



RUPRECHT-KARLS-UNIVERSITÄT HEIDELBERG

FAKULTÄT FÜR WIRTSCHAFTS- UND SOZIALWISSENSCHAFTEN
ALFRED-WEBER-INSTITUT FÜR WIRTSCHAFTSWISSENSCHAFTEN

PROF. DR. ZENO ENDERS

Seminar (M.Sc.) in Economics **TRADE, TARIFFS, AND GEOPOLITICAL RISK**

Description

After a long period of dismantling trade restrictions at both bilateral and multilateral levels, recent years have seen an increase in artificial restrictions, primarily through tariffs, driven by political or politico-economic considerations. Also for other — partly geopolitical — reasons beyond tariffs, trade relations are currently facing greater challenges than in the past.

In this seminar, we will develop a theoretical understanding of the effects of such trade barriers and examine the empirical evidence on this topic. Observations from different periods will be linked to theoretical concepts. A particular focus will be placed on the effects of tariffs on various aspects of economic life. The insights gained in this seminar should help assess the potential impacts of announced or already implemented tariffs.

Organizational Information

The seminar will take place on Thursday, 22. January and Friday, 23. January 2026, in room 00.028 (Campus Bergheim). Exact times will depend on the number of participants and will be announced in due time. An introductory meeting for successful applicants will take place on Tuesday, 14. October 2025, at 10:45 a.m. in room 01.030. Requirements include giving a presentation on one or more articles, participation on both seminar days, and submitting a seminar paper. The final grade will be composed as follows:

- Presentation (25%)
- Seminar paper (65%)
- Active participation (10%)

Language of Instruction

The seminar will be conducted in English.

Application Deadline

The completed application form (available at <https://www.awi.uni-heidelberg.de/en/professorships/macroeconomics/teaching>) must be submitted by 6. October 2025 (inclusive) to sekretariat.wipol@awi.uni-heidelberg.de

You may cancel your participation until **14. October 2025** (inclusive). After this date, withdrawal or non-participation will result in a grade of 5.0 unless an individual arrangement has been agreed upon.

Participation Criteria

The seminar is aimed at Master's students with an interest in the topics covered. The number of participants is limited to 24. If there are more applicants than spots available, selection will be based on the following criteria, in descending order of importance:

- Major and minor subject (priority for Economics students)
- Students who have not yet completed a seminar
- Semester level (priority for advanced students)
- Grade in the lecture "Advanced Macroeconomics" or similar courses

Topic Allocation

Please indicate your preferences for the topic you would like to work on (main topic with or without subtopic, see below) in your application form, and list at least two alternatives. Topic assignments will be finalized during the introductory meeting.

Introductory and Background Literature

- Clayton, G. et al. (2025): [Geeconomic Pressure](#). NBER Working Paper No. 34020.
- Gandolfo, G. (2013): International Trade Theory and Policy
- Gensler, G. et al. (2025): [The Economic Consequences of The Second Trump Administration: A Preliminary Assessment](#). CEPR Press, Paris & London. Chapters 20–23.
- Helpman, E. (2025): [The Future of Foreign Trade](#). NBER Working Paper No. 34189.
- Paulson, C. et al. (2025): The Economic Implications of Tariff Increases. FRBSF Economic Letter 2025-17.
- Ossa, R. (2025): [In einem Handelskrieg verlieren alle](#). Interview in *Perspektiven der Wirtschaftspolitik* 26 (1): 3-13.
- Stantcheva, S. (2023): [Understanding of Trade](#). NBER Working Paper No. 30040.
- VoxEU: [Page on Trump and Tariffs](#).

Prerequisites

Mandatory module in Advanced Macroeconomics (M.Sc.).

Topics

Each main topic (1, 2, 3, ...) will be presented by four students, with each focusing on a different aspect (a., b., c,...). That is, a maximum of four papers from each topic will be presented. Please indicate your desired main and subtopics (can be left out in case you are indifferent between the subtopics) in the application form. Examples: 1a, 6b, and 5b or 4e, 4a, and 2a.

1. Geopolitical Risk and the Consequences of Geopolitical Risk

- a. Caldara, D. und Matteo I. (2022): [Measuring geopolitical risk](#). *American Economic Review* 112 (4): 1194–1225.
- b. Khalil, M. et al. (2025): [Trade dynamics under geopolitical risk](#). Deutsche Bundesbank Discussion Paper 03/2025.
- c. Wang, X., Wu, Y. and Xu, W. (2024): [Geopolitical Risk and Investment](#). *Journal of Money, Credit and Banking* 56: 2023-2059.
- d. Mattoo, A. et al. (2024): [Geopolitics and the World Trading System](#). NBER Working Paper No. 33293.
- e. Gopinath, G. et al. (2025): [Changing global linkages: A new Cold War?](#) *Journal of International Economics* 153: 104042 together with: Fajgelbaum, P. et al. (2024): [The US-China Trade War and Global Reallocations](#). *AER: Insights* 6 (2): 295–312.
- f. Liu, E. and Yang, D. (2025): [International Power](#). NBER Working Paper No. 34006.

