
ONLINE COURSE ON TRADE AND POVERTY

10 SEPTEMBER-30 NOVEMBER 2012

With the support of
the United Nations Department of Economic and Social Affairs (UN DESA)
and the Government of Finland

PROSPECTUS

Background

In 2000, the world's leaders set an ambitious agenda of Millennium Development Goals (MDGs) committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets for 2015. Many countries have been struggling to achieve these objectives in a situation that has further deteriorated as a result of the global economic crisis. The target of halving extreme poverty between 1990 and 2015 is likely to be achieved thanks to the considerable fall in the poverty rate in Asian countries with large populations, such as China and India, but progress has been much slower in other regions, in particular sub-Saharan Africa. The progress in achieving full and productive employment and decent work for all has been even less satisfactory as the recent deterioration of the labour market has resulted in a decline in employment, pushing more workers into vulnerable employment and poverty.

International trade can support the achievement of MDGs in developing countries and play a positive role in pro-poor growth and sustainable development. It can create employment, enhance access to technology and knowledge, raise productivity, increase the variety and quality of goods available to consumers, stimulate capital inflows, increase foreign exchange earnings, and generate resources for sustainable development and poverty reduction. However, this positive relationship is not automatic and does not necessarily take place in all countries and contexts. Both national policies and international action need to be adopted and implemented to maximize the positive impact of trade on poverty. The design of effective national policies, as well as the formulation of negotiating positions for international fora dealing with trade issues, must be grounded in thorough analysis of data, trends and past experiences, and based on a careful assessment of the possible impacts of various policy options and negotiations outcomes. In this respect, academic institutions are key in generating the analysis critical to inform policymaking.

In an effort to leverage researcher-policymaker cooperation to support countries in the design of pro-poor trade policies, the Virtual Institute, UNCTAD's academic cooperation programme, is offering this online course, which complements its earlier teaching material and academic workshop on trade and poverty. The course was developed by Guido Porto (National University of La Plata, Argentina) and Nicolas Depetris Chauvin (African Center for Economic Transformation, Ghana, and University of Buenos Aires, Argentina), in collaboration with David Jaume (National University of La Plata) and UNCTAD experts from the Division on International Trade in Goods and Services, and Commodities; the Division on Africa, Least Developed Countries and Special Programmes; and the Division on Globalization and Development Strategies. Nicolas Depetris Chauvin will serve as the main tutor of the course.

Objectives

The objective of the course is to provide participants with the empirical tools needed to assess the impact of trade and trade-related policies on poverty and income distribution. For this reason, the course is a hands-on technical course with emphasis on the manipulation of data and the use of econometric tools. It will teach participants how to:

- Estimate or simulate the welfare and poverty impact of trade policy or trade shocks caused by changes in international prices and the volume of international trade on different segments of the population;
- Do ex-post analysis, i.e. analyse episodes of trade reform and compare the "before" and "after" for some key outcome variables (poverty rates, per capita consumption, wages, etc.);
- Apply the techniques learnt to produce policy research reports (that could be used by national policymakers) and academic papers empirically assessing the impact of trade policy and trade shocks on poverty and income distribution.

The topics and techniques covered in this course are currently an active research area in economics. Researchers are engaged in developing new methods, investigating the different channels of effect from trade to poverty, and analysing the effects in different countries. After completion of this course, the participants will be able to contribute to this growing literature.

A more detailed description of the course content, as well as the course timetable, are provided in the annex.

Target audience and course prerequisites

The course targets academics from universities and research centres in developing and transition countries involved in research and teaching of international trade and trade policy, who are interested in enhancing their quantitative skills and conducting policy-relevant research on trade and poverty issues as they relate to their countries. Qualified women candidates are particularly encouraged to apply. The number of participants is limited in order to assure appropriate support throughout the course.

Applicants must meet the following criteria:

- Hold a Master's degree in Economics;
- Have completed courses on statistics, econometrics, development economics and international trade, including knowledge of basic trade theories (Heckscher-Ohlin model, specific factor models, etc.) and their implications for factor remuneration (i.e. Stolper-Samuelson), and basic understanding of trade policy instruments and their implications;
- Be able to statistically describe micro-data in STATA and be familiar with the STATA commands needed to create tables and graphs used in the preparation of papers and reports;
- Have excellent knowledge of English, including technical terminology.

Please note that in order to successfully complete course activities, participants should plan to dedicate 12-14 hours per week throughout the duration of the course.

Funding

Thanks to the support from UN DESA and the Government of Finland, the Virtual Institute will be able to exempt the selected participants from the fees associated with access and e-tutoring services provided in the course.

Participants will also receive the course on CD/DVD, the Virtual Institute teaching material on trade and poverty, and other relevant literature free-of-charge.

