

Tutorial 03 Interdependence and the Gains from Trade

(3.2.3) FYI | The Legacy of David Ricardo & Adam Smith

- Even though the field of economics has broadened its scope and refined its theories since the time of Smith and Ricardo, economists' opposition to trade restrictions is still based largely on the principle of comparative advantage.

(3.3) In the News | Economics with a Marriage

- Emily Oster, 'You're Dividing the Chores Wrong', *Slate*, November 21, 2012.
- The article describes the division of housework between the author and her husband, even though she has the absolute advantage in doing it all.
- Dividing tasks based on which ones you like the best is not quite right.
- *Learning by doing*
 - As people do a task, they improve at it.

(3.3) Ask the Experts | Trade between China & the U.S.

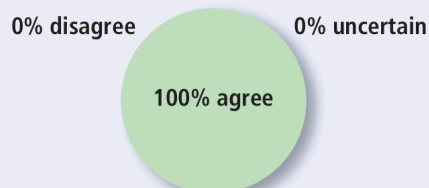


ASK THE EXPERTS

Trade between China and the United States

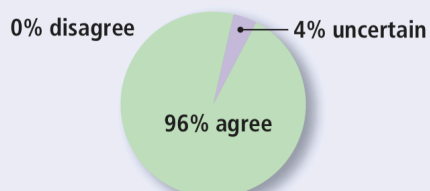
"Trade with China makes most Americans better off because, among other advantages, they can buy goods that are made or assembled more cheaply in China."

What do economists say?



"Some Americans who work in the production of competing goods, such as clothing and furniture, are made worse off by trade with China."

What do economists say?



Source: IGM Economic Experts Panel, June 19, 2012.