In Economics 5421, you are going to learn about explanations why countries trade with each other. After having looked at different explanations why countries trade, we are going to discuss what tools governments may have to limit international trade and which reasons there may be to erect trade barriers. We are also going to talk about efforts to remove trade barriers at a supranational level (e.g. GATT-WTO, NAFTA). Finally, we are going to discuss factor mobility issues such as foreign direct investment and immigration.

The recommended text is *The World Economy - International Trade, 7th ed.* by Beth V. Yarbrough and Robert M. Yarbrough. Copies should be for sale at the UConn Coop bookstore. Please note that this book is an undergraduate textbook. It is not absolutely necessary to have the book, if you have another undergraduate international trade book already, this probably will work as well, since the lecture won’t be very close to the text. You do need to register with Aplia, since the homeworks will be online (registration information is attached).

The topics and corresponding textbook chapters at a glance are:

1. Introduction (Ch. 1)
2. Differences in Factor Productivity and the Ricardian Model (Ch. 2)
3. Differences in Factor Endowments and the Heckscher-Ohlin Model (Ch. 3 and 4)
4. Empirical Tests of Trade Models and Economies of Scale (Ch. 5)
5. Trade and the Environment
6. Tariff Barriers to Trade (Ch. 6)
7. Non-tariff Barriers to Trade (Ch. 7)
8. Arguments for Restricting Trade (Ch. 8)
9. Political Economy of Trade Policy and Trade Liberalization (Ch. 9)
10. Growth, Immigration, and Multinationals (Ch. 10)

A thorough knowledge of Econ 2201 (Intermediate Micro) is necessary in order to understand the theoretical models we are going to cover in class, Econ5201 (Micro at the Masters level) would be the preferred level of preparation. An undergraduate international trade class is not required as preparation. Grades are based on Aplia homeworks (15%), a paper (20%), an in-class midterm (30%), and a cumulative final exam (35%). I will ask some students to present their paper in class, willingness to present is part of the assignment.

The topic of this year’s student paper is Child Labor and International Trade. The starting point for the student paper should be the following survey article by Kaushik Basu: Child Labor: Cause, Consequence, and Cure, with Remarks on International Labor Standards, Journal of Economic Literature, vol. 37, 1999, pp. 1083-1119.

**Class Time**

Monday and Wednesday 9.30-10.45 a.m. in 339 Monteith.

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Student Registration and Payment Instructions

Course Name: Econ5421: Master's Intl Trade: Theory and Policy
Start Date: 01/18/2010
Instructor: Xenia Matschke
Course Key: JSGW-YGSE-6UPY

You can begin working on your homework as soon as you register!

- In this course, you will use a textbook and Aplia's website.

Registration

If you have never used Aplia before...
2. Click the Create a New Account link and choose Student Account. You will then enter your course key: JSGW-YGSE-6UPY. Continue following the instructions to complete your registration.

If you have used Aplia before...
2. Sign in with your usual e-mail address and password and enter your Course Key when prompted: JSGW-YGSE-6UPY. If you are not prompted for a new Course Key, click the Enroll in a New Course button at the top of your My Courses page to enroll in a new Aplia course. Enter your Course Key when you are prompted.

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