

Faculty of Science Course Syllabus
Department of Economics
ECON 5330
International Trade
Winter 2019

Instructor Information:

Professor Teresa Cyrus
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Office: C15, 1st floor, 6220 University Ave.
Office hours: T 1-2, R 11-1

Lectures:

TR 1605-1725 McCain 2130

Calendar Description:

This course examines the theory and empirics of international trade. It covers the classical Ricardian theory of comparative advantage, the neoclassical factor proportions theory, and the new trade theories that incorporate increasing returns and productivity differences, and discusses empirical testing of these theories. The course investigates the use of trade policy in industrial and developing countries, as well as the institutions that have been developed to regulate those policies.

Course Prerequisites:

Graduate standing in the Department of Economics or permission of the instructor

Course Objectives/Learning Outcomes:

By the end of the course, students should be able to:

- Explain how different theories can be used to explain trade flows.
- Evaluate the effect of international trade on other economic outcomes.
- Critically analyze published studies.
- Find and analyze data to form conclusions.
- Produce clear and effective essays.

Course Materials:

This course does not have a textbook. Students will be required to read articles that will be posted on Brightspace or available through the library, and are responsible for material presented during class. The reading list may be updated during the term. Students are expected to come to class and to check Brightspace for the most recent updates to the reading list.

Course Assessment:

Assignments	70%
Presentation	10%
Final exam	20%

Due Dates:

Assignment 1	Thursday, January 17, 4:05 p.m.
Assignment 2	Thursday, January 31, 4:05 p.m.
Assignment 3	Thursday, February 14, 4:05 p.m.
Assignment 4	Thursday, February 28, 4:05 p.m.
Assignment 5	Thursday, March 7, 4:05 p.m.
Assignment 6	Thursday, March 14, 4:05 p.m.
Assignment 7	Thursday, March 21, 4:05 p.m.
Presentation	In class, Thursday, March 28 and Tuesday, April 2
Final Exam	In class, Thursday, April 4, 4:05-5:25 p.m.

Conversion of Numerical Grades to Final Letter Grades:

A+ (90-100)	A (85-89)	A- (80-84)
B+ (77-79)	B (73-76)	B- (70-72)
F (<70)		

Course Content:

Any undergraduate International Economics text can be used as background for the course, such as *International Economics: Theory and Policy*, by Krugman, Obstfeld, and Melitz. The PowerPoint slides from this textbook (10th edition) have been uploaded to Brightspace.

1. Gains from Trade

- Frankel, J. and Romer, D., "Does Trade Cause Growth?," *American Economic Review* 89:3 (1999), 379–99.
- Bernhofen, D. and Brown, J., "An Empirical Assessment of the Comparative Advantage Gains from Trade: Evidence from Japan," *American Economic Review* 95:1 (2005), 208–25.

2. Ricardian Model

- MacDougall, G., "British and American Exports: A Study Suggested by the Theory of Comparative Costs," *Economic Journal* 61:244 (1951), 697-724.
- Balassa, B., "An Empirical Demonstration of Classical Comparative Cost Theory," *Review of Economics and Statistics* 45:3 (1963), 231-238.
- Golub, S. and Hsieh, C., "Classical Ricardian Theory of Comparative Advantage Revisited," *Review of International Economics* 8:2 (2000): 221–234.
- Costinot, A., Donaldson, D., and Komunjer, I., "What Goods Do Countries Trade? A Quantitative Exploration of Ricardo's Ideas," *Review of Economic Studies* 79:2 (2012), 581-608.

3. Heckscher-Ohlin Model

- Leontief, W., "Domestic Production and Foreign Trade: The American Capital Position Re-Examined," *Proceedings of the American Philosophical Society* 97:4 (1953), 332-349.
- Leamer, E., "The Leontief Paradox, Reconsidered," *Journal of Political Economy* 88:3 (1980), 495-503.
- Bowen, H., Leamer, E., and Sveikauskas, L., "Multicountry, Multifactor Tests of the Factor Abundance Theory," *American Economic Review* 77:5 (1987), 791-809.
- Trefler, D., "International Factor Price Differences: Leontief was Right!," *Journal of Political Economy* 101:6 (1993), 961-987.
- Trefler, D., "The Case of the Missing Trade and Other Mysteries," *American Economic Review* 85:5 (1995), 1029-1046.

4. Trade and Wages

- Bound, J. and Johnson, G., "Changes in the Structure of Wages in the 1980s: An Evaluation of Alternative Explanations," *American Economic Review* 82:3 (1992), 371-392.
- Sachs, J. and Shatz, H., "Trade and Jobs in U.S. Manufacturing," *Brookings Papers on Economic Activity* 1 (1994), 1-84.
- Krugman, P., "Trade and Wages, Reconsidered," *Brookings Papers on Economic Activity* (Spring 2008), 103-154.
- Autor, D., Dorn, D., and Hanson, G., "The China Syndrome: Local Labor Market Effects of Import Competition in the United States," *American Economic Review* 103:6 (2013), 2121-2168.
- Attanasio, O., Goldberg, P., and Pavcnik, N., "Trade Reforms and Wage Inequality in Colombia," *Journal of Development Economics* 74:2 (2004), 331-366.

