

Department of Economics, University of Minnesota Twin Cities

INTERNATIONAL TRADE - ECON 4431W

Spring 2023

Instructor

Name: Braulio Britos

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Course meeting: T and Th 11.15 am – 12.30 pm in Blegen Hall 130

Course Credits: 3

Office Hours: Via Zoom; TBA and by appointment

This course is scheduled as an in-person course.

Econ 4431W satisfies the Global Perspectives Theme requirement of Liberal Education at the University of Minnesota.

Econ 4431W includes international trade theory and trade policy; it highlights the causes and effects of trade and trade restrictions on trading and non-trading countries.

The course does not focus on any specific country or region. It does however, address several issues that involve trade among nations, including **free trade, trade restrictions, protection, regional integration and the formation of free trade areas, mobility of labor and capital among nations, and trade and growth linkages**. The course material emphasizes the implications of free trade and trade restrictions. Particular emphasis is placed on the fact that trade leads to winners and losers, and these groups may be in the same or different country. Students are expected to understand the outcome of trade and trade restrictions on various groups (in class activities, homework assignments, exams, and the paper) – on domestic and foreign consumers, producers, governments, institutions; and on economic variables like prices, wages, employment, volume of trade, composition of trade, trading partners, and on income distribution across nations.

The course will focus on the following points:

The course, and most or all of the material covered in the course, focuses on the world beyond the United States.

The course develops the basic theories of international trade and applies them to study the effects of trade and trade restrictions in the world. In all these, we focus on current and future effects on various countries and the different groups within the countries.

The course either (1) focuses in depth upon a particular country, culture, or region or some aspect thereof; (2) addresses a particular issue, problem, or phenomenon with respect to two or more countries, cultures, or regions; or (3) examines global affairs through a comparative framework.

The course satisfies points (2) and (3). It focuses on global trade issues, which involve two or more countries or groups of countries. Theoretically, trade restrictions affect both countries and their people. We examine the actual effects of trade and trade restrictions on all players involved. We analyze the impacts of Regionalism and Multilateralism (by using world trade shares of nations or trade concentration ratios) on trade- and whether it leads to trade creation or trade diversion. This can have serious effects on the peoples of the nations- on their income and income distribution, on government revenues, and on prices, manufacturing, trade, wages, employment, and so on.

Students discuss and reflect on the implications of issues raised by the course material for the international community, the United States, and/or for their own lives.

Students are expected to participate in class discussions of trade issues. In homework assignments, students are asked to articulate effects of trade issues on the world economy, US economy or on themselves. During class time, the instructor will often discuss the effects of trade or trade restrictions on one country, and ask students to find the effects on the trading partner. The instructor will also present current articles on international trade in every class meeting so that students can see the application of trade terms and theories in real-world situations.

STUDENT LEARNING OUTCOMES:

Students can identify, define, and solve problems- Students will be able to solve problems pertaining to international trade and its effects on all countries involved. They will have to answer questions in homework assignments and in the midterm and final exams.

Students can locate and critically evaluate information – Students will be able to find and retrieve reliable international trade data for many countries. They will need data to answer questions in homework assignments, and will also need data and other background information about the chosen countries (for the writing assignment).

Students can communicate effectively – Students will be able to communicate effectively in writing. They will be asked to read an economic journal article so they can see how writing in economics is undertaken. Using the same format, they will write a paper, and will receive feedback on every iteration of the paper.

PREREQUISITES: Econ 3101 and 3102, which students should have successfully completed prior to taking this course.

E-TEXTBOOK: Required: INTERNATIONAL ECONOMICS by Appleyard and Field (9th edition; McGraw Hill)

You have enrolled in a course using Inclusive Access (IA). This means your course materials will be delivered electronically to the Canvas course website. It will be available by the first day of class, and you will be charged automatically for them through your student account. You will access your IA course materials through this course page in Canvas. If you do not want to participate in the IA program, you can opt out of the access and the fee will be refunded. The Bookstores will send an IA welcome email near the beginning of the semester, and this email will have instructions about how to opt out and when the deadline is for opting out. This email will also contain other important info about IA, so please watch for it. The subject line of the welcome email will be "Course Materials Charged to Your Student Account" and it will come from no-reply@verbasoftware.com. If you have any questions about inclusive access, please contact the Bookstores at inclusiveaccess@umn.edu.