Further opportunities after the course

Participants with passing grades in all course activities will receive a certificate of completion. The top course graduates will be invited to submit research proposals addressing trade and poverty topics of priority interest for policymaking in their countries. A strong preference will be given to proposals developed in cooperation with national policymakers.

Ten proposals will be awarded financial grants of USD 6'000 for the development of full research papers and accompanying policy briefs. Authors will be requested to cooperate with relevant policymakers in their countries in order to ensure the policy relevance of their research, and facilitate the use of findings by governments. They will benefit from coaching and peer review by experts from international organizations and academia during the preparation of the papers, participate in a workshop in Geneva mid-way through the research to review the progress made and receive further coaching and orientation from experts. The authors, together with the cooperating policymakers, will also be invited to present the completed papers to a policymaking/academic audience at a final seminar in Geneva.

The best papers will be published in a book.

Application information and deadline

To apply, follow the instructions at <http://vi.unctad.org/resources-mainmenu-64/distance-learning-mainmenu-115/516-tapreg>. Your application must include a detailed curriculum vitae and a letter of nomination from your institution indicating its support of your application and explaining how your participation in the course will contribute to your future work and the work of the institution.

The deadline for applications is **13 July 2012**. Applications received thereafter or incomplete applications will not be considered. For assistance with the online application process, contact susana.olivares@unctad.org

Requests for further information or clarification about this course should be sent to:

Ms. Vlasta Macku
Chief, UNCTAD Virtual Institute
Division on Globalization and Development Strategies, UNCTAD
Palais des Nations, 1211 Geneva 10, Switzerland
Email: vlasta.macku@unctad.org

A selection committee will review each application and select the course participants based on the supporting documents and the relevance of the course for their research, policy advice and teaching work.

Participants will be advised of their selection by 27 July 2012.

Annex: Content and timetable of the course

The course is structured into an introduction and six modules, with each module building on the previous one. For each module, we provide:

- A short reader summarizing the main theoretical issues;
- An accompanying multimedia lecture by course co-author, Nicolas Depetris Chauvin, based on PowerPoint slides. The lecture extends the content of the reader and incorporates examples from the literature on trade and poverty analysis;
- A hands-on STATA application based on a seminal paper, which includes the source of the data; the policy question being analysed; the methodology required to address the question; a discussion of the economic implication of the results; a short reader with step-by-step instructions; and a multimedia “hands-on” lecture. Data and STATA do files for each application are also provided;
- An annotated reading list describing and applying the different techniques covered in the course;
- A short test.

A final exercise will allow participants to apply the new knowledge to a practical example.

The course content may be run entirely from the CD/DVD provided or from the Vi website. However, an Internet connection is required to interact with the course tutors and complete end-of-module tests and final exercise.

Dates	Title	Content
Week 1: 10-14 September	Introduction	Familiarization with course website. Preparatory readings. Learning objectives. Topics and course structure.
Week 2: 17-21 September	Module 1: Trade, growth and poverty	The impact of trade on poverty and on the distribution of income. Channels and mechanisms. Data sources and measurement issues. Ex-ante and ex-post methods. Cross-country evidence linking trade to growth, and growth to poverty.
Week 3: 24-28 September	Module 2: First-order effects of trade policy	Welfare and poverty effects of price changes. Intuition. Graphical analysis. Formal framework. The net-consumer/net-producer result.
Week 4: 1-5 October	Module 3: Wages and non-traded goods	Extending first-order effects of trade policy: Changes in wages and changes in the prices of non-traded goods. Theory and intuition.
Week 5: 8-12 October	Catch-up week	
Week 6: 15-19 October	Module 4: Price transmission	How to model price changes generated by trade policy and trade shocks. Perfect versus imperfect price transmission. Models of imperfect price transmission. Imperfect competition in the supply chain.
Week 7: 22-26 October	Module 5: Other topics	Different assumptions about labour markets. The principle of separability. Household adjustments in consumption and production (second-order effects). How results change under different scenarios: empirical evidence.
Week 8: 29 October-2 November	Module 6. Trade and poverty: ex-post analysis	Episodes of trade reform and ex-post poverty impacts. Theory, measurement and estimation techniques. Understanding the mechanisms and policy implications.
Week 9: 5-9 November	Catch-up week	
Week 10: 12-16 November	Final hands-on exercise	Reproduction of the techniques learned in the course to make an assessment of some of the impacts of trade liberalization on household welfare in a developing country and provide some policy recommendations. The exercise focuses on gender issues, in particular whether there is a gender bias in the effects of food prices, remittances and tourism.
Week 11: 19-23 November		
Week 12: 26-30 November	Final essay	Writing a 1-2 page proposal for a policy-oriented empirical research paper on a trade and poverty issue of relevance to the participant's country.