



University of  
Nottingham  
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CITP  
CENTRE FOR  
INCLUSIVE  
TRADE POLICY

# Nottingham International Trade Summer School

30<sup>th</sup> June 2025 – 5<sup>th</sup> July 2025

**School of Economics  
University of Nottingham**

## PROGRAMME

The **Nottingham International Trade Summer School** will be taught at an advanced level, assuming students can follow the notation and math required to understand a modern trade model but will not assume that students know trade. It will cover the theoretical foundations of modern trade theory but aim to also point to frontier research. It will not delve into any detailed derivations as that would take too long – it will leave technical derivations to be done at home by students.

### MONDAY 30<sup>TH</sup> JUNE

#### LECTURER

[Arnaud Costinot](#)

**9:00 – 10:30**

**The Neoclassical Trade Model: gains from trade and comparative advantage.** Theory of gains from trade; comparative advantage; empirics.

**10:30 – 11:00**

**COFFEE BREAK**

**11:00 – 12:00**

(cont.)

**12:00 – 14:00**

**LUNCH BREAK**

#### LECTURER

[Andrés Rodríguez-Clare](#)

**14:00 – 15:30**

**Ricardian comparative advantage and the Eaton-Kortum gravity model of trade. Counterfactual analysis and gains from trade.** DFS and limitations to two countries; EK; gravity and tools for counterfactual analysis.

**15:30 – 16:00**

**COFFEE BREAK**

**16:00 – 17:00**

(cont.)



## TUESDAY 1<sup>ST</sup> JULY

### LECTURER

[Andrés Rodríguez-Clare](#)

**9:00 – 10:30**

**Optimal policy in an open economy.** Terms of trade manipulation; theory and evidence; trade wars and talks; Trump I and II tariffs

**10:30 – 11:00**

**COFFEE BREAK**

**11:00 – 12:00**

(cont.)

**12:00 – 14:00**

**LUNCH BREAK**

### LECTURER

[Arnaud Costinot](#)

**14:00 – 15:30**

**How is optimal policy affected by distortions and distributive goals?** Theory and empirics; environmental issues

**15:30 – 16:00**

**COFFEE BREAK**

**16:00 – 17:00**

(cont.)

## WEDNESDAY 2<sup>ND</sup> JULY

### LECTURER

[Arnaud Costinot](#)

**9:00 – 10:30**

**New Trade Theory: Krugman.** Empirical motivation; Krugman 1979 and 1980; implications for gains from trade and optimal policy.

**10:30 – 11:00**

**COFFEE BREAK**

**11:00 – 12:00**

(cont.)

**12:00 – 14:00**

**LUNCH BREAK**

### LECTURER

[Andrés Rodríguez-Clare](#)

**14:00 – 15:30**

**New Trade Theory: Melitz.** Empirical motivation; theory up to ACR; empirics; policy implications.

**15:30 – 16:00**

**COFFEE BREAK**

**16:00 – 17:00**

(cont.)



## READINGS

We will primarily use self-contained lecture notes. However, the following readings provide foundational material that complements the lectures and are highly recommended:

- Arkolakis, Costas and Arnaud Costinot. "New Trade Models, Same Old Gains?" *American Economic Review* 102(1), 2012: 94–130
- Bagwell, Kyle and Robert W. Staiger. *The Economics of the World Trading System*. MIT Press, 2004
- Bernhofen, Daniel M. and John C. Brown. "A Direct Test of the Theory of Comparative Advantage: The Case of Japan." *Journal of Political Economy* 112(1), 2004: 48–67
- Bernhofen, Daniel M. and John C. Brown. "An Empirical Assessment of the Comparative Advantage Gains from Trade: Evidence from Japan." *American Economic Review* 95(1), 2005: 208–225
- Costinot, Arnaud and Andrés Rodríguez-Clare. "Trade Theory with Numbers: Quantifying the Consequences of Globalization." In Gopinath, G., Helpman, E. and Rogoff, K. (Eds.), *Handbook of International Economics*, Vol. 4, Elsevier, 2014: 197–261
- Costinot, Arnaud and Dave Donaldson. "What Goods Do Countries Trade? A Quantitative Exploration of Ricardo's Ideas." *Review of Economic Studies* 79(2), 2012: 581–608
- Dixit, Avinash, and Victor Norman. *Theory of International Trade*. Cambridge University Press, 1980, pp. 65–79 and 94–96
- Donaldson, Dave. "Railroads of the Raj: Estimating the Impact of Transportation Infrastructure." *American Economic Review* 108 (4–5), 2018: 899–934
- Dornbusch, Rudiger, Stanley Fischer and Paul A. Samuelson. "Comparative Advantage, Trade, and Payments in a Ricardian Model with a Continuum of Goods." *American Economic Review* 67(5), 1977: 823–839
- Eaton, Jonathan and Samuel Kortum. "Technology, Geography and Trade." *Econometrica* 70(5), 2002: 1741–1779
- Krugman, Paul R. "Increasing Returns, Monopolistic Competition, and International Trade." *Journal of International Economics* 9(4), 1979: 469–479
- Krugman, Paul R. "Scale Economies, Product Differentiation, and the Pattern of Trade." *American Economic Review* 70(5), 1980: 950–959
- Melitz, Marc J. "The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity." *Econometrica* 71(6), 2003: 1695–1725



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## THURSDAY 3<sup>RD</sup> JULY

### RESEARCH MENTORING DAY

#### ➤ Morning free

**12:00 – 14:00      LUNCH**

**14:00 – 14:30**      Mentoring Open Session 1

**14:30 – 15:00**      Mentoring Open Session 2

**15:00 – 15:30**      Mentoring Open Session 3

**15:30 – 16:00      COFFEE BREAK**

**16:00 – 16:30**      Mentoring Open Session 4

**16:30 – 17:00**      Mentoring Open Session 5

**17:00 – 17:30**      Mentoring Open Session 6

**19:00                  Summer School dinner at [The Cumin](#)**

## FRIDAY 4<sup>TH</sup> & SATURDAY 5<sup>TH</sup> JULY

[GEP/CEPR Summer International Trade Workshop](#)