

Applied methods for trade and agricultural policy analysis

This aim of this short course is to provide a concise treatment to the most important applied models/methods used for trade and agricultural policy analysis. The intended audience is PhD students or master's students in their thesis-writing stages. It is assumed that students in this course have already studied international trade theory and policy, preferably at the advanced level (equivalent to the level indicated by the textbook by Feenstra, 2004). Teaching will be based on a series of articles and book chapters. To receive the credit, students will have to attend and pass a written examination.

Lecture 1. Introduction to the applied methods for trade and agricultural policy analysis

(Sunday, Dec 5)

Readings:

Francois and Reinert (1997). Applied methods for trade policy analysis: an overview. Chapter 1 in Francois and Reinert (eds.) Applied methods for trade policy analysis: a handbook. Cambridge University Press.

Josling T., K. Anderson, A. Schmitz, and S. Tangermann (2010) Understanding International Trade in Agricultural Products: One Hundred Years of Contributions by Agricultural Economists. American Journal of Agricultural Economics. 92(2): 424-446.

余武胜, 钟甫宁 (2010) 略论国际农业贸易学的性质, 范围和方法 (mimeo)。

Lectures 2 and 3. Data used for applied trade and agricultural policy analysis: understanding international trade statistics and measuring and aggregating commercial policies

(Monday, Dec 6)

Readings:

comtrade.un.org

Anderson J.E. and Neary J.P. "A new approach to evaluating trade policy", Review of Economics Studies, vol. 63 (1996), no. 1, pp107-125.

Anderson J.E. and Neary J.P. "The Mercantilist index of trade policy", NBER Working Papers, No. 6870 (1999).

Bach C.F., and W Martin, Would the right tariff aggregator for policy analysis please stand up?, Journal of Policy Modeling, Volume 23, Issue 6, August 2001, Pages 621-635.

Balassa, B. "Tariff Protection in Industrial Countries: An Evaluation", Journal of Political Economy, Vol. 73, No. 6. (1965), pp. 573-594.

Bouët, A., Y. Decreux, L. Fontagné, S. Jean, and D. Laborde. "A consistent, ad-valorem equivalent measure of applied protection across the world: the MAcMap-HS6 database", CEPII Working Paper no. 2004-22 (Paris, 2004).

Bureau J.C., Salvatici L. Agricultural Trade Restrictiveness in the European Union and the United States. *Agricultural Economics*, vol. 33, sup. 3, 2005. pp. 479–490.

Joseph Francois & Will Martin, 2003. Formula Approaches for Market Access Negotiations. *The World Economy*, Blackwell Publishing, vol. 26(1), pages 1-28, January.

Maria Cipollina & Luca Salvatici, 2008. Measuring Protection: Mission Impossible? *Journal of Economic Surveys*, Blackwell Publishing, vol. 22(3), pages 577-616, 07

Lecture 4. Structure and applications of partial equilibrium models (9-12am. Tuesday, Dec 7)

Readings:

Francois and Hall (1997). Partial equilibrium modeling. Chapter 5 in Francois and Reinert (eds.) *Applied methods for trade policy analysis: a handbook*. Cambridge University Press.

Stout and Abler (2004). ERS/PENN STATE trade model documentation (mimeo).

Lecture 5. Structure and applications of CGE models (Thursday, Dec. 9)

Readings:

Devarajan, Go, Lewis, Robinson, and Sinko (1997). Simple general equilibrium modeling. Chapter 6 in Francois and Reinert (eds.) *Applied methods for trade policy analysis: a handbook*. Cambridge University Press.

Hertel, Ianchovichina, and McDonald (1997). Mutli-region general equilibrium modeling. Chapter ? in Francois and Reinert (eds.) *Applied methods for trade policy analysis: a handbook*. Cambridge University Press.

Hertel, T.W. and M.E. Tsigas (1997). Structure of GTAP. Chapter 2 in Hertel (ed.) *Global trade analysis: modeling and applications*. Cambridge University Press.

Horridge. M. (2001). Minimal: a simplified general equilibrium model. Monash University.

Lecture 6. Gravity equation and its applications (9-12am, Friday, Dec. 10)

Readings:

Anderson, J.E., 1979. A Theoretical Foundation for the Gravity Equation. *The American Economic Review*, 69(1), 106-116.

Anderson, J.E. & van Wincoop, E., 2003. Gravity with Gravitas: A Solution to the Border Puzzle. *American Economic Review*, 93(1), 170-192.

Cipollina M. and L. Salvatici (2010) Reciprocal Trade Agreements in Gravity Models: A Meta-Analysis. *Review of International Economics*, Vol. 18. No. 1, pp63-80.

Feenstra, R.C., 2004. *Advanced International Trade: Theory and Evidence*, Princeton University Press.

Helpman, E., Melitz, M. & Rubinstein, Y., 2008. Estimating Trade Flows: Trading Partners and Trading Volumes. *The Quarterly Journal of Economics*, 123(2), 441-487.

Written Exam (open book) 9-11:30am, Sunday, Dec 12.