



Nottingham International Trade Summer School

29th June – 2nd July 2026

**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 29TH JUNE

LECTURER	<u>Dave Donaldson</u>
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	<u>Andrés Rodríguez-Clare</u>
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.)
18:00	Summer School reception drinks at <u>Bramleys</u>



TUESDAY 30TH JUNE

LECTURER	<u>Andrés Rodríguez-Clare</u>
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	<u>Dave Donaldson</u>
14:00 – 15:30	How is optimal policy affected by distortions and distributive goals? Theory and empirics.
15:30 – 16:00	COFFEE BREAK
16:00 – 17:00	(cont.)

WEDNESDAY 1ST JULY

LECTURER	<u>Dave Donaldson</u>
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	<u>Andrés Rodríguez-Clare</u>
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, Rüdiger, 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



THURSDAY 2ND JULY

RESEARCH MENTORING DAY

10:00 – 12:00 One-to-one bookable office hours with lecturers

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** – venue TBC

FRIDAY 3TH & SATURDAY 4TH JULY

6th GEP/CEPR Summer Trade Workshop – programme to be announced shortly