2, pp. 333-363.

## Session 6 (Afternoon)

Lecturer: Selina Hauser

**Subject: The DESTA dataset**

### Compulsory Reading Material

None.

### Optional

General overview DESTA:

- Dür, A., Baccini, L., & Elsig, M. (2014). The design of international trade agreements: Introducing a new dataset. *The Review of International Organizations*, 9(3), 353-375.

New DESTA OECD Data:

- Manfred Elsig, Selina Hauser, and Rodrigo Polanco. *Dataset on Global Value Chain (GVC) – related provisions in preferential trade agreements*, Technical Note.
- Selina Hauser and Ana Novik. *Investment-related Measures in RTAs: an Assessment of GVC Linkages using the DESTA OECD Dataset*, Internal Report.
- Codebook DESTA OECD Data

## Session 7 (Morning)

Lecturer: Patrick Tomberger

**Subject: Economic analysis of PTAs**

### Compulsory Reading Material

- Krugman, P.R., Obstfeld, M. & Melitz M. J. (2018): International Economics. Theory and policy. 11th edition, Harlow, Essex: Pearson Education. Chapter 10.
- Van Marrewijk, C. (2012): International Economics – Theory, application, and policy, Second Edition, Oxford University Press. Chapters 10 and 12.
- Baldwin, R. (2016): The World Trade Organization and the future of multilateralism, *Journal of European Perspectives*, 30. 95 – 116.

### Optional Reading Material

- Kemp, M. and H. Wan (1976): An elementary proposition concerning the formation of customs unions, *Journal of International Economics*, 6. 95 – 97.
- Kreinin, M.E. and M.G. Plummer (2012): Theory and economic modeling of preferential trade arrangements, in: Kreinin M.E. and M.G. Plummer (eds.): *The Oxford Handbook of International Commercial Policy*. Oxford University Press.
- Krueger, A. (1999): Are preferential trading arrangements trade-liberalizing or protectionist?, *Journal of Economic Perspectives*, 13. 105 – 124.
- McCulloch, R. (2012): The international trading system and its future, in: Kreinin M.E. and M.G. Plummer (eds.): *The Oxford Handbook of International Commercial Policy*. Oxford University Press.

## Session 8 (Morning)

Lecturer: Achim Vogt

**Subject: World Bank PTA dataset**

### Compulsory Reading Material

None

### Optional Reading Material

- Breinlich, Holger, Valentina Corradi, Nadia Rocha, Michele Ruta, J.M.C. Santos Silva, and Tom Zylkin. "Machine Learning in International Trade Research: Evaluating the Impact of Trade Agreements." Working Paper. Policy Research Working Paper. Washington DC: World Bank, 2021. <https://doi.org/10.1596/1813-9450-9629>.
- Fontagné, Lionel, Nadia Rocha, Michele Ruta, and Gianluca Santoni. "A General Equilibrium Assessment of the Economic Impact of Deep Trade Agreements." Working Paper. Policy Research Working Paper. World Bank, 2021. <https://doi.org/10.1596/1813-9450-9630>.
- Mattoo, Aaditya, Nadia Rocha, and Michele Ruta, eds. *Handbook of Deep Trade Agreements*. Washington DC: World Bank Group, 2020.