

Economics 4413
International Trade
Summer 2018

Instructor: Billy Mertens
Office: ECON 12
E-mail: mertens@colorado.edu
Web: <https://learn.colorado.edu/>
Office Hours: M,F 12-1:15pm, and T,R: 12-1pm.

Course Description:

In this course, we will study the theories, policies, and institutions of international trade. We will study these aspects of international trade at a fairly abstract and rigorous level. Although the analysis will be largely graphical in nature, the course materials and lectures will employ some mathematics. Among the issues that will be addressed are: (1) the fundamental determinants of the patterns of trade and the gains from trade; (2) the implications of imperfect competition for trade patterns and welfare; (3) how firms of different sizes and productivities engage in trade; (4) the effects of trade and investment barriers; (5) the rationale for regional free-trade agreements and multilateral trade rules; and (6) the role of international capital and labor movements OR the political economy of trade policy. The economic, political, and social forces underlying many of the issues involved in international trade are complex, multi-faceted, and dynamic. They cannot be fully or easily analyzed in a professional lifetime, much less a one-semester course. They do, however, lend themselves extremely well to critical thinking and rational inquiry, which are the guiding principles of this course. Our goal is to become and remain informed about issues related to international trade

If you miss a class, including when we go over an exam, you are responsible for obtaining notes from a classmate and reading the relevant material in the textbook. I encourage you to come to my office hours to discuss the material you missed, but only after you have reviewed the relevant material and prepared specific questions.

In-class assignments:

Questions to Which the Answer is on this Syllabus:

When you ask questions to which the answer can be found on this syllabus or on the (D2L)

Tentative Course Schedule:

Many sections of the new book are advanced and written more for master's and MBA students. Therefore, we will skip some sections; these sections will be announced in class. Students are responsible for all announcements made in class. I will not be continually updating the website with announcements, etc.

PART I: TECHNICAL TOOLS AND THE GAINS FROM TRADE

In this part of the course, we develop and review basic tools of microeconomic theory that we will use throughout the course.

1. Supply and Production Possibilities

MM chapter 2 (Day 1-2)

2. Preferences, Demand, and Welfare

MM chapter 3 (Day 2)

3. General Equilibrium in Open and Closed Economies

MM chapter 4 (Day 3)

4. The Gains from Trade

MM chapter 5 (Day 3)

PART III: FACTOR TRADE AND DIRECT FOREIGN INVESTMENT

This section of the course looks at trade in factors of production and direct foreign investment by multinational firms.

1. Trade in Factors of Production

MM chapter 15

2. Direct Foreign Investment and Multinational Firms

MM chapter 16

3. Fragmentation, Offshoring, and Trade in Services

MM chapter 17 (might skip this chapter)

PART IV: TRADE POLICY

The final part of the course analyzes the principal tools that governments use to influence trade. We analyze the effects of the policies and try to understand the reasons that governments choose the policies they do.

1. Tariffs

MM Chapter 18 (Day 11-13)

2. Quotas

MM chapter 19 (Day 13)

3. Strategic Trade Policy

MM chapter 20

4. Preferential Trade Areas

MM chapter 21 and/or class notes (Day 13?)

5. The Political Economy of Trade Policy (Day 13?)

MM chapter 22 and/or class notes

Disabilities

If you qualify for accommodations because of a disability, please submit to your professor a letter from Disability Services in a timely manner (for exam accommodations provide your letter at least one week prior to the exam) so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact Disability Services at 303-492-8671 or by e-mail at dsinfo@colorado.edu.