

Economics 4413 International Trade
Spring, 2019
Economics 119
Class meets MWF 10-11

Professor Keith Maskus
Office: Economics 107; 303-492-7588
Hours: M 3-5; Th, 9-11 and by appointment

keith.maskus@colorado.edu

Course Canvas site: <https://cuboulder.instructure.com/courses/25227>

Course Outline

General

Welcome to my course, which is an advanced undergraduate treatment of international trade theory and policy. In this course we will study aspects of international trade at a fairly abstract and rigorous level. Although the analysis will be largely graphical in nature, the course materials and lectures will employ some mathematics. Among the issues that will be addressed are: (1) the fundamental determinants of the patterns of trade and the gains from trade; (2) the implications of imperfect competition for trade patterns and welfare; (3) how firms of different sizes and productivities engage in trade and investment; (4) justifications for policies that restrict trade; (5) the effects of trade and investment barriers; (6) the rationale for regional free-trade agreements and multilateral trade rules; and (7) the role of international capital and labor movements. We will also read about real-world areas of international trade, including trade institutions, trade liberalization and poverty, and interactions between trade policy and environmental regulation.

Thus, there are three goals in the course. First, we will develop a solid grounding in the analytical work of modern trade theory. Second, we will master some tools for use in practical trade analysis. Third, we will understand better the circumstances within which international trade policy is made. This is an ambitious agenda and will require sustained effort.

Readings

The required text is *International Trade*, 4th edition, by Robert C. Feenstra and Alan M. Taylor (indicated below by F&T). It is OK to get the 3rd edition but you will need to be sure that you have access to the problems at the end of the chapters in the 4th edition. For that purpose I will place a copy of the text on reserve at Norlin Library. We will attempt to complete most of the volume, as detailed below, though this will be a challenge. It is important that you understand the course prerequisite, which is successful completion of intermediate microeconomic theory (ECON 3070). In fact, you likely will wish to consult whatever microeconomics text you used in that course. If you have not met this prerequisite I strongly advise you to wait until you have done so before taking Econ 4413. But if you believe you are prepared on the basis of having taken similar course(s) please talk with me as quickly as possible.

There are a number of interesting books on globalization, trade and development. Among the more useful are Richard Baldwin, *The Great Convergence* (Belknap/Harvard University Press); Joseph Stiglitz and Andrew Charlton, *Fair Trade for All* (Oxford University Press); Steven Radelet, *The Great Surge: The Ascent of the Developing World* (Simon and Schuster). Spirited defenses of global trade are Jagdish Bhagwati, *In Defense of Globalization* (Oxford University Press) and Martin Wolf, *Why Globalization Works* (Yale University Press). If you are interested in a detailed description of the WTO, consult Narlikar, Dauntton and Stern, *The Oxford Handbook on The World*

5. International Factor Mobility

F&T, Chapter 5

Feb 22-March 4

Reading: Maskus, Policy Paper 2: "Economic Gains and Losses from Labor Migration"

Reading: Maskus, Policy Paper 3: "Theories and Impacts o

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