

International Economics

Semester:	Spring semester - FS 2025
Root Number:	474670
ECTS:	4
Lecturers:	Joseph Francois and Octavio Fernandez-Amador
Room:	Silva Casa Auditorium, Hallerstrasse 6, Bern
Dates:	Wednesdays at 14:15 -16:00 and Thursdays at 12:15 -14:00. See detailed curriculum for the specific dates.
Exam:	11 June 2025

Audience:

- Bachelor in Economics – Department of Economics, Unibe - Elective
- Master of Advanced Studies of International Law and Economics (MILE) Students – World Trade Institute, Unibe - Compulsory
- Joint LL.M. / Diploma of Advanced Studies Trade and Investment Law (TRAIL+) Students - World Trade Institute / Faculty of Law, Unibe - Compulsory

COURSE DESCRIPTION

The goal of the lectures in international economics - is to gain basic understanding of the fundamental theories of international trade, basic concepts to assess welfare implications of trade policies, and to become familiar with the stylized facts on international trade. The course develops a general framework for understanding why countries trade, what goods they import and export, how trade affects labour markets and the distribution of income, the benefits from international trade, and the politics and effects of trade policy.

Students should acquire enough knowledge to be able to formulate a well-founded opinion about specific topics in the international trade literature such as the arguments for and against protection in the era of global value chains and the position of developing countries in international trade.

The compulsory reading is the textbook of Krugman, Obstfeld and Melitz on international trade theory. In class we will discuss intensively the chapters indicated in this syllabus and the students are required to read those chapters before class. The students are required to prepare for the current class.

LECTURER

Joseph Francois

Joseph Francois is Managing Director and professor of economics at the World Trade Institute. He served as deputy director of the NCCR Trade Regulation from 2015 to 2017. Previously he was professor of economics (with a chair in economic theory) at the Johannes Kepler Universität Linz. He is a fellow of the Centre for Economic Policy Research(London), director of the European Trade Study Group and the Institute for International and Development Economics, senior research fellow with the Vienna Institute for International Economic Studies, and a board member of the Global Trade Analysis Project. He serves on the editorial board of the Review of Development Economics, and the World Trade Review. Past professional incarnations have included professor of economics at Erasmus University Rotterdam, research economist for the World Trade Organization, and chief of research and acting director of economics for the U.S. International Trade Commission. Joe studied economics at the University of Maryland and economics and history at the University of Virginia. His current research interests include: cross-border production chains and employment; globalisation and inequality; trade in services; open economy competition policy and the regulation of firm behaviour; financial market integration; open economy growth and development; economic integration broadly defined; the multilateral trading system; trade and investment policy under imperfect competition (including the location of industry); the role of the service sector (finance, margin and intermediate services, etc.) in trade and development; competition policy in open markets; computational partial and general equilibrium modelling; and estimation and inference within large nonlinear systems (like large scale, multi-sector general equilibrium econometric models).

Octavio Fernández-Amador

Octavio Fernández-Amador is a senior researcher and lecturer at World Trade Institute. He holds a PhD in Economics from the University of Innsbruck (Austria) and a degree in Economics from University of Sevilla (Spain). He has previously worked as a Postdoc Assistant Professor at Johannes Kepler University Linz (Austria). Octavio has collaborated in projects with different institutions. His field of research is international economics, macroeconomics, and applied econometrics. He has worked on international macroeconomics, international trade, monetary economics, applied econometrics, time series analysis, and the quantitative analysis of climate change. Octavio has published in various international scientific journals.

LEARNING OBJECTIVE

International trade

- Understand the basic concepts of international trade, including how trade flows arise and develop, trade theories, market structures, global value chains and FDI, links to labor and capital markets, and geographical economics;
- Be able to work with the apprehended theories and link them to every-day economic situations and developments;
- Learn how to present theories and apply them and defend opinions in public and in class.

RECOMMENDED LITERATURE

- Krugman, P.R., Obstfeld, M. & Melitz M. J. (2023): *International Economics. Theory and policy*. 11th edition, Harlow, Essex: Pearson Education. (12th edition -11th edition also works)

Note: Additional readings will be made available on-line. The textbook readings are required. Additional readings help understand basic concepts related to the lectures and to supplement the compulsory readings either during the class or for the exercises proposed. Additional readings are optional but will help with comprehension and the review questions (i.e., will help with the exam).

Complementary economic references [Optional and supplementary information for students]

Books and online handbooks

1. Van Marrewijk, C. (2017): *International Economics*, Oxford: Oxford University Press.

GRADING:

The grade will be based on the final exam (written, multiple choice and open questions)

The exam will take place on 11 June 2025 at 14h15.

COURSE OVERVIEW

(This outline is indicative and subject to change following the path of the class. It is intended to give you a rough idea of what topics will be covered over certain dates during the semester).

Lesson	Date	Weekday	Hours	Time	Topic	Reading
1	19.02.25	Wed	2	14:15 - 16:00	Overview / Ricardian model	KOM, Ch. 2, 3
2	26.02.25	Wed	2	14:15 - 16:00	Ricardian model (cnt)	KOM, Ch. 3
3	05.03.25	Wed	2	14:15 - 16:00	Specific factors model	KOM, Ch. 4
4	12.03.25	Wed	2	14:15 - 16:00	Specific factors model (cnt)	KOM, Ch. 4
5	19.03.25	Wed	2	14:15 - 16:00	Hechscher-Ohlin model	KOM, Ch. 5
6	26.03.25	Wed	2	14:15 - 16:00	Hechscher-Ohlin model (cnt)	KOM.Ch. 5
7	27.03.25	Thu	2	12:15 - 14:00	Standard model	KOM. Ch. 6
8	02.04.25	Wed	2	14:15 - 16:00	Standard model (cnt)	KOM. Ch. 6
9	03.04.25	Thu	2	12:15 - 14:00	External economies of scale and international location of production	KOM. Ch. 7
10	30.04.25	Wed	2	14:15 - 16:00	Firms in the global economy	KOM. Ch. 8
11	07.05.25	Wed	2	14:15 - 16:00	Firms in the global economy (cnt)	KOM. Ch. 8
12	14.05.25	Wed	2	14:15 - 16:00	Instruments of trade policy	KOM. Ch. 9
13	15.05.25	Thu	2	12:15 - 14:00	Instruments of trade policy (cnt)	KOM. Ch. 9
14	21.05.25	Wed	2	14:15 - 16:00	Political economy of trade policy	KOM. Ch. 10
15	28.05.25	Wed	2	14:15 - 16:00	Trade policy in developing economies	KOM. Ch. 11

