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Second Summer School in Trade, Industrialisation and Development

# The Microeconomic Effects of Trade and Trade Policy: The Perspective of Developing Countries

Sunday September 5 to Wednesday September 8 2004

University of Milan
Palazzo Feltrinelli, Gargnano (BS), ITALY

Organisers: Centre for Economic Policy Research (CEPR), Centro Studi Luca d'Agliano,

Doctorate in Economics of the University of Milan, Doctorate in Economics of the

University of Turin

Lecturers: James Tybout, Pennsylvania State University and NBER

L. Alan Winters, University of Sussex, World Bank and CEPR

**Selection Committee:** *Giorgio Barba Navaretti*, University of Milano and Centro Studi Luca d'Agliano, *Alessandro Sembenelli*, University of Torino, *Anthony J. Venables*, London School of Economics and CEPR, *Thierry Verdier*, DELTA, Paris and CEPR

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> COMPAGNIA di San Paolo

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### **General Description**

The school intends to provide an intensive training course for young research students and scholars who are working in the fields of international economics and development. This year it will focus on the main analytical and empirical approaches and methodologies to study the microeconomic effects of trade and trade policy from the perspective of developing countries. The lectures will consider how firms in developing countries interact with the global economy and how different trade and trade policy regimes influence households' welfare. The school is open to 30 students from all countries. Students are expected to attend the school full time. The lecturers are James Tybout of Pennsylvania State University and NBER and Alan Winters of the University of Sussex, World Bank and CEPR, two of the leading economists working in this field.

The school is organised as part of the Research Training Network in Trade Industrialisation and Development funded by the European Commission. The network includes the Centre for Economic Policy Research (CEPR), the London School of Economics, the Norwegian School of Economics and Business Administration, the Département et Laboratoire d'Economie Théorique et Appliquée (DELTA), Paris, the European Centre for Advanced Research in Economics and Statistics (ECARES) at Université Libre de Bruxelles, Trinity College Dublin, the Centro Studi Luca d'Agliano, University of Milan, the Tinbergen Institute, University of Rotterdam, Pennsylvania State University

For further and updated information and teaching material, please refer to Centro Studi Luca d'Agliano's web site: <a href="https://www.dagliano.uni-bocconi.it">www.dagliano.uni-bocconi.it</a>

#### Lectures:

Globalization and Firm-level Responses in the Developing World (James Tybout)

The lectures explore the ways firms in developing countries interact with the global economy. The first section introduces several models explaining why different types of firms react to trade liberalization differently. It then reviews the econometric evidence on these models from developing countries. Special attention is given to the dynamic effects of globalization on productivity, exporting patterns, and industrial structure. The second section introduces multinationals. It begins with theories of multinational investment flows, then it reviews the evidence on patterns of multinational investments and their effects on host countries. Time permitting, a final section will treat models of outsourcing trade and the consequences of outsourcing arrangements for firms in developing countries.

The Micro-effects of Trade Policy: Households (L. Alan Winters)

This part of the course will first identify the transmission mechanisms from trade and trade policy to household welfare via price, factor markets and other income flows – in both the long and the short runs. It will then consider how trade effects may be identified in practice from ex-post household data and also how they may be predicted using household data and economy-wide models. The emphasis will be on the intuition of the links and on the practicalities of undertaking empirical work in the topic area. Students will be introduced to some of the issues surrounding the econometric analysis of household data, especially in the area of poverty analysis.

#### **Participants**

The school is targeted to 30 doctorate and post-doctorate students in economics and related disciplines.

## **Applications and deadlines**

The participants will be selected by the Selection Committee on the basis of the information included in the application forms. The applications should be submitted by e-mail to the Secretarial Office of the Centro Studi Luca d'Agliano (e-mail: centro.dagliano@uni-bocconi.it). The deadline for submission is *May 30 2004*.

#### Fees and Scholarships:

Participants will be charged 500€ covering registration, meals, boarding and background material. We hope to be able to offer a limited number of grants covering travelling expenses and fee waivers. The grants will be assigned with priority to students from Developing Countries.

Location: Palazzo Feltrinelli, Gargnano (BS), ITALY.

The school will take place at Palazzo Feltrinelli, on Lake Garda. This beautiful historical Villa is now owned by the University of Milan and is dedicated to Workshop and Meeting activities. Gargnano is a small resort village on Lake Garda, about 150 km east of Milan.

Foreign participants are advised to travel to either Milano or Brescia airports. Milano can be reached by plane from most countries or directly by train from European countries. People arriving to Milano by plane can then reach Milano Centrale Railway Station (http://www.trenitalia.com/) in about one hour from **Malpensa Airport**, in about one hour from **Orio al Serio Airport** and in about 20 minutes from **Linate Airport** (http://www.sea-aeroportimilano.it/). Public transport to Milan's Railway Stations is available by bus from all airports and by train + underground from Malpensa Airport; a taxi service is also available at a much higher rate.

Brescia can be reached by plane from London (flight Ryanair from London Stansted to **Brescia/Verona airport**, http://www.ryanair.com). People arriving by plane can then reach Brescia Railway Station in about half an hour by bus.

Gargnano can be reached from Milano Centrale Railway Station by train + bus. A train should be taken from Milano Centrale to Brescia Railway Station and a bus from Brescia Railway Station to Gargnano (http://www.infopoint.it/trl\_index.htm) (each trip takes about one hour). The bus station in Brescia is just outside Brescia Railway Station. Buses leave Brescia for Gargnano about every hour. Also, Gargnano can easily be reached by car, being close (about 40 Km) to the Milano-Venezia Motorway.

Timetables and maps will be provided to participants in due course.