2. Free Trade

- a. Autor, D. et al. (2014): [Trade adjustment: Worker level evidence](#). *The Quarterly Journal of Economics* 129(4): 1799–1860 together with: Baqaee, D. and Malmberg, H. (2025): [Long-Run Effects of Trade Wars](#). NBER Working Paper No. 33702.
- b. Amiti, M. and D. R. Davis (2012): [Trade, Firms, and Wages: Theory and Evidence](#). *The Review of Economic Studies* 79(1): 1–36.
- c. Yi, K-M. (2003): [Can Vertical Specialization Explain the Growth of World Trade?](#) *Journal of Political Economy* 111(1): 52–102.
- d. Fernández-Villaverde, J. (2024): [Are We Fragmented Yet? Measuring Geopolitical Fragmentation and Its Causal Effect](#). NBER Working Paper No. 32638.
- e. Battieri, A. et al. (2021): [Protectionism and the business cycle](#). *Journal of International Economics* 129: 103417.

3. Tariffs

- a. Antonova, A. et al. (2025): [The Propagation of Tariff Shocks via Production Networks](#), CESifo Working Paper No. 11917.
- b. Gnecato, N. et al. (2025): [Tariffs across the supply chain](#). ECB Discussion Paper No. 3081.
- c. Dinopoulos, E. et al. (2024): [Tariff wars, unemployment, and top incomes](#). *Journal of Monetary Economics* 148, 10361 together with the column: Russ et al. (2017): [US tariffs are an arbitrary and regressive tax](#). VOX-EU.
- d. Auclert, A. et al. (2025): [The Macroeconomics of Tariff Shocks](#). NBER Working Paper No. 33726.
- e. Cox, L. (2025): [The Long-Term Impact of Steel Tariffs on U.S. Manufacturing](#). Mimeo.

4. Economic Consequences of the Tariffs during the first term of Donald Trump

- a. Faigelbaum, P. et al. (2020): [The Return to Protectionism](#). *The Quarterly Journal of Economics* 135,1: 1-55.
- b. Amiti, M. et al. (2019): [The Impact of the 2018 Tariffs on Prices and Welfare](#). *Journal of Economic Perspectives* 33 (4): 187–210 together with: Amiti, M. et al. (2020): [Who's Paying for the US Tariffs? A Longer-Term Perspective](#). *AEA Papers and Proceedings* 110: 541–46.
- c. Feng, C. et al. (2023): [Who Pays for the Tariffs and Why? A Tale of Two Countries](#). CE-Sifo Working Paper No. 10497.
- d. Cavallo, A. et al. (2021): [Tariff Passthrough at the Border and at the Store: Evidence from US-Trade Policy](#). *AER: Insights* 3 (1): 19-34 with a comparison to the results from b. and c. above.
- e. Flaaen, A. and J. Pierce (forthcoming): [Disentangling the Effects of the 2018-2019 Tariffs on a Globally Connected U.S. Manufacturing Sector](#). *The Review of Economics and Statistics*.

5. Tariffs during the second term of Donald Trump

- a. Ignatenko A. et al. (2025): [Making America Great Again? The Economic Impacts of Liberation Day Tariffs](#). *Journal of International Economics*, Volume 157: 104138.
- b. Cavallo, A. et al. (2025): [Tracking the Short-Run Price Impact of U.S. Tariffs](#). Working paper, Harvard Business School Pricing Lab.
- c. Lashkaripour, A. (2021): [Can Trade Taxes be a Major Source of Government Revenue?](#) *Journal of the European Economic Association* 19 (5): 2399–2428.
- d. Rodríguez-Clare, A. et al. (2025). [The 2025 trade war: Dynamic impacts across U.S. states and the global economy](#). NBER Working Paper No. 33792.
- e. Auray et al. (2025): [Tariffs and Retaliation: A Brief Macroeconomic Analysis](#). NBER Working Paper No. 33739.

6. Effects of Tariffs on Inflation and the Role of Monetary Policy

- a. Auray, S. et al. (2024): [Trade Wars, Nominal Rigidities, and Monetary Policy](#), *The Review of Economic Studies* 92 (4): 2228–2270.
- b. Bergin, P. and G. Corsetti (2023): [The macroeconomic stabilization of tariff shocks: What is the optimal monetary response?](#) *Journal of International Economics* 143, 103758 with the corresponding *VOXEU* column: Bergin, P. and G. Corsetti (2024): [Monetary policy in response to tariff shocks](#), *VOX-EU*.
- c. Bianchi, J. and L. Coulibaly (2025): [The optimal Monetary Policy Response to Tariffs](#). Federal Reserve Bank of Minneapolis Working Paper 810.
- d. Werning, I. et al. (2025): [Tariffs as Cost-Push Shocks: Implications for Optimal Monetary Policy](#). NBER Working Paper 33772.
- e. Kalemli-Özcan, S. et al. (2025): [Global Networks, Monetary Policy and Trade](#). NBER Working Paper No. 33686.