

International Trade and the Backlash to Globalization

Prof. Dr. Lisandra Flach and Dr. Dorothee Hillrichs

LS (Seminar)

Wintersemester/winter semester 2025-26

Globalization has fundamentally transformed our economies over the past century. The benefits of specialization in production have long been acknowledged. Yet, more recently, the costs have gained increasing attention. Disruptions to global supply chains during the Covid pandemic and the war in Ukraine exposed economic dependencies between countries. The unprecedented rise in import competition from countries with lower production costs, notably China, has often been associated with the rise of regional inequality in high-income countries. This, in turn, spurred support for populists like Donald Trump among voters. These events ushered in a new era of protectionism.

The first lecture introduces students to key concepts in international trade that explain the international organization of production and the impact of trade liberalization and protectionist policies (gravity model of trade, global value chains). The second lecture covers recent advances in causal identification methodology (shift-share IV, event study designs) which we apply to study the drivers for the rise of protectionism. In the third lecture, we will jointly discuss and critically evaluate a recent publication on the effects of the US-China trade conflict 2018/19. This prepares students for their seminar thesis, in which they will summarize and assess existing research on the rise of protectionism and suggest extensions to the literature.

Studiengang: <i>Program:</i>	MSc
Termin Vorbesprechung (tt.mm.jjjj): <i>Date of preliminary meeting (dd.mm.yyyy):</i>	18 July, 11am
*Bearbeitungszeitraum für die Hausarbeit: <i>*Working period for term paper:</i>	21 November - 19 December
*Seminartermin: <i>*Seminar date:</i>	Lectures: 7, 14 and 21 November, 9 a.m. to 12 noon. Presentations: 30 January 2026.
Veranstaltungsort: <i>Venue:</i>	ifo Think-Tank Room - ifo Institute Poschingerstr. 5, 81679
falls außerhalb: Kostenschätzung: <i>if out of Munich: estimated costs:</i>	€
Sprache: <i>Language:</i>	English
Empfohlene Vorkenntnisse: <i>Recommended courses:</i>	Econometrics (master level) including panel data analysis
Methodischer Schwerpunkt: <i>Methodological background:</i>	Applied Econometrics: panel data analysis using difference-in-differences regressions, shift share, event studies, etc.
*Grundlagenliteratur: <i>*Basic references:</i>	
*Kontakt: <i>Contact:</i>	Hillrichs@ifo.de, Flach@ifo.de

* Optional (falls schon bekannt) / optionally (if already known)