The **VBID** for your material is **9781259352737R1825**

Students must set up an account with VitalSource to access their material.

Students have until **Jan 27, 2023**, to opt out of the course material.

READINGS:

Douglas Irwin: Free Trade Under Fire (Princeton University Press)

Daniels and VanHoose: Global Economic Issues and Policies (Thomson South-Western)

Ethier: Modern International Economics

Krugman, Obstfeld, Melitz: International Economics: Theory and Policy

Bhagwati (ed): International Trade; and Lectures on International Trade

Feenstra and Taylor: International Trade

Bhagwati: In Defense of Globalization (Oxford), 2007

The Economist: current issues; Various current newspapers and news magazines

Economic Report of the President, February 2022

ONLINE OFFICE HOURS:

I will hold office hours via Zoom, the date and time will be announced during the first week of classes. If you cannot make these hours, please email me and we can set up a meeting by appointment. I will hold extra online office hours before both exams- all details will be on Canvas.

COMMUNICATION BETWEEN STUDENTS AND INSTRUCTOR:

All the information related to this course can be found on canvas. I recommend that students check the course canvas page at least twice a week to keep up with course updates. I will post homework assignments, any study material, announcements and updates on canvas. In addition, I can always be reached on the university email id. I usually respond to all emails within 48 hours but please remember to put ECON 4431W on the subject line. This helps me get back to you quickly and efficiently. We will try to post grades for homework assignments within 7-10 days, and for exams, within two weeks.

APPROPRIATE CLASSROOM CONDUCT

Please treat each other and the instructor with respect and listen to their views. Respectful interactions are critical to successful professional conduct and this course is no exception. Please consider your tone and language, especially when communicating in text format, as the lack of other cues can lead to misinterpretation. Like other work in the course, all student-to-student communication is governed by the University's [Student Conduct Code](#).

APPROPRIATE USE OF COURSE MATERIALS

Sharing course materials with anyone outside of the class is a violation of intellectual property per Item 6 of the [U of M policy on student responsibilities](#). Please do not share any course material with anyone else.

INSTRUCTIONAL TIME AND STUDENT EFFORT:

For undergraduate courses, one credit is defined as equivalent to three hours of additional work per week for the course, in order for students to achieve an average grade. This implies that you should put in at least 9 additional hours per week on this course, along with attending class for 150 minutes per week.

TENTATIVE COURSE SCHEDULE for SPRING 2023

Week	Topic	Chapters	Activities Due
Week 1: Jan 17-20	Introduction; Syllabus;	Ch. 1	
	MEET WITH FILIP BABALIEVSKY		

JAN. 19

WRITING
ASSIGNMENT

Week 2: Jan 23-27	World Trade, Importance of International Trade; Mercantilism	Ch. 2	
Week 3: Jan 30-Feb 3	Classical Theories of Trade; Absolute Advantage Theory;	Ch. 3	WA – Topic due: Jan. 31, 10AM in Canvas HW 1 due: Feb. 3, 10AM in Canvas
Week 4: Feb 6-10	Ricardo’s Theory; its extensions, tests	Ch. 4	
Week 5: Feb 13-17	Neoclassical Theory of Trade; Offer Curves	Ch. 5, 6	HW 2 due: Feb. 17, 10AM in Canvas
Week 6: Feb 20-24	Terms of Trade; H-O Theory	Ch. 7, 8	
Week 7: Feb 27-Mar 3	H-O Theory; Propositions; tests; Review	Ch. 8, 9, 10	WA – Outline due: Feb. 28, 10AM in Canvas Midterm Exam: Mar. 2, 11.15 am – 12.30 pm In class
Week 8: Mar 6-10	Spring Break		
Week 9: Mar 13-17	Economic Growth and Trade; Trade Policies	Ch. 11, 13	
	LEARN “STATA”		11.15 am – 12.30 pm in class

