

COURSE GRADING

Grades will be assigned on a plus-minus basis. Grades will be based on exams, problem sets, a course paper, and class participation.

- **Exams** will count for a total of **50%** of your grade. There will be two midterm exams and a final exam; I will base your grade on the *best two of the three exams*, so *each* exam is worth 25%. No make-up exams will be offered except in extraordinary circumstances. Even if you do not take the final you are expected to attend classes. Exam dates will be announced in class, with at least two weeks warning. The final exam date is set by the University.
- **Problem sets** are worth 25% of your grade; they must be handed in on time to count. *You may work together on the problem sets, but you must write up your own answers in your own words.*
- **Paper:** there is a required course paper that is worth 20% of your grade. You are expected to do independent research for the paper, and to discuss the paper topic with me. There is no specific length for the paper, but I would expect you will need at least 10 pages (normal margins and font, double spacing) to do an adequate job. You are expected to use some sites other than websites – for example, books, newsmagazines, journals, etc.

The paper must be your own work, and you must cite any work you quote, including material taken off the internet. Do not simply cut and paste material from the web or any other source – this is plagiarism. Plagiarism on the paper will result in a failing grade for the paper and the course.

The paper is due the last day of class (Dec. 9). A 1-2 page proposal for the paper is due mid-way in the semester (Oct. 14). The proposal and paper must be handed in on time.

- Class participation counts for 5% of the grade.

DISABILITY STATEMENT

If you have a documented disability and anticipate needing accommodations in this course, please make arrangements to meet with me soon. Please request that a Student Disability Resources staff send a SAAR form verifying your disability and specifying the accommodation you will need.

ACADEMIC INTEGRITY STATEMENT

“Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, Iowa State University, the Dean of Students Office and the Office of Judicial Affairs expect that all students have read and understand the University’s *Student Disciplinary Regulations (SDR)*, and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the *SDR* and this syllabus may constitute “Academic Misconduct.”

Readings and Outline

Introduction to International Trade

- Text, Ch. 1

I. International Trade Theory

A. Ricardian Theory of Comparative Advantage

- Text, Ch. 2

B. Trade and the Specific-Factors Model

- Text, Ch. 3
- Helpman, Elhanan, "The Structure of Foreign Trade," *Journal of Economic Perspectives* Spring 1999, Vol 13, #2, pages 121-144. [\(e-reserve\)](#)

C. Resources and Trade: The Heckscher-Ohlin Model

- Text, Ch. 4
- Cline, William R: Trade and Income Distribution: The Debate and New Evidence, September 1999 , [\(online\)](#)
- Symposia: Income Inequality and Trade *Journal of Economic Perspectives*, Summer 1995. (the material below is somewhat more difficult than the online paper above):

(1)Freeman, Richard, "Are Your Wages Set in Beijing?" *Journal of Economic Perspectives*, Summer 1995, pages 15-32 [\(e-reserve\)](#)

(2)Richardson, J. David, "Income Inequality and Trade: How to Think, What to Conclude," *Journal of Economic Perspectives*, Summer 1995, pages 33-56 (harder) [\(e-reserve\)](#)

D. International Factor Movements

- Text, Ch. 5
- Stelzer, Irwin M., "Immigration: Hard Facts," American Enterprise Institute, August 1997 [\(online\)](#)

Other Articles:

- Griswold, Daniel T., "Lift the Congressional Quota on High-Skilled Workers," *Journal of Commerce*, March 27, 1998 [\(online\)](#)

The following are more comprehensive, and more difficult, papers:

- Borjas, George, "The Economic Benefits from Immigration", *Journal of Economic Perspectives*, Spring 1995, Vol 9, #2, pages 3-22 (on labor migration) [\(e-reserve\)](#)
- Friedberg, Rachel and Jennifer Hunt, "The Impact of Immigrants on Host Country Wages, Employment and Growth," *Journal of Economic Perspectives*, Spring 1995, pages 23-44 (on labor migration) [\(e-reserve\)](#)
- Markusen, James R. "The Boundaries of Multinational Enterprises and the Theory of International Trade," *Journal of Economic Perspectives* Spring 1995, pages 169-90 (on the theory of multinationals) [\(e-reserve\)](#)

