

Dalhousie University
Department of Economics
International Economics (ECON5330)
Winter 2025

Course outline

Professor: C. Boulatoff
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Meeting Times: Fridays, 11:30am – 2:30pm, in McCain 2132

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

Course description:

Objectives: This course aims at providing students with (a) an overview of major theoretical and policy issues in international trade, (b) analyze how trade issues have played out in the past, today and what the upcoming issues might encompass, (c) a review of selected empirical studies and empirical tests of trade models.

Assessment method

Your final grade will be a weighted average of our grades in the following four components: Quizzes, presentation, debate(s) and final exam.

Quizzes: 25%. There will be weekly quizzes on the theory and/or articles presented the week before. The best 10 quizzes will count toward your final grade.

Presentation: 15%. Every week, we will discuss an article related to the theory chapter presented that week. We will all read the article before class, and 2 of you will be ready to present the article (i.e. what was the article about, why is it important, how did the authors go about it, and findings).

Debates 20%. Prep (finding relevant articles in pairs) 10% PPT prep based on these articles (main points), and 10% on the discussion itself (in class): Topics: Trade and cultural diversity (week 10)/ trade and development/ trade and national sovereignty (week 11)/ Trade and the environment (week 12)/ trade and labor (week 13).

Final: 40%. Part (A) Take home, due on the last day of classes (April 7) (30%). You will write a commentary on a specific research paper (in international trade) written by a team of economists. The research paper that you comment on **must be chosen from a set of five (5) research papers that I will upload to Brightspace on March 2d 2024**. In your essay, you should address the following questions: What are the research questions that the authors investigated in their paper? Are they important questions (and why)? What are the key assumptions of the

model and the main results? Are the results novel and significant discoveries? Are you aware of any alternative models that explore the same (or similar) issues? Do you have any suggestions that you think the authors should take up in their future revision of the paper under review?
 Part (B) Oral discussion with your instructor on your commentary. Due the day of the final exam as scheduled by the registrar (10%)

Course Policies:

Missed quizzes: Considering that only the best 10 quizzes will count, we will not accept any excuses for missed or late quiz submissions. We do not accept the Student Declaration of Absence form for missed quizzes.

Missed Final Exam: If you miss the final exam for a valid reason, as defined in Section 16.8 of the University Calendar, you will receive an INC or ILL until you take the make-up exam. The make-up exam will be scheduled on the second week of the following term. The make-up final exam will be in person.

Important Dates:

January 20	Fees due for winter term Last day to register Last day to drop winter term courses with no financial implications
February 3 versa)	Last day to change winter term courses from audit to credit (and vice versa) Last day to drop winter term courses without a “W”
March 13	Last day to drop multi-term courses with a “W”

Grading Scale for Graduate Students:

As per Dalhousie Faculty of Graduate Studies Calendar Regulation [7.7.1 Grading Policy](#)

<i>Letter Grade</i>	<i>Numerical % Equivalent</i>
A+	90-100
A	85-89
A-	80-84
B+	77-79
B	73-76
B-	70-72
F	0-69

Reading list

This list includes important journal articles, and chapters in the reference book listed below. (KOM): Krugman, P., Obstfeld, M., and Melitz, M., *International Economics: Theory and Policy*. Pearson, 12th edition (undergraduate level).

PART A: The Three Basic Models in the Perfect Competition Setting.

Week 1: January 7 (T)

Introduction

Week 2: January 14

The Ricardian Model: Trade Driven by International Differences and Technology (KOM) Ch 3
Costinot, A. and Donalson, D. (2012) Ricardo's Theory of Comparative Advantage: Old Idea, New Evidence. *American Economic Review*, Vol.103(2): 453-58.

Week 3: January 21

The Specific Factor Model: Short-Run immobility of Capital (KOM) Chapter 4
"Trade, Technology, and the Labor Market" by David Autor, David Dorn, and Gordon Hanson was published in the *Journal of Economic Perspectives* in 2016.

Week 4: January 28

The Heckscher-Ohlin Model: Trade driven by international difference in relative factor endowments (KOM) Chapter 5.
Atkinson, A. B. (2001) A Critique of the Transatlantic Consensus on Rising Income Inequality. *World Economy*, Vol 24(4): 433-52.