MARCH 14

Week 10: Mar 20-24	Economic Growth and Trade; Trade Policies	Ch. 11, 13
Week 11: Mar 27-31	Trade Policies; Tariffs and NTBs	Ch. 13, 14
Week 12: Apr 3-7	Effects of Trade Policies- small and large countries	Ch. 13, 14, 15
Week 13: Apr 10-14	Effects of Trade Policies- small and large countries	Ch. 13, 14, 15
Week 14: Apr 17-21	Protection and Measurement of Protection	Ch. 15, 16
Week 15: Apr 24-28	Regional Integration and Regionalism	Ch. 16, 17
Week 16: May 1-3	Review and Sample Questions	

WA – Regressions due:
Mar. 28, 10AM in
Canvas

WA – First Draft due:
Apr. 1, 10AM in
Canvas

HW 3 due:
Apr. 14, 10AM in
Canvas

WA – Final report due:
Apr. 30, 10AM in
Canvas

MAY 5, 2023

Final exam:
8.00 – 10.00 am
In Class

NOTES:

1. Each morning, (5 minutes), I will present a brief review of a current (international) topic of interest. I encourage you all to participate in these discussions.
2. Students are responsible for material covered in both the lecture and supporting material in the mentioned chapters of the textbook. Everything discussed in class is part of the course and will appear on exams.
3. Extra credit is not offered in this course.
4. Only registered students can attend this course. All visitors must consult the Instructor before attending any lecture.

HOMEWORK ASSIGNMENTS AND CLASS PARTICIPATION:

There are three homework assignments; due on the dates mentioned. They will be posted on Canvas. Written answers to **homework assignments must be typed** according to department policy. Graphs and numerical computations need not be typed, but should be legible, big, and very neat.

All homework is to be submitted online through Canvas. Homework should be uploaded as a single pdf of size less than 10MB. You may discuss homework with classmates but you must write up the answers in your own words. Identical or essentially similar answers are not acceptable; you will receive a score of zero.

GRADE DISPUTES:

Any dispute regarding a grade must be submitted in writing (such as via the [Canvas Inbox](#)) within 72 hours of when the grade is posted. You must provide clear rationale for why you believe that your grade is incorrect. Statements like “I think I’m right” or “I think I met all of the requirements of this assignment” are not sufficient rationale. Keep in mind that, based on our second look at an assignment, your grade could go down as well as up.

WRITING INTENSIVE COURSE:

This class is designated as Writing Intensive (W). Writing Intensive courses, as understood by the Council on Liberal Education, are defined as courses at either the upper or lower division level in which the course grade is directly tied to the quality of the student's writing as well as to knowledge of the subject matter, so that students cannot pass the course who do not meet minimal standards of writing competence. In this course, a significant amount of writing is required - minimally ten to fifteen finished pages. The writing assignment includes revisions of drafts/proposals on which you receive feedback. Details soon.

Filip Babalievsky (babal011@umn.edu) is the writing assistant for the course.

STUDENT GROUPS:

I will set up students in groups of two; Each group will be asked to do:

Two Peer Reviews- of the writing assignment Outline, and writing assignment First Draft, where each student will review their partner's Outline and First Draft and provide constructive advice. This will be documented. There is **mandatory** attendance on these class days. Details on both later. This is to encourage cooperation in the classroom and for students to learn from one another.

Class participation is encouraged and everyone will be asked to contribute to class discussion.

EXAMS:

There are two exams- a midterm exam and a final exam. Dates and times are given below.

The exams will have questions much like the homework assignment questions. I will give you sample questions to work on and we can solve these together during class.

All exams are closed book, closed notes, no calculators are allowed. In case of absence, please contact me BEFORE the exam.

