International Economics II

Syllabus

## Block seminar

The course is designed as a graduate seminar in international trade for the students who already have the background of “International Economics I” or have the consent of the instructor. Students in a group of two will work on an assignment related to the central questions of the political economy of international trade and policy analysis. Using Rose (2000) dataset for the assignment students will be asked to write a memo in the form of a research paper for the finance minister of Pakistan (who recently finished her Ph.D. economics degree) assessing the effectiveness of currency unions through the following four important questions:

* What patterns do we see in bilateral trade flows and exchange rate stability between countries?
* Compare the trade flows between countries in currency unions with those between countries, not in currency unions. Based on this relationship, what policy recommendations would the group make? The previous analysis suggests that exchange rate stability seems to matter too. How can one account for that, and how does that change the observations and policy recommendations?
* Other factors may affect bilateral trade flows as well. Rose (2000) accounts for many of them. Using judgment to decide and explain which factors one thinks are important. If there are other factors that matter, explain how they might affect the findings? Would the policy recommendations have been different prior to 1990?
* The Minister is more concerned with how currency unions affect Pakistan. Give her an estimate of that based on your analysis, and interpret your findings to her.

As an important part of the assignment, the groups will present their arguments and findings for a maximum of 45 minutes. This will be followed by class in-depth discussion for 15 mins. Based on the material/topic prepared for the class presentation, students should prepare to write a memo in the form of a research paper.

* *Memo format:*

*. 1 page Executive Summary*

*. 5 pages Analysis*

*. 6 pages Technical Appendix*

The students will have access to the dataset of Rose’s (2000) paper and its draft via StudOn. The final grade will depend on students’ presentation (1/3) and seminar paper (2/3).

**Important Dates:**

* Introduction Session 1: 27-04-2022
  + Time: 1:30 pm to 2:30 pm
  + Venue: Kochstraße 4, Room 1.053
* Introduction Session 2: 28-04-2022
  + Time: 1:30 pm to 2:30 pm
  + Venue: Kochstraße 4, Room 1.055
* Presentation Sessions: 17-06-2022 and 18-06-2022
  + Time: 12 pm to 5 pm
  + Venue: Kochstraße 4, Room 5.054
* Final Paper Submission: 22-07-22 at 5 pm Berlin time

Further details will be communicated via email.