

INTERNATIONAL TRADE (ECON 4210), FALL 2016

John McLaren (Office: 226 Monroe Hall; jmclaren@virginia.edu; x4-3994).

Office hours: Tuesday 2:00-3:30pm.

Class: 124 Monroe Hall, Tuesday and Thursday 11:00am-12:15pm.

TA: Myunghwan (Roy) Yoo <my2ct@virginia.edu>.

TA Office hours: Wednesday 2:00pm - 3:00pm, Monroe Hall basement.

This course offers an introduction to the economics of international trade, trying to make sense of globalization and the evaluation of trade policy. The text for the course is my own textbook, *International Economics: Analysis of Globalization and Policy* (Wiley), available at the bookstore. There will also be supplemental materials available on the class collab page. The pre-requisite is Econ 3010.

There will be a mid-term exam in class on Thursday, October 6 and a final exam 9:00am-12:00pm on Monday, December 12. The final grade will be based on the mid-term (30%), a series of problem sets (20%), a written assignment due on Tuesday, December 1 (20%), and the final exam (30%). ***These weights are final, so plan ahead!***

This syllabus represents more material than we will probably be able to cover in the course of the semester. Each topic below corresponds to a chapter with the same name. Of course, nothing that is not dealt with in class will appear on an exam, and the best guide to the relative importance of a topic will be how much class time was devoted to it.

I. Engines of globalization.

1. A second wave of globalization. (Overview of theories of trade.)
2. Should Nigeria strive for food self-sufficiency? (Comparative advantage as a reason for trade.)
3. Why do Americans get their Impalas from Canada? (Increasing returns as a reason for trade.)
4. Kodak and Fuji: Is world trade rigged in favor of large corporations? (Imperfect competition as a reason for trade.)

II. Politics and policy in the world economy.

5. Why did the North want a tariff, and why did the South call it an abomination?
6. Is free trade a rip-off for American workers?
7. Why doesn't our government want us to import sugar?
8. Who are the WTO, and what do they have against dolphins?
9. Should Third-World Governments use tariffs to jump-start growth?

III. Live issues and current controversies.

10. NAFTA, TPP, and Brexit.

Main reading: Chapter 15: Is NAFTA a Betrayal of the Poor, or a Pathway to Prosperity?

Additional required readings on TPP and Brexit (on collab page):

- (i) What is the Trans-Pacific Partnership? (from The Balance).
- (ii) Jeffrey Frankel: "Why Support the TPP?" (from Project Syndicate).

- (iii) McLaren USITC brief on TPP, pp. 1-10.
- (iv) The European Union (wikipedia – Introduction and Part 6: Economy).
- (v) Brexit Explained (New York Times).

- 11. Should the iPod be made by American workers?
- 12. Should we build a border fence?
- 13. Trade and the environment: Is globalization green?
- 14. Sweatshops and child labor: Globalization and human rights.
- 15. Chapter 10: Did Ronald Reagan get punked by Japanese automakers?

The Family Tree of Trade Models.

