

University of Minnesota | Department of Economics
ECON 4431W - International Trade
Summer 2020 (Online)

<u>First Half Instructor:</u> Vitoria R. de Castro Email: rael005@umn.edu Office Hours: Mon. (1pm-3pm) Office Hours' Zoom ID: 991 0123 4100	<u>Second Half Instructor:</u> Mahdi Ansari Email: ansar044@umn.edu Office Hours: Tue. & Wed. (11 am-12 pm) Office Hours' Zoom ID: 991 5020 5553
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Office Hours' Zoom ID: 761-403-8520

Lecture Times: 9am-11am MTW

Class Website: <https://canvas.umn.edu/courses/203152>

Online Course Delivery

This is an online course with no on-campus meetings. **Lectures will be delivered via Zoom with meetings scheduled through Canvas and additional material uploaded on Canvas. Office hours take place at Zoom meetings. Lecture participation grants bonus points.** You need to log in to your Zoom account at umn.zoom.us, download the desktop app and use meeting IDs stated above to join the proper meetings. All students are expected to attend lectures. In the lectures, you are encouraged to keep your camera open, ask questions, make comments, and participate in class discussions. That way you can get the course bonus credit.

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. It is not a course on U.S. trade. U.S. is the largest trader in the world, and it is important to understand the role of U.S. in current world trade. It is also important to remember the role of other countries like U.K., Spain, Portugal, France, Holland, etc.. who have been front runners in world trade in the past and have influenced world trade policy and patterns.

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 – 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 strategy of the course will be to 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. The focus is on many contemporary world trade problems. In all these, we focus on current and future effects on various countries and the different groups within the countries. These contemporary world trade issues are used to illustrate all theoretical trade concepts.

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 Canvas 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 lectures, the instructors will often discuss the effects of trade or trade restrictions on one country. The instructors will also present current articles on international trade 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 country (for the writing assignment).

Students can communicate effectively – Students will be able to communicate effectively in writing. They will be asked to read one 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:

For the course include Econ 3101 and 3102, which students should have successfully completed prior to taking this course.

TEXTBOOK:

Required: INTERNATIONAL ECONOMICS by Appleyard and Field (8th or latest edition; McGraw Hill)

ADDITIONAL 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 and Obstfeld: International Economics: Theory and Policy
J. Bhagwati (ed): International Trade; and Lectures on International Trade
Dominick Salvatore: International Economics
Feenstra and Taylor: International Trade
Pearson, Charles: United States Trade Policy (Wiley)
Bhagwati: In Defense of Globalization (Oxford), 2007
C. Fred Bergsten and IIE: The United States and the World Economy, IIE 2005
The Economist: current issues
Economic Report of the President, February 2013
Various current newspapers and news magazines

NOTES:

1. We will try to incorporate current (international) topics of interest by reviewing recent news items. We 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 the lectures is part of the course and will appear on exams.

3. 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 ---- (do the math!!) hours per week on this course.

HOMEWORK ASSIGNMENTS

There will be 4 homework assignments; you will complete the homework assignments in groups.

The instructors will assign groups through Canvas. Students are expected to discuss homework answers with group members using Zoom meetings. After meeting group members, students will submit a grade for each member of the group reflecting their contribution to the discussion and the quality of their homework answers to the writing assistant along with time of the Zoom discussion for verification. Each student will also submit homework answers in a unique file using Canvas submission (one per student).

Students are strongly encouraged to work on homework questions as they are very likely to turn up on the midterm and final exams. This gives you a chance to internalize some of the material before the exams. We will not post solutions online, so please attend office hours or ask a friend if you want the solutions.

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 twenty finished pages. The writing assignment includes revisions of drafts/proposals on which you receive feedback.**

Students should contact the writing assistant for any questions or concerns about the writing assignment.

EXAMS:

Both exams are take-home and for each you will have 48 hours. They will be published on Canvas. You do not need to print the question sheets. You should write your answers on some plain papers, scan all pages, merge all pictures and transform them into one single pdf file, and finally submit the pdf file on Canvas before the deadline. All exams submitted after the deadline will receive zero.

Midterm Exam: Will be published on 7/1 at noon and submission deadline is 7/3 at noon.

Final Exam: Will be published on 7/29 at noon and submission deadline is 7/31 at noon.

GRADING POLICY - The final grade is determined as follows:

Homework Discussions: 10%

Midterm: 30%

Final: 30%

Writing Assignment: 30%

Bonus Lecture Participation: 10%

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 exams are possible only if the student has another exam scheduled at the same time or in case of medical emergencies with a doctor's note. This should be pre-arranged with the instructor. We can discuss an alternative exam time.

3. Incomplete grade: A low class standing is not a valid reason for an I grade. An I grade is given only in exceptional circumstances like hospitalization or family emergencies; and an arrangement must be worked out between the student and the instructor before the final exam. Instructors require written proof of emergencies. Generally, an I grade can be given before the midterm exam. You have one year to make up an I; and must repeat the course in its entirety.

