

ECN330 International & Comparative Economics
(ECN320 International Trade) (3 credit hours)*

Fall semesters

Instructor: Hiroya Ichikawa, PhD

Fall Semester

Office : A-27 (Bldg A, 4F)

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Meeting times: XXX

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* Japanese students who matriculated prior to April 2008 will do an additional one-credit project to earn 4 credits for this course.

Description: The desirability of a liberal system of international trade has been commonplace economic discourse ever since the classical economists produced the principle of comparative advantage. Protecting domestic producers against import competition helps those producers, and hurts the interests of importing nations' consumers, and hurts the world as a whole. For more than half a century, the world interest has been defended mainly by global agreement to liberalize trade, and by superpowers with stakes in global prosperity. This course will review international trade theories and policies. Students will gain understanding of the political, economic and cultural nature of trade disputes, universality vs. regionalism, and bilateralism. Students interested in international relations will gain further understanding the complex nature of international trade relationship among nations.

Objectives: The objective of this course is to provide students with basic knowledge and insight into complex international trade relations.

Study Materials:

<Textbook>

1. Peter H. Lindert/ Thomas A. Pugel, International Economics, Tenth Edition, Irwin, 1996.

<Reference books, sources of readings and other information>

2. Joseph E. Stiglitz/ Andrew Charlton, Fair Trade For All, Oxford, 2005.

Sub-textbooks

3. Peter B. Kenen, The International Economy, Cambridge University Press, 1994.

<Website Reading for news items related to international trade issues. (NBA)

Assessment: Students achievement of this course's objectives will be measured in the following five areas: (1) Class participation and presentation (20%) (2) News Brief Analysis (10 %) (3) Midterm exam (30%) (4) Final exam (30 %) (5) other factors (10 %)

Academic Preparation: basic familiarity with macroeconomics and microeconomics is recommended.

Policies: All assignments and exams must be completed to receive a passing grade for this course. Students are reminded not to engage in acts of plagiarism or other forms academic dishonesty.

Course Format and Activities: Every class starts with brief discussion on news articles related to current international trade problems. Class sessions will alternate between lectures and students presentation. Students will have completed the reading assignment before students teams presentation. Classes are interactive and seminar type.

Schedule:

<Week 1>

Introduction to the course :

Grouping – leaders, and group names

About news items to be discussed in class

Assignments for class presentation

Outline of the presentation to be mailed by Wednesday evening

To hiroyaichi@aol.com

Warming up Group discussion on Trade related issues

<Week 2>

Peter H. Lindert/ Thomas A. Pugel, International Economics, chap 2.

The Basic Theory of International Trade: PP11/26

Group 1: Presentation:

Demand /Consumer Surplus

Supply /Producer Surplus pp11/18

Group 2: Presentation: pp18/21
A national market with no trade
Two national markets and the opening of trade
Free trade equilibrium

Group 3: Presentation: pp22/24
Effects in the importing country
Effects in the Exporting Country
Which country gains more?

<Week 3>

Peter H. Lindert / Thomas A. Pugel, International Economics, chap.3.

Why Everybody Trades? - Comparative Advantage and Factor Proportions: PP27/56.

Group 4: Presentation: pp27/38
Adam Smith's Theory of Absolute Advantage
Ricardo's Theory of Comparative Advantage
Ricardo's Constant Costs and the Production Possibility Curves

Group 5: Presentation: pp.38/pp46
Increasing Marginal Costs
Community Indifference curve
Production and Consumption Together with Trade

Group 6: Presentation: pp.47/52.
Demand and Supply Curves Again
The Gains from Trade
Trade affects Production and Consumption
What Determines the trade pattern?
The Heckscher-Ohlin(H-O)Theory: Factor Proportions are key

<Week 4>

Group 7: Presentation: pp57/ 74
Who gains and who loses from trade?

<Week 5>

Group 8: Presentation: pp77/91
Growth and trade

<Week6>

Group 9: Presentation: pp95/110.
Alternative theories of modern trade

<Week 7> Trade Policy
Peter B. Kenen, The International Economy, chap.10.
The evolution of trade policy, pp221/228..

Group 10: Presentaion:
The basic analysis of a tariff:
Tariff history:
 divergent trends 1816-1860,
 triumph and decline of free trade 1860-1914,
 collapse and reconstruction 1914-1939,

<Week 8> Nontariff Barriers to imports:
Peter H. Lindert /Thomas A. Pugel, International Economics,
Chapter 8.pp 133/ 152

Group 11: Import quota/VERs/Domestic contents requirements, p133/152

<Week 9> Arguments for and against protection
Peter H. Lindert / Thomas A. Pugel, International Economics,
Chapter 9.pp 154/ 171

Group 12: The troubled world of second best:pp154/171

<Week 10> Pushing Exports
Peter H. Lindert/ Thomas A. Pugel, International Economics,
Chapter 10.pp 173/ 199

Group 13: Dumping/retaliation/export subsidies :pp173/198.

Trade Blocs and Trade blocks

Peter H. Lindert/ Thomas A. Pugel, International Economics,
Chapter 11.pp 201/ 221

Group 14: Type of economic blocs /custom union theory:pp201/220.

< Week 11> Trade policies for developing countries.

Peter H. Lindert/ Thomas A. Pugel, International Economics,
Chapter 13.pp 251/ 273

Alternative reading:

Joseph E.Stiglitz/Andrew, Charlton, Fair Trade For All, Oxford, 2005.

Chap 1. Introduction: The Story so Far. pp1/9

: chap.2. Trade Can be Good for Development. Chap.2. pp11-40

The lessens of East Asia and Latin America

<Week 12> The political economy of trade and agriculture.

Peter H. Lindert/ Thomas A. Pugel, International Economics,
Chapter 13.pp 276/ 295

<Week 13>

Group 15: Joseph E.Stiglitz/Andrew, Charlton, Fair Trade For All, chap.2.

Trade Can be Good for Development. Chap.2. pp11-40

<Week 14> Summing Up discussion and Presentation:

Stiglitz/Charlton /chap 13.

Trade liberalization and the cost of adjustment. pp170/214

<Week 15> Final exam