PART B: Trade restrictions, Trade agreements (Trade creation and diversion)

Week 5: February 4

Subsidies, Tariffs and Quotas in the Perfect Competition Setting (KOM) Chapter 9
Benguria F. ... M. Xu (2022) Anxiety or pain? The impact of tariffs and uncertainty on Chinese firms in the trade war. *Journal of International Economics*, V.137 (most cited)

Week 6: February 11

The Political Economy of Trade Policy (KOM) Chapter 10.
Krugman P. (2019) Globalization: What did we miss? Meeting Globalization's Challenges.
https://books.google.ca/books?hl=en&lr=&id=M8iXDwAAQBAJ&oi=fnd&pg=PA113&dq=globalization+krugman&ots=04huC63GJe&sig=WzHp_VZw6s2_I3nOfYM9xc_YGwc#v=onepage&q=globalization%20krugman&f=false

Week 7: February 18 – Spring Break

PART C: Departures from Perfect Competition: Monopoly, Strategic Trade Policies under Oligopoly, and Monopolistic Competition.

Week 8: February 25

External economies of scale (KOM) Chapter 7

Redding S.J. and E.V. Venables (2021) External Economies of Scale and International Trade: A Survey, the *Journal of International Economics*, 133: 102-442.

Week 9: March 4

Internal economies of scale and strategic policies (KOM) Chapter 8.

Akyuz, M., Gueye G. N., and Karul C. (2023) Revisiting the Long-Run Relationship between Inward/Outward FDI and Income Inequality: New Evidence from the OECD. *International Economic Journal*, V.37(2): 220-44.

PART D: Special Topics

Week 10: March 10

Controversies in Trade Policy (KOM) Chapter 12.

Trade and Cultural Diversity

Bailey M., et al (2021) International trade and social connectedness, *Journal of International Economics*, Vol.129. (most cited)

Doan, N. T. and Tran M. H. (2023) Quantifying the Effect of Economic Sanctions on Trade in Cultural Goods. *International Economic Journal*, V.37(3): 401-423.

Week 11: March 18

Trade Policy in Developing Countries (KOM) Chapter 11.

Trade and Growth (or development), buy local

Lin M. and D. Ruzic (2020) Globalization and top income shares, *Journal of International Economics*, Vol.125.

Stiglitz J. (2017) The overselling of globalization, *Business Economics*, Vol.52: 129-137.

Stiglitz J. (2017) Contagion, Liberalization, and the Optimal Structure of Globalization, *Journal of Globalization and Development*. <https://doi.org/10.2202/1948-1837.1149>.

Dorn F., C. Fuest, and N. Potrafke (2018) Globalization and income inequality revisited. CESifo Working Paper Series No. 6859.

Anyia J. K. C. G. Kearney and William H. Greene (2016) Consumer Preferences for Local Production: A Case Study of the U.S. Craft Beer Industry, *Journal of Agricultural and Resource Economics*.

Week 12: March 25

Trade and Environmental Quality

Nguyen Q. H. (2024) The influence of key economic globalization factors on economic growth and environmental quality: An empirical study in Southeast Asian countries. *Journal of International Trade & Economic Development*, V.33(1): 57-75.

Antweiler, W., B. Copeland and S. Taylor (2001) Is Free Trade Good for the Environment? *American Economic Review*, September 2001, pp877-890.

Frankel, J. and A. K. Rose (2005) Is Trade Good or Bad for the Environment? Sorting out the Causality. *Review of Economics and Statistics*, Vol.87(1): 85-91

Long, Ngo Van (2015) The Green Paradox in Open Economies: Lessons from Static and Dynamic models. *Review of Environmental Economics and Policies*, Summer 2015, Vol.9(0): 266-285.

Bombardini M. and B. Li (2020) Trade, pollution and mortality in China. *Journal of International Economics*, Vol.125.

Copeland B. R. et al (2022) Globalization and the environment. *Handbook of International Economics*, Ch2, V5: 61-146.

<https://www.sciencedirect.com/science/article/abs/pii/S1573440422000028>

De La Torre S.A.A.A. et al (2021) Trade and Environmental Quality: A Review of the Empirical Literature. *Journal of International Trade & Economic Development*, V30(5): 525-546.

De Melo A. J. H. B. and K. M. F. G. de Souza (2022) Globalization, Trade, and the Environment: An Empirical Analysis. *Environmental Economics and Policy Studies*, V24(1): 1-27.

Week 13: April 1

Trade and national sovereignty and/or trade and labor.

Hirsh M. (2019) Economists on the Run. *Foreign Policy*

<https://foreignpolicy.com/2019/10/22/economists-globalization-trade-paul-krugman-china/>

Howe R. (2000) The WTO and the Politics of Trade, *Journal of International Economic Law*, V3(2): 197-218.

Week 14: April 7(M) – Friday class held