MIDTERM EXAM: will include all material covered, closed book; from **11.15 am- 12.30 pm on March 2.**

FINAL EXAM: --- will include material covered after the mid-term, closed book; **from 8 - 10 am on May 5th.**

I hold a short review in class before the midterm and final exams. This is to answer questions about class material and provide you with the exam format, along with sample questions.

GRADING POLICY:

The final grade is determined as follows:

Homework: 20%

Midterm: 25%

Final: 30%

Writing Assignment: 25%

Department Grading Scale:

92%-100% A	90%-91% A-	
88%-89% B+	82%-87% B	80%-81% B-
78%-79% C+	72%-77% C	70%-71% C-
68%-69% D+	60%-67% D	0 -59% F

IMPORTANT:

1. You **MUST** receive at least a C- (70/100) on your Writing Intensive assignment in order to pass the course. This is a firm policy. Students taking the class on an S-N basis must receive at least a C- to receive an S.
2. Make up's are not allowed for the mid term exam under any circumstances, except in medical emergencies for which a doctor's note is required.
3. Make up's are possible for the final exam only if the student has another exam scheduled at the same time, or has three exams within a 16 hour period. This should be pre-arranged with me. We can discuss an alternative exam time.
4. No Late Assignments accepted. Please make sure your homework assignment is uploaded to Canvas before the due date and time.
5. The Writing TA will hold a class on STATA - for use while writing your paper. STATA is a good software tool which allows you to find the effects of trade policies. Attendance is **mandatory** for all students on that day, as well as on the days of the two Peer Reviews. Details soon.

(TENTATIVE) COURSE SCHEDULE - SPRING 2023

JANUARY:

17: Classes begin

31: *Writing Assignment TOPIC due*

FEBRUARY:

3: HW 1 due in canvas

17: HW 2 due 10.00 am in canvas

28: *Writing Assignment OUTLINE due (upload on CANVAS by 10.00 am) AND*

Send (email) a copy of your Outline to your Peer Reviewer by 10.00 am as well.

We will hold the ONLINE Peer Review on Feb. 28 at 11.15 am. Instructions about the Peer Review and Groups will be up on Canvas.

Mandatory attendance for the PEER REVIEW FOR ALL students on Feb. 28 at 11.15 am.

MARCH:

2: MIDTERM EXAM from 11.15 am – 12.30 pm in class

4: *UPLOAD REDONE OUTLINE plus Peer Review;*

14: *STATA taught in class by Filip from 11.15 am – 12.30 pm - **Mandatory attendance for all students on the 14.***

28: *Writing Assignment REGRESSION RESULTS due (upload on CANVAS by 10.00 am) AND*

Send a copy of your Regression Results to your Peer Reviewer by 10.00 am as well.

We will hold the Peer Review during class on Mar. 28 at 11.15 am. Instructions about the Peer Review and Groups will be up on Canvas by then.

APRIL:

1: *Writing Assignment FIRST DRAFT due (upload to CANVAS by 10.00 am)*

14: HW 3 due 10.00 am in canvas

30: *Writing Assignment FINAL REPORT due (upload to CANVAS)-*

MAY:

1: Last day of class; **Discussion and Question/Answer session (about final exam material)**

3: *Last day of Instruction for the Twin Cities campus*

FINAL EXAM: --- MAY 5, 2023 FROM 8 – 10 am

MANDATORY CLASS ATTENDANCE FOR STUDENTS ON:

Feb. 28 at 11.15 am - PEER REVIEW FOR OUTLINE

Mar. 2 at 11.15 am - MID-TERM EXAM

Mar. 14 at 11.15 am - STATA LECTURE

Mar. 28 at 11.15 am - PEER REVIEW FOR REGRESSION RESULTS

FINAL EXAM: --- MAY 5, 2023 FROM 8 – 10 am

DEPARTMENT OF ECONOMICS -- PROCEDURES AND POLICIES 2022

CLASS ASSIGNMENTS:

Written answers to homework assignments must be typed; Graphs and numerical work need not be typed, but should be legible.

