

The Macroeconomics of Tariffs

Reading Group: Term 2, 2025

This reading group brings together PhD students and faculty to explore recent research on the macroeconomic consequences of tariffs. Through fortnightly discussions of both theoretical and empirical papers, we aim to deepen our collective understanding of how trade policy—particularly the use of tariffs—shapes macroeconomic outcomes such as inflation, output, global value chains, and policy design. The readings span recent journal articles and working papers, reflecting the growing scholarly interest in this field. The list is not intended to be exhaustive; participants are encouraged to propose additional papers that complement core themes. Beyond fostering academic dialogue, we hope these conversations will inspire collaborative research ideas among participants.

Rules of Participation

Participants should adhere to the following:

- Compulsory for dissertation writers in macroeconomics.
- Presenters should provide a 15 minute overview of the paper that provides a foundation for discussion. This could involve slides, or simply working at the board to present key ideas and equations.
- All other dissertation writers should come prepared to lead the discussion after the presentation. This will require a careful reading of the paper and preparation of a set of questions and comments. The person leading the discussion will be picked randomly.

Reading List

- ◇ Amiti, Redding and Weinstein (2018): The Impact of the 2018 Tariffs on Prices and Welfare, *Journal of Economic Perspectives*.
- ◇ Antràs, Fort, Gutiérrez and Felix (2024): Trade Policy and Global Sourcing: An Efficiency Rationale for Tariff Escalation, *Journal of Political Economy Macroeconomics*.
- ◇ Auclert, Rognlie and Straub (2025): The Macroeconomics of Tariff Shocks, unpublished manuscript.
- ◇ Baratttieri, Cacciatore and Ghironi (2021): Protectionism and the Business Cycle, *Journal of International Economics*.

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- ◇ Blanchard, Brown and Johnson (2023): Global Value Chains and Trade Policy, unpublished manuscript.
 - ◇ Cavallo, Gopinath, Neiman and Tang (2021): Tariff Pass-through at the Border and at the Store: Evidence from US Trade Policy, *AER: Insights*.
 - ◇ Fahgelbaum and Khandelwal (2021): The Economic Impacts of the US-China Trade War, *NBER Working Paper 29315*.
 - ◇ Itskhoki and Mukhin (2025): The Optimal Macro Tariff, unpublished manuscript.
 - ◇ Froymovich, Konchitchki and Robinson (2023): US Import Tariffs and Domestic Corporate Performance, unpublished manuscript.
 - ◇ Werning, Lorenzoni and Guerrieri (2025): Tariffs as Cost-push Shocks: Implications for Optimal Policy, unpublished manuscript.
 - ◇ Furceri, Hannan, Ostry and Rose (2019): Macroeconomic Consequences of Tariffs, IMF Working Paper.
 - ◇ Sanacreu, Sposi and Zhang (2023): What Determines State Heterogeneity in Response to US Tariff Changes, Federal Reserve Bank of Chicago Working Paper.