DRAFT    Economics 7020 INTERNATIONAL ECONOMICS I    Fall 2013    Reynolds

The required readings are marked *. The reading in the Feenstra chapters should get your attention first in any topic area. Th 2:15-5:00pm OSH 360 Students will submit a 10 page paper which will be a précis for a thesis or an investigation of such a topic – but must be related to international economics.

Aug 29    Introduction: Profile of the Global Economy


Globalisation and Anti-globalisation


Graham, Fighting the Wrong Enemy: Antiglobal Activists & Multinational Enterprise 2000

Mercantilism Then and Now

J. Robinson, The New Mercantilism, 1966;

J. Viner, Studies in the Theory of International Trade;


Sept 5    Classical Model (2x1x2 version)


* Huber, “Effect on Prices of Japan’s Entry into World Commerce After 1858,” Journal of Political Economy, (JPE)1971, 614-628


Sept 12, 19 Generalised Heckscher-Ohlin model (2x2x2 version)

* R. Feenstra, Advanced International Trade, chapters 1 and 2.


* J.S. Metcalf and I. Steedman, “Reswitching and Primary Input Use” and “Reswitching, Primary
Sept 26 Specific Factor model (2x32 version)
* R. Feenstra, Advanced International Trade, pp. 72-75.
* R. Jones "A Three-Factor Model in Theory, Trade & History," in Bhagwati, Jones, Mundell & Vanek, eds. Trade, Balance of Payments & Growth, 1971

Generalising propositions to higher dimensional models: many factors, many goods, many countries
* R. Feenstra, Advanced International Trade, chapter 3.

Oct 3 Models with imperfect competition, economies of scale and intra-industry trade and empirical tests of trade models
* R. Feenstra, Advanced International Trade, chapter 2,3 (pp. 35-61, 93-97), 5.
E. Leamer, Sources of International Comparative Advantage, 1985, Chapters 1, 2 and 6;
* D. Trefler, "The Case of the Missing Trade & Other Mysteries," AER, Dec 1995, 1029-1046
* W. Antweiler & Trefler, "Increasing Returns and All That: A View from Trade," AER, 2002

Oct 10 Gains from Trade and Analysing the Effects of Tariffs
* Feenstra, Advanced International Trade, chapter 7.
R. Baldwin "The New Welfare Economics & Gains in International Trade," QJE, 1952

Strategic Trade Policy


Helpman & Krugman, Market Structure and Foreign Trade—Increasing Returns, Imperfect Competition and the International Economy, 1985


*Infant Industry Arguments*


Oct 13-20  Fall Break, No Classes  **UNLESS MAKE-UP**

Oct 24  Instruments of Protection and Measuring the Costs of Protection


Bhagwati, Panagariya and Srinivasan, Lectures, chapters 13 and 14.

A. Lerner, “The Symmetry Between Export and Import Taxes”, *Economica*, 1936. in RIE


* C. McDaniels, Reinert, and Hughes, “Tools of the Trade,” Woodrow Wilson International Center for Scholars, 2010

* USITC, “Trade Policy since 1934”

Oct 31  Political Economy of Protectionism


Standards for Firms in Developing Countries: An Econometric Study,”
* S. Baller, “Trade Effects of Regional Standards Liberalization: A Heterogeneous Firms
* Branstetter and Feenstra, “Trade and Foreign Direct Investment in China: A Political

Nov 7

The WTO and The World Trade System
WTO website: www.wto.org
WTO Marrakesh Agreement Establishing the World Trade Agreement (WTO Agreement),
WTO, Geneva.

Trade Problems, Policy and Demands of Developing Countries
J. Finger, “Implementing the Uruguay Round Agreements; Problems for Developing
Bacchetta, M. and B. Bora, “Industrial Tariff Liberalization and the Doha Development
J. Bhagwati, “Trading for Development: How to Assist Poor Countries” in Mike Moore
(ed.), Doha and Beyond: The Future of the Multilateral Trading
* R. Baldwin, “Openness and Growth: What’s the Empirical Relationship?” NBER WP 9578,
National Bureau of Economic Research, March 2003
* Pangestu, M., “Special and Differential Treatment in the Millennium: Special for Whom
and How Different?”, The World Economy, Global Trade Policy 2000, 195-212.
* Richard Baldwin, and Frédéric Robert-Nicoud, “Trade and growth with

Nov.14 Economic Integration of the World Economy: Trade, Wages and Factor Movements
* Freerstra, Advanced International Trade, chapter 4: Trade in Intermediates and Wages
Beaulieu, Benaroch and Gaisford, “Trade Barriers and Wage Inequality in a North-South
Model with Technology Driven Intra-industry Trade,” Journal of
* Markusen, “Factor Movements & International Trade as Complements,” Journal of
International Economics, 1983, 341-56
F. Root, International Trade and Investment, 1994
R. Caves, Multinational Enterprise and Economic Analysis, 2009
P. Krugman, "A Model of Innovation, Technology Transfer, and The World Distribution
of Income," JPE 1979;
Vernon, "The Product Cycle Hypothesis in a New International Environment" Oxford
Markusen, "Multinationals, Multiplant Economies and the Gains from Trade," Journal
of International Economics, 1984;
Development, Trade & the Environment, 1987;
Zhu and Trefler, “Trade And Inequality in Developing Countries,” Journal of
Kletzer, Job Loss from Imports: Measuring the Costs, 2001
200-204
G. Borjas, “The Economics of Immigration,” Journal of Economic Literature, 1994, 1667-1717
Abowd & Freeman, eds. Immigration, Trade & the Labor Market. 1991, WTO, Doha Declaration, November 2001. Downloaded from the WTO website. WTO Doha Work Programme. This can be downloaded from the WTO website.

Nov. 21
Regionalism in the World Economy

The Theory of Trade Discrimination
* Feenstra, Advanced International Trade, 192-99.
Regionalism in the World Economy
* ADB, Emerging Asian Regionalism, 2008 (excerpts)
* Harris, “Applied General Equilibrium Analysis of Small Open Economies with Scale Economies and Imperfect Competition,” AER, 1984, pp. 1018-32;

Dec. 5 and 12
No Class Meetings: Work on Class Paper!

Dec 20
10 page Class paper is DUE; Take Home Final Exam, Typed, Maximum 2000 Words is DUE
Both class paper and take-home final exam may be submitted electronically to: stephen.reynolds@csbs.utah.edu
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R. Baldwin “The New Welfare Economics & Gains in International Trade,” QJE, 1952

Strategic Trade Policy
N. Vousden, The Economics of Trade Protection, chapters 5 and 6.

**Infant Industry Arguments**

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USITC, “Trade Policy since 1934”

Oct 31 **Political Economy of Protectionism**
K. Maskus, Tsunehiro Otuku, John S. Wilson, “The Cost of Compliance with Product
Standards for Firms in Developing Countries: An Econometric Study,”

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Pangestu, M., “Special and Differential Treatment in the Millennium: Special for Whom
and How Different?”, The World Economy, Global Trade Policy 2000, 195-212.

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WTO, Doha Declaration, November 2001. Downloaded from the WTO website.
WTO Doha Work Programme. This can be downloaded from the WTO website.
* J. Haskell, Lawrence, Leamer and Slaughter, "Globalization and U.S. Wages: Modifying Classic Theory to Explain Recent Facts,” Journal of Economic Perspectives, Volume 26, Number 2—Spring 2012—Pages 119-140

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* ADB, Emerging Asian Regionalism, 2008 (excerpts)
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