COURSE PREREQUISITES:

Students are expected to have successfully completed all prerequisites prior to taking an Economics course.

DISABLED STUDENTS:

Reasonable accommodations will be provided for all students with documented disabilities (by the DRC). Contact the instructor at the beginning of the semester to work out details. This information will be kept confidential.

STUDENT MENTAL HEALTH AND STUDENT COUNSELING SERVICES:

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. University of Minnesota services are available to assist you with addressing these and other concerns. Information about confidential mental health services is available at: <https://boynton.umn.edu/clinics/mental-health>. Student Counseling Services website: <https://counseling.umn.edu/>

DROPPING A CLASS:

Termination of attendance alone is not sufficient to drop a class. You must notify the Registrar's office. Please contact your academic (college) adviser for details on this process and pay attention to University deadlines for add/drop.

INCOMPLETE GRADE:

Low class standing is not a valid reason for an Incomplete grade. An I is given only in exceptional circumstances like family emergencies or hospitalization; arrangements must be worked out between the student and instructor before the final exam. We require written proof of emergencies. Details about I grades and how to make it up are to be decided by the Instructor and student; you need to fill out the form.

MAKE-UP EXAMS:

Make up exams are possible for the final exam only if the student has another exam scheduled at the same time or has three exams within a 16 hour period. This should be

pre-arranged with the instructor at least three weeks before the final exam. Make up final exams may also be possible for documented medical emergencies.

SCHOLASTIC DISHONESTY:

"The College of Liberal Arts defines scholastic dishonesty broadly as any act by a student that misrepresents the student's own academic work or that compromises the academic work of another. Examples include cheating on assignments or exams, plagiarizing (misrepresenting as one's own anything done by another), unauthorized collaboration on assignments or exams, or sabotaging another student's work".

The University Student Conduct Code defines scholastic dishonesty as "Submission of false records of academic achievement; cheating on assignments or examinations; plagiarizing; altering, forging, or misusing a University academic record; taking, acquiring, or using text materials without faculty permission; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement."

Penalties for scholastic dishonesty of any kind in any course will entail an "F" for the particular assignment/exam or the course.

Website for information on Student Academic Misconduct --

<https://communitystandards.umn.edu/avoid-violations/avoiding-scholastic-dishonesty>

STUDENT CONDUCT AND CLASSROOM BEHAVIOR:

Students are expected to contribute to a calm, productive, and learning environment.

Check the Student Conduct

Code: https://regents.umn.edu/sites/regents.umn.edu/files/2019-09/policy_student_conduct_code.pdf to find out what is expected of you.

STUDY ABROAD IN ECONOMICS:

The Department encourages you to undertake Study Abroad. There are many courses in foreign countries that can satisfy some economics major, minor, or Liberal Education requirements. For more information, please contact our Undergraduate Advisers, Ms. Annie Bigley and Ms. Tiffany Kroeze Murphy, or the University's Learning Abroad Center at <http://www.umabroad.umn.edu/>.

UNDERGRADUATE ADVISERS:

Contact the Undergraduate Advisers if you wish to sign up for an Economics major or minor or to get information about institutions of higher study. Your APAS form will list your progress toward an Economics degree.

Adviser: Ms. Tiffany Kroeze Murphy and Ms. Annie Bigley (econadv@umn.edu); Sign up for appointments at econ.appointments.umn.edu Office 4-100 Hanson Hall , Phone number: 612-625-5893.

ECONOMICS UNDERGRADUATE PROGRAM INFORMATION:

Available on the Internet

at: <https://cla.umn.edu/economics/undergraduate>. Registration policies are listed in the University Course Schedules and College Bulletins.

COMPLAINTS OR CONCERNS ABOUT COURSES:

All course grades are subject to department review.

Please contact your instructor or TA if you have any complaints/concerns about the course. If your concerns are not resolved after talking with your instructor, you can contact: Professor Simran Sahi, Director of Undergraduate Studies.

(Phone): 612-625-6353 and E-mail: ssahi@umn.edu