E-MAIL: Initiate or activate your University e-mail account. This is issued to every student who is registered for a course. This way, you will receive any mass mailings that are sent out to

the class. You can have mail from this e-mail account forwarded to any address you want. Go to <http://www.umn.edu/validate>.

TENTATIVE COURSE SCHEDULE

Week	Topic	Chapters	Events Due
Week 1 (6/ 8-6/12)	Introduction, World Trade, Role of the U.S. in World Trade/ Mercantilism and Classical Theory of Trade	1 & 2	Topic (6/12 Midnight)
Week 2 (6/15-6/19)	Ricardian Theory of Comparative Advantage/ Extensions and Tests of the Classical Theory of Trade	3 & 4	HW 1 (6/19 Noon) Outline (6/19 Midnight)
Week 3 (6/22-6/26)	Neoclassical Theory of International Trade/ Offer Curves, Terms of Trade	5, 6 & 7	
Week 4 (6/29-7/3)	Heckscher-Ohlin Theory of Trade/ Propositions of the H-O Theory, Leontief Paradox and explanations / New Trade Theories	8, 9 & 10	HW 2 (7/3 Noon) Midterm Exam (7/3 Noon)
Week 5 (7/6-7/10)	Economic Growth and International Trade	11	
Week 6 (7/13-7/17)	International Capital and Labor Mobility, Multinational Enterprises	12	HW 3 (7/17 Noon)
Week 7 (7/20-7/24)	Trade Policies, Tariff and Non-tariff barriers, Protection	13, 14 & 15	First Draft (7/20 Midnight)
Week 8 (7/27-7/31)	US Trade Policy; Economic Integration and Regionalism, Trade Liberalization	16 & 17	Final Draft (7/29 Midnight) HW 4 (7/31 Noon) Final Exam (7/31 Noon)

DEPARTMENT OF ECONOMICS -- PROCEDURES AND POLICIES

4-101 Hanson Hall (612-625-6353)

CLASS ASSIGNMENTS:

Written answers to homework assignments must be typed and submitted through Canvas; Graphs and numerical work need not be typed, but should be legible and assembled into a **SINGLE** document. Don't upload multiple documents or pictures.

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 OSD). Contact the instructor at the beginning of the semester to work out details. This information will be kept confidential.

STUDENT MENTAL HEALTH AND STRESS MANAGEMENT:

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, feeling down, 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 you may be experiencing. Information about confidential mental health services available on campus: <http://www.mentalhealth.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 -in the Economics Undergraduate Handbook.

MAKE-UP EXAMS:

Make up exams are possible only if the student has another exam scheduled at the same time or in case of medical emergencies with a doctor's note. This should be pre-arranged with the instructor. We can discuss an alternative exam time.

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.

Please check this website for information on Student Academic Misconduct --

<http://www1.umn.edu/oscai/integrity/student/index.html>

STUDENT CONDUCT AND CLASSROOM BEHAVIOR:

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

Information on student classroom behavior issues is at:

http://www1.umn.edu/regents/policies/academic/Student_Conduct_Code.html .Check the Student Conduct Code 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 Advisor, Ms. Madhu Bhat, or the University's Learning Abroad Center at <http://www.umabroad.umn.edu/>

UNDERGRADUATE ADVISER:

Contact the Undergraduate Adviser 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. Madhu Bhat (econadv@umn.edu); Sign up for appointments at econ.appointments.umn.edu

Office: 4-100 Hanson Hall , Phone number: 612-625-5893,

UNDERGRADUATE HANDBOOK:

Available on the Internet at: <http://www.econ.umn.edu/> Click on Undergraduate Programs. We are in the process of updating it.

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 .

TECHNOLOGY REQUIREMENTS AND SKILLS

All students are expected to have a minimum ability to use the following technologies: online course site navigation, discussion participation and assignment submission, Microsoft Office suite tools such as Word, PowerPoint and Excel (or equivalents), online collaboration and presentation tools as indicated by the instructor. Technical support, text directions, and video tutorials can be found through [LinkedIn Learning](#) or the UMN [IT help site](#). Your personal technology resources should be current enough to let you access and use these technologies. On campus [computer labs and learning spaces](#) are available.

STUDENT SERVICES AND RESOURCES

The University of Minnesota [Academic Support and Tutoring website](#) and [Student Academic Support Services](#) offer a range of excellent support services. Please contact the [Center for Writing](#), or the [Libraries](#) for assistance with research and writing skills.

FERPA and STUDENT PRIVACY

In this class, our use of technology will make student names and emails visible within the course website, but only to other students in the same class. The University uses a secure, password-protected course website; however, if you have concerns, you can adjust settings in your online course profile to hide your email. If you are required to use any tool external to Canvas for learning activities or assignment completion, a link or description of privacy policies will be included in the directions provided in the course site.