



INTERNATIONAL PUBLIC ECONOMICS

SYLLABUS FOR WINTER TERM 2016/17

This block course consists of lectures and classes and is taught on a graduate level aiming at Master and PhD students. We offer the course at the Department of Economics at LMU Munich. It qualifies students for 6 ECTS or a doctoral course certificate respectively and can be converted into 2 CES-Lecture series.

Lecture: Prof. Dr. Kai A. Konrad
Class: Raisa Sherif, M.A

Language: English

Course assessment: exam (120 min.), date: March 7, 2017

To sign up (deadline: February 7, 2017) or for further questions, please contact

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CONTENT

The strengthened internationalization of modern economies constitutes a new framework to public spending and revenue policies, creating new challenges for policy makers. This course analyses the incentives for and effects of state actions in an international setting. Topics include, among others, the theory of tariffs, strategic trade policy, tax competition, and further cooperative and non-cooperative interactions between countries that affect public finances.

OUTLINE (PRELIMINARY)

1. Theory of tariffs
 - a. Incidence of import tariffs, and optimal tariffs and tariff war
 - b. Political economy of tariffs
 - c. Strategic trade policy
2. International public goods
 - a. Non-cooperative and cooperative provision of international public goods
 - b. Applications in the field of international climate policy
3. Tax competition
 - a. Tax competition between welfare states
 - b. Tax competition and political economy
4. Commitment problems of sovereigns
 - a. Sovereign debt and default
 - b. Foreign direct investment and expropriation



READING LIST (PRELIMINARY)

1. Brander, James A., 1995. Strategic Trade Policy, in: Gene M. Grossman and Kenneth Rogoff (Eds.), *Handbook of International Economics*, Vol. 3, Chapter 27. Elsevier, Amsterdam, 1395-1455.
2. Broda, Christian, Nuno Limão, and David E. Weinstein, 2008. Optimal Tariffs and Market Power: The Evidence. *American Economic Review* 98(5), 2032-2065.
3. Burbidge, John B., James A. DePater, Gordon M. Myers, and Abhijit Sengupta, 1997. A Coalition-Formation Approach to Equilibrium Federations and Trading Blocs. *American Economic Review* 87(5), 940-956.
4. Feenstra, Robert C., 2004. *Advanced International Trade*, Chapter 7. Princeton University Press, Princeton, 209-253.
5. Hindriks, Jean, and Gareth D. Myles, 2013. *Intermediate Public Economics*, 2nd Edition, Chapter 6. MIT Press, Cambridge, 147-189.
6. Hoel, Michael, 1991. Global Environmental Problems - The Effects of Unilateral Actions Taken by One Country. *Journal of Environmental Economics and Management* 20(1), 55-70.
7. Hoffmann, Sönke, Benedikt Mihm, and Joachim Weimann, 2015. To commit or not to commit? An experimental investigation of pre-commitments in bargaining situations with asymmetric information. *Journal of Public Economics* 121, 95-105.
8. Huck, Steffen, and Kai A. Konrad, 2004. Merger Profitability and Trade Policy. *Scandinavian Journal of Economics* 106(1), 107-122.
9. Keen, Michael, and Kai A. Konrad, 2014. The Theory of International Tax Competition and Tax Coordination, in: Alan J. Auerbach, Raj Chetty, Martin Feldstein, and Emmanuel Saez (Eds.), *Handbook of Public Economics*, Vol. 5, Chapter 5. North-Holland, Amsterdam, 257-328.
10. Konrad, Kai A., and Marcel Thum, 2014. Climate Policy Negotiations with Incomplete Information. *Economica* 81(322), 244-256.
11. Ossa, Ralph, 2014. Trade Wars and Trade Talks with Data. *American Economic Review* 104(12), 4104-4146.
12. Panagariya, Arvind, 2000. Preferential Trade Liberalization: The Traditional Theory and New Developments. *Journal of Economic Literature* 38(2), 287-331.
13. Rodrik, Dani, 1995. Political Economy of Trade Policy, in Gene M. Grossman and Kenneth Rogoff (Eds.), *Handbook of International Economics*, Vol. 3, Chapter 28. Elsevier, Amsterdam, 1457-1494.
14. Yarbrough, Beth V., and Robert M. Yarbrough, 2005. *The World Economy: Trade and Finance*, 7th Edition, Chapter 6. South-Western, Kendallville, 145-179.

DATES AND LOCATION - BLOCK COURSE

13.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Lecture
14.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Lecture
15.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Class
16.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Lecture
17.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Class
20.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Lecture
21.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Class
22.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Lecture
23.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Class
24.02.2017	14:00 - 18:00	Prof.-Huber-Pl. 2 (V) - LEHRTURM-VU104	Class
07.03.2017	10:00 - 12:00	Geschw.-Scholl-Pl.1, M018	Exam