5. Gravity Model

- Head, K., "Gravity for Beginners," mimeo (2003), University of British Columbia.
- Helpman, E., "Imperfect Competition and International Trade: Evidence from Fourteen Industrial Countries," *Journal of the Japanese and International Economies* 1 (1987), 62-81.
- Hummels, D. and Levinsohn, J., "Monopolistic Competition and International Trade: Reconsidering the Evidence," *Quarterly Journal of Economics* 110:3 (1995), 799-836.
- Helpman, E., Melitz, M., and Rubinstein, Y., "Estimating Trade Flows: Trading Partners and Trading Volumes," *Quarterly Journal of Economics* 123:2 (2008), 441-487.
- McCallum, J., "National Borders Matter: Canada-U.S. Regional Trade Patterns," *American Economic Review* 85:3 (1995), 615-623.
- Rauch, James E., "Networks Versus Markets in International Trade," *Journal of International Economics* 48:1 (1999), 7-35.

6. Firm Heterogeneity

- Bernard, A., Jensen, J., Redding, S., and Schott, P., "Firms in International Trade," *Journal of Economic Perspectives* 21:3 (2007), 105-130.
- Bernard, A. and Jensen, J., "Why Some Firms Export," *Review of Economics and Statistics* 86:2 (2004), 561-569.

- Freund, C. and Pierola, M., "Export Superstars," *Review of Economics and Statistics* 97:5 (2015), 1023-32.
- Alvarez, R. and R. López, "Exporting and Performance: Evidence from Chilean Plants," *Canadian Journal of Economics* 38:4 (2005), 1384-1400.

7. Trade Policy

- Rose, A., "Do We Really Know that the WTO Increases Trade?," *American Economic Review* 94:1 (2004), 98-114.
- Baier, S. and Bergstrand, J., "Do Free Trade Agreements Actually Increase Members' International Trade?," *Journal of International Economics* 71:1 (2007), 72-95.

University Policies and Statements

This course is governed by the academic rules and regulations set forth in the University Calendar and by Senate

Academic Integrity

At Dalhousie University, we are guided in all of our work by the values of academic integrity: honesty, trust, fairness, responsibility and respect (The Center for Academic Integrity, Duke University, 1999). As a student, you are required to demonstrate these values in all of the work you do. The University provides policies and procedures that every member of the university community is required to follow to ensure academic integrity.

Information: https://www.dal.ca/dept/university_secretariat/academic-integrity.html

Accessibility

The Advising and Access Services Centre is Dalhousie's centre of expertise for student accessibility and accommodation. The advising team works with students who request accommodation as a result of a disability, religious obligation, or any barrier related to any other characteristic protected under Human Rights legislation (Canada and Nova Scotia).

Information: https://www.dal.ca/campus_life/academic-support/accessibility.html

Student Code of Conduct

Everyone at Dalhousie is expected to treat others with dignity and respect. The Code of Student Conduct allows Dalhousie to take disciplinary action if students don't follow this community expectation. When appropriate, violations of the code can be resolved in a reasonable and informal manner—perhaps through a restorative justice process. If an informal resolution can't be reached, or would be inappropriate, procedures exist for formal dispute resolution.

Code: https://www.dal.ca/dept/university_secretariat/policies/student-life/code-of-student-conduct.html

Diversity and Inclusion – Culture of Respect

Every person at Dalhousie has a right to be respected and safe. We believe inclusiveness is fundamental to education. We stand for equality. Dalhousie is strengthened in our diversity. We are a respectful and inclusive community. We are committed to being a place where everyone feels welcome and supported, which is why our Strategic Direction prioritizes fostering a culture of diversity and inclusiveness

Statement: <http://www.dal.ca/cultureofrespect.html>

Recognition of Mi'kmaq Territory

Dalhousie University would like to acknowledge that the University is on Traditional Mi'kmaq Territory. The Elders in Residence program provides students with access to First Nations elders for guidance, counsel and support. Visit or e-mail the Indigenous Student Centre (1321 Edward St) (elders@dal.ca).

Information: https://www.dal.ca/campus_life/communities/indigenous.html

Important Dates in the Academic Year (including add/drop dates)

https://www.dal.ca/academics/important_dates.html

University Grading Practices

https://www.dal.ca/dept/university_secretariat/policies/academic/grading-practices-policy.html

Student Resources and Support

Advising

General Advising https://www.dal.ca/campus_life/academic-support/advising.html

Science Program Advisors: <https://www.dal.ca/faculty/science/current-students/academic-advising.html>

Indigenous Student Centre: https://www.dal.ca/campus_life/communities/indigenous.html

Black Advising Centre: https://www.dal.ca/campus_life/communities/black-student-advising.html

International Centre: https://www.dal.ca/campus_life/international-centre/current-students.html

Academic supports

Library: <https://libraries.dal.ca/>

Writing Centre: https://www.dal.ca/campus_life/academic-support/writing-and-study-skills.html

Studying for Success: https://www.dal.ca/campus_life/academic-support/study-skills-and-tutoring.html

Copyright Office: <https://libraries.dal.ca/services/copyright-office.html>

Fair Dealing Guidelines <https://libraries.dal.ca/services/copyright-office/fair-dealing.html>

Other supports and services

Student Health & Wellness Centre: https://www.dal.ca/campus_life/health-and-wellness/services-support/student-health-and-wellness.html

Student Advocacy: <https://dsu.ca/dsas>

Ombudsperson: https://www.dal.ca/campus_life/safety-respect/student-rights-and-responsibilities/where-to-get-help/ombudsperson.html

Safety

Research Lab Safety

https://www.dal.ca/content/dam/dalhousie/pdf/dept/safety/lab_policy_manual_2007.pdf

Biosafety: <https://www.dal.ca/dept/safety/programs-services/biosafety.html>

Chemical Safety: <https://www.dal.ca/dept/safety/programs-services/chemical-safety.html>

Radiation Safety: <https://www.dal.ca/dept/safety/programs-services/radiation-safety.html>

Scent-Free Program: <https://www.dal.ca/dept/safety/programs-services/occupational-safety/scent-free.html>