

ECONOMICS 227: INTERNATIONAL TRADE

Contact information

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Office hours: Monday 2:30-3:30pm and Wednesday 4:00-5:00pm in Converse 312

Class time: T/Th 2:30 - 3:50 pm

Class location: Converse 207

Course description

In an increasingly globalized society, international trade issues are everywhere: from the traditional exchange of goods across borders, to exchanges of services, and the dispersion of pop culture. In this course, we will evaluate theories of international trade, when they are likely to apply, and discuss various applications of the theories. We will also examine empirical patterns and trends of international trade. Discussions will touch on who wins and who loses from trade, as well as how policies and international organizations affect trade flows. By the end of the course, you will have a better understanding of international relations as they are influenced by trade.

Pre-requisites and course materials

Pre-requisites: Economics 111

I expect you to be familiar with the concepts taught in Economics 111, including opportunity cost and market structure (eg, perfect competition, monopolistic competition, and monopolies). While you can expect a brief review when Econ 111 topics arise, we will not spend much of our scarce, valuable class time on them. We will also be using algebra and graphing throughout the course.

Course materials: Textbook: Feenstra and Taylor, *International Trade*. 4th edition. Worth publishers (two copies are on reserve at the library for the start of the semester)

Additional readings provided on the course website.

Grades

Your final grade will be determined by the following:

Problem sets (5-7):	10%
Midterm 1:	25%
Midterm 2:	25%
Reading quizzes (10):	10%
Podcast:	25%
Class participation:	5%

Problem sets

Problem sets will be collected approximately biweekly, with some exceptions. They will be due at the **beginning** of class on the due date. Points will be deducted from late problem sets. I will allow a 10 minute grace period before considering a problem set late; however, if you consistently rely on this grace period, I will start counting problem sets as late. I encourage you to work with others on the problem sets, but all work that you turn in must be *your own*. I highly recommend discussing problems with classmates, then writing your solutions up later, independently. This ensures both that you know the material well enough to explain it on your own, and you do not unintentionally plagiarize (ie, passing another student's work off as your own- either verbatim or paraphrased). Problem sets must show all work on how you came to your answer.

Exams

There will be two midterm exams (see attached schedule for dates). Exams will be a combination of multiple choice, definition, true/false, and short answer questions covering the material from lectures, discussions, the textbook, and assigned readings. Anything that is discussed in class will be fair game for the exams. In addition to reviewing the lecture notes, I recommend reviewing the readings, problem sets, and reading quizzes in preparation for the exams. I will also provide a practice exam with solutions.

Reading quizzes

Reading quizzes will be assigned approximately weekly and will be due the evening before Tuesday lectures. The quizzes will be short checks on your comprehension of the textbook reading assignment before coming to class. The quiz results will help guide the lecture, and allow more time for discussion of applications of trade models in class. Each quiz will consist of roughly 10 multiple choice questions and will have a 10 minute time limit. I will drop your lowest grade. There will be no "excused" or late submissions accepted, regardless of the reason (including technological issues or medical emergencies).

Podcast

In lieu of a cumulative final exam, you will create a podcast with a small group on a current international trade debate. You are invited to make a critical analysis of multiple perspectives on the issue and express your own opinion(s) about it. The podcast will be no more than 25 minutes in length and all group members should contribute roughly equally. The grade will

be broken into different components: (i) the process; (ii) the podcast itself; (iii) a written peer review of another group's podcast; and (iv) a final written reflection based on a prompt. For a good example of what a trade podcast might be, listen to an episode of *Trade Talks*, a podcast by the Peterson Institute for International Economics. Podcasts should address the background of the debate, key perspectives, your own position (or your groups) and a defense of that position using economic tools and concepts. Sources should be verbally cited, with full references submitted with a script of your podcast.

We will discuss more details of the podcast after Exam 1. An initial recording (at most 10 minutes) is due October 30th. This should introduce the group and give the background information on your topic, as well as some questions you hope to address in your final podcast. An annotated bibliography will be due November 15th with notes from at least three sources. The final podcast, script, and references will be due at the start of Finals Week. You will have until the end of Finals Week to submit a one to two page peer review of another group's podcast (written independently of your own group) and a one to two page reflection on the process.

Attendance, Professional Conduct, and Intellectual Responsibility

The best way to learn the material for this course is through attending class. Class-time will involve both lecture and discussion of the readings. In order to participate, you must complete the reading before class. Readings will come from the textbook and outside articles which will be provided on Moodle. In addition to attending and participating in discussions, you should conduct yourself in a professional manner. This means being on time, being respectful to your classmates, being prepared, not checking your phone during class, being aware of deadlines, etc. I make every effort to respect your time by using classtime effectively and not keeping you late, so I expect you to respect my time.

If you have a documented disability that requires accommodations, you will need to register with Accessibility Services for coordination of your academic accommodations. You can reach them via email at accessibility@amherst.edu, or via phone at 413-542-2337. Once you have your accommodations in place, I will be glad to meet with you privately during my office hours or at another agreed upon time to discuss the best implementation of your accommodations.

I expect you to abide by Amherst College's Statement of Intellectual Responsibility. All work you submit must be your own. This includes not copying from others on the problem sets, exams, and projects. Violations of the Statement of Intellectual Responsibility will result in an F in the course.

<i>W</i>	<i>Dates</i>	<i>Topics</i>	<i>Readings and Assignments</i>
I. Introduction to and Patterns of International Trade			
1	9/4 9/6	Intro to course Intro to trade	Ch. 1; McDonald “Commerce among nations”
2	9/11 9/13	Ricardian model Ricardian model applications	Ch. 2 Costinot and Donaldson report
3	9/18 9/20	Specific factors Gains and losses	Ch. 3 <i>PS 1 due</i>
4	9/25 9/27	Heckscher-Ohlin model Effect on prices	Ch. 4 Frankel (2018)
5	10/2 10/4	Movement of labor Movement of capital	Ch. 5 Gibson and McKenzie (2011) <i>PS 2 due</i>
6	10/9 10/11	No Class (Fall break) Exam 1	
7	10/16 10/18	Offshoring Job polarization	Ch. 7 Autor report on polarization (2010)
II. New Explanations for International Trade			
8	10/23 10/25	Monopolistic Competition and Heterogeneous Firms Infant industry protection	Ch. 6 NYTimes article on used clothing exports <i>PS 3 due</i>
III. International Trade Policies			
9	10/30 11/1	Policy intro Tariffs and quotas in small economies	Ch. 8; <i>First recording due</i> <i>PS 4 due</i>
10	11/6 11/8	Tariffs and quotas in large economies Protectionism	Ch. 9 Henn and McDonald (2010) and Mastel (1999)
11	11/13 11/15	Export policies Discussion	Ch. 10 <i>PS 5 due; Annotated bibliography due</i>
Thanksgiving Break			
12	11/27 11/29	International agreements Labor and environmental agreements	Ch. 11 Krugman (1997)
13	12/4 12/6	Discussion Discussion	<i>PS 6 due</i>
14	12/11 12/13	Exam 2 No class (Reading period)	
Final Exam Period			

*TBD is a place holder for now- there will be an outside reading assigned that is yet to be determined.