

Economics 621(L01) International Trade

Instructor: M. Scott Taylor
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Lecture Location: SS 424
Lecture Days/Time: TR 15:30-16:45

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Office Hours: TR 17:00-18:00

Fall 2022

Course Description:

This course is part of a two-course graduate sequence in international trade. This course is a selected topics course suitable for master's students with an interest but no necessary background in the field, and a core course for PhD students who are thinking of making international a major field. Research in the field of international economics is very broad in its scope and tends to be a bit faddish with some questions and models coming into and out of fashion. One trend that is not going away is the move towards more and more empirical work in international economics. As a result, we will focus on two broad modelling strategies that in the end generate useful models we can take to the data. The needed articles will be posted on D2L and I am in the process of collecting and vetting them now.

Course Outline:

My job is to prepare PhD students for future research work, while at the same time giving MA students a good grounding in basic international economics. Both PhD and MA students need very good empirical skills and great presentation and writing skills if they are to succeed on the job market and in their future careers. As a result, the course requires some writing and presentation work as well as participation during class lectures. To do that, the class will discuss in detail research papers in international economics. The papers we will discuss will be either classic contributions or new research written or published in the last twenty or so years. The class will discuss these contributions in lectures and students are expected to read research papers and be prepared to answer questions regarding the readings in class. In some cases, I may divide a paper's content into sections and allocate students or student groups the responsibility of explaining those sections next class.

Course Outcomes:

The course objectives are for students to develop an understanding of what drives trade flows worldwide; to understand how theory and empirics work together to answer important trade policy questions; and to gain some appreciation and understanding of what good research in economics looks like. In addition, students will learn how to critically assess a research paper, write this assessment in a useful form, and present their critique to the class.

Prerequisites/corequisites:

Admission to the Master of Arts Economics program. No previous courses in international economics are required.

Required Textbook(s):

None

Recommended Textbook(s):

Advanced International Trade: Theory and Evidence, 2nd edition, Robert C. Feenstra, Princeton University Press, 2016.

Books on Reserve:

Handbook of International Economics, Volumes I, II and III, various editors, Elsevier Publishing.

Course Outline:

My plan is to introduce students to two competing explanations for the direction, pattern, and volume of trade across countries. One theory stresses the role of comparative advantage that arises from differences in technical ability across countries. This theory is tied by history to the famous classical economist David Ricardo, with current versions credited to Jonathan Eaton and Sam Kortum. The other theory combines elements of comparative advantage and increasing returns to answer similar questions. This builds on the work of Eli Heckscher and Bertil Ohlin, but does so using the tools and methods associated with Paul Krugman, Elhanan Helpman and lastly Marc Melitz.

The plan of attack is the same in both cases. I will first introduce the simplest version of an analytical model capturing the motivation for trade the theory highlights. This will allow me to discuss the theory's implications and its limitations using simple algebra and graphical tools. Following this I will introduce more nuanced, and unfortunately more complicated versions of the models that address some of the limitations of the simpler models. At some point, these models become very complex with the end point of the exercise being an informed discussion and analysis of models, reflecting these competing visions, that can be taken to the data.

Since a good portion of the class will be MA students, I cannot teach a narrow course focused just on the latest research. There are just some things that every MA student who has taken a course in international economics should know and therefore I will discuss, hopefully – but not always - in the context of the models presented, an analysis of the gains from trade, the costs of trade protection, the political economy determinants of trade policy, the impact of trade on income distribution, etc. The amount of time I spend on these topics and the pace of the course overall will be determined by class interests and composition.

Topic I: Ricardian theories of comparative advantage and trade

Topic II: Factor endowment/Monopolistic Competition theories of comparative advantage and trade

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Lectures:

Lectures will be delivered in person. Some of the materials from lectures and discussions will be posted to D2L.

Grade Determination/Assessment:

The grade determination differs according to whether you are a PhD or MA student. Everyone must earn class participation marks which are worth 20% of your grade. I expect students to come prepared to discuss the readings and contribute to class discussions. You will need to participate to earn this component of the class marks, and I will call on people for answers during lectures. I will often set a task for the class to figure out by the next lecture (or week) and will start the next lecture by asking for an answer to it. There will also be an in-class midterm exam for all students. Toward the end of term all PhD students must present to the class a critical review of a paper relevant to the course. Learning how to critically evaluate and communicate research results are key skills that students will learn in this course. Finally, there is a final exam covering the material presented in class. The final exam is worth 50% for MA students and only 30% for PhD students.

1. Class participation(everyone)	20%
2. Midterm (everyone Oct. 27)	30%
3. Paper Presentation (for PhD only)	20 %
4. Final exam (2 hours) (50% for MA)	30%
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	100%

Grade Determination and Final Examination Details

Department of Economics Criteria for Letter Grades. Economics professors use the following criteria when assigning letter grades:

Grade	Grade Point Value	Description
A+	4.00	Outstanding
A	4.00	Excellent-superior performance, showing-comprehensive understanding of subject matter
A-	3.70	Very good performance
B+	3.30	Good performance
B	3.00	Satisfactory performance
B-	2.70	Minimum pass for students in the Faculty of Graduate Studies
C+	2.30	All grades below "B-" are indicative of failure at the graduate level and cannot be counted toward Faculty of Graduate Studies course requirements. Individual programs may require a higher passing grade.

A passing grade on minimum of 50% of the course work is required for a student to pass the course as a whole.

Absence from a Test/Exam

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES under any circumstances, nor may the quizzes be written early. Students unable to write the quizzes because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned. If a student cannot write their final exam on the date assigned by the Department, they need to arrange for a deferred exam with the department.

Reappraisal of Grades and Intellectual Honesty:

For reappraisal of graded term work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For reappraisal of final grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

ACADEMIC MISCONDUCT

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Student committing academic misconduct during the final exam will not receive a passing grade on the course.

For information on the Student Academic Misconduct Policy and Procedure please visit:

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-policy.pdf>

<https://ucalgary.ca/policies/files/policies/student-academic-misconduct-procedure.pdf>

Additional information is available on the Academic Integrity Website at <https://ucalgary.ca/student-services/student-success/learning/academic-integrity>.

Academic Accommodations:

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at <http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>.

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see

<http://www.ucalgary.ca/legalservices/files/legalservices/faq-students.pdf> and

http://www.ucalgary.ca/legalservices/files/legalservices/faq-faculty_0.pdf.

Internet and Electronic Communication Device information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at

www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright.pdf.

Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Recording of Lectures:

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>

Student Organizations:

Faculty of Grad Studies website: <http://grad.ucalgary.ca/home>

Graduate Students Association: <http://gsa.ucalgary.ca/>

Professional Development for Grad Students

Workshops and resources can be found at <http://www.ucalgary.ca/mygradskills/>

Economics Graduate Association: <http://econ.ucalgary.ca/ega/>

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds' Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Library Block.

Notes:

Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.

MST