II. New Explanations for International Trade (as time permits)

A. Increasing Returns to Scale and Imperfect Competition

- Text, Ch. 6
- Lukas, Aaron, "Anti-dumping Law Doesn't Compute," *Investor's Business Daily*, May 13, 1999 ([online](#))
- Lindsey, Brink, "The U.S. Antidumping Law: Rhetoric vs. Reality," *CATO Institute Trade Policy Analysis*, August 16, 1999. ([online](#)) (a very detailed article)
- Lindsey, Brink, "End Semiconductor Industrial Policy," *CATO Institute's Center for Trade Policy Studies*, May 1998. ([online](#))

B. Outsourcing

- Text, Ch. 7.

III. International Trade Policy

A. Tariffs and Quotas under Perfect Competition

- Text, Ch. 8
- "Open Markets Matters: The Benefits of Trade and Investment Liberalization," *OECD Policy Brief*, October 1999 ([online](#))
- Feenstra, Robert C., "How Costly is Protectionism," *Journal of Economic Perspectives*, Summer 1992, pages 159-178. ([e-reserve](#))
- Hufbauer, Gary and Erika Wada, "Steel Quotas, A Rigged Lottery", *Institute for International Economics Policy Briefs*, June 1999 ([online](#))
- Verrill, Charles Owen, Jr., "An Introduction To Trade Remedies Available Under U.S. Law," Wiley-Rein LLP, April 1, 1999.[online](#)

B. Tariffs and Quotas under Imperfect Competition

- Text, Ch. 9.

C. Export Subsidies (as time permits)

- Text, Ch. 10

D. International Agreements: Trade, Labor and the Environment

- Text., Ch. 11.
- Baldwin, Robert E., "The Political Economy of Trade Policy," *Journal of Economic Perspectives*, Fall 1989, pages 119-135. ([e-reserve](#))
- Griswold, Daniel, "Trade, Labor and the Environment," CATO Institute, August 2001, [online](#)
- Deardorff, Alan V. and Robert M. Stern, "What the Public Should Know about Globalization and the World Trade Organization," July 20, 2000. [Online](#)
- Lustig, Nora: "NAFTA, Setting the Record Straight", *Brookings Institution*, June 1997 ([online](#))
- Robert E. Scott, "The high price of 'free' trade: NAFTA's failure has cost the United States jobs across the nation", Economic Policy Institute, Briefing Paper #147, Nov. 2003 ([online](#))

IV. Discussion of U.S. International Trade Deficit (if time permits)

Online Web Sites of Interest:

There are countless web sites that deal with policy issues in international economics. These sites also include links to other sites. You will find data sources, papers on current public policy issues, and lots of other current material on these sites. This is far **from an exhaustive list!**

- [Feenstra-Taylor online site](#) – 2nd edition

Web sites for the International Organizations:

- [International Monetary Fund](#)
- [World Bank International Trade Group](#)
- [Organization for Economic Co-operation and Development \(OECD\)](#)
- [World Trade Organization](#)

Web Sites for selected U.S. Government Agencies:

- [Council of Economic Advisers](#)
- [The White House](#)
- [United States Trade Representative](#)
- [U. S. Department of Commerce](#)
- [Bureau of Economic Analysis](#)
- New York Federal Reserve Bank ([click here](#)) with [link to all other Federal Reserve Banks](#)
- [U.S. International Trade Commission](#)
- [CIA World Factbook](#)

Web Sites for Domestic Think Tanks concerned with International Economic Issues:

- [CATO Center for Trade Policy Studies](#)
- [Brookings Institute Economic Studies](#)
- [Peterson Institute for International Economics](#)
- [Economic Strategy Institute](#)
- [Global Trade Negotiation site](#)

Additional Web Sites that have lots of information and links to other sites:

- [The Dismal Scientist](#)
- [Web Ec International Economics](#)