

Econ 3500: International Economics
Fall 2018, Section 002

Instructor: Catherine Ruetschlin

Contact: Catherine.Ruetschlin@economics.utah.edu

Office location: Gardner Commons, 4th Floor

Office Hours: Tuesday & Thursday 3:30 - 4:30 pm

Course Meets: Monday & Wednesday, 11:50 am – 1:10 pm

Social and Behavioral Sciences Building (BEH S), room 112

Required Text: Krugman, P. R., Obstfeld, M., & Melitz, M. J. (2014). *International Economics: Theory & Policy, 10th Edition*. Boston, MA: Pearson Addison-Wesley.

The 9th edition of Krugman, Obstfeld, and Melitz is a close substitute. Additional materials will be made available on Canvas.

Course Goals: This one-semester course in international economics will introduce international markets and their governing institutions in the context of trade, finance, and development. These are broad topics that include multiple theoretical perspectives. At the end of the term students will be familiar with the history of these markets and the classical and modern approaches to their ideation. Students will attain the theoretical and empirical foundations for understanding and thinking critically about economics in the international context. The course is designated as QIIR: quantitatively intensive and an international requirement. In accordance with this designation, at the end of the term students will be prepared to interpret international economic issues presented in academic and popular publications using text, graphic, and algebraic expression, and to understand how national economic policy intersects with global economic issues.

Grades: Grades will be calculated based on the following required work:

Problem Sets:	25%
Midterm Exam 1:	25%
Midterm Exam 2:	25%
Final Exam:	25%

Problem sets will be available on Canvas one week before they are due. These assignments will include a combination of short answer/essay questions and analytical/graphical analysis. All answers must be written in complete sentences. Assignments are due via email before class begins or at the beginning of class in hard copy. The problem sets are intended to help you master the material and prepare for the midterm and final exams.

Grading Scale:

90-100%: A

80-89%: B

70-79%: C

60-69%: D

0-59%: F

Late Assignments: All assignments are due at the beginning of class in hard copy or via email before class begins to catherine.ruetschlin@economics.utah.edu. A deduction of one letter grade per day will be imposed on late work.

Attendance Policy: Attendance will be recorded at all course meetings. Students should be present at the beginning of class to be counted present. The attendance record will be used to inform the final grade assigned if a student is borderline between two grades. Attendance can only help your grade.

Academic Honesty: Please note the definitions of cheating, misrepresenting one's work, inappropriately collaborating, plagiarism, and fabrication or falsification of information from the University Utah Student Handbook, available here:

<https://regulations.utah.edu/academics/6-400.php>

““Plagiarism” means the intentional unacknowledged use or incorporation of any other person's work in, or as a basis for, one's own work offered for academic consideration or credit or for public presentation. Plagiarism includes, but is not limited to, representing as one's own, without attribution, any other individual's words, phrasing, ideas, sequence of ideas, information or any other mode or content of expression.”

There are many types of plagiarism, all are serious offenses and will be treated according to the University of Utah rules and procedures for student academic conduct outlined in Student Code - Policy 6-400: Code of Student Rights and Responsibilities.

Any incidents of cheating, misrepresentation, or plagiarism will result in a grade of zero for the assignment. All essays and assignments must be written in your own words with proper citations.

Class Calendar

Week 1: August 20th & 22nd

Introduction to the course, key concepts, and the gravity model

Krugman, Obstfeld, and Melitz, Chapter 2 & Chapter 13 pp. 293-300

Week 2: August 27th & 29th

The Ricardian Model of Trade

Krugman, Obstfeld, and Melitz, Chapter 3

Tabuchi, Hiroko (2015, August 2). Chinese Textile Mills Are Now Hiring in Places Where Cotton Was King. *The New York Times*. Retrieved from

<https://www.nytimes.com/2015/08/03/business/chinese-textile-mills-are-now-hiring-in-places-where-cotton-was-king.html> (Available on Canvas)

Week 3: September 5th

No Class Monday September 3

Heckscher-Ohlin-Wood and Stolper-Samuelson

Krugman, Obstfeld, and Melitz Chapter 5

Week 4: September 10th & 12th

Heckscher-Ohlin-Wood and Stolper-Samuelson

Krugman, Obstfeld, and Melitz Chapter 5

Standard Trade Model

Krugman, Obstfeld, and Melitz Chapter 6

Week 5: September 17th & 19th

Standard Trade Model

Krugman, Obstfeld, and Melitz Chapter 6

David H. Autor, David Dorn, Gordon H. Hanson [The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade](#) Annual Review of Economics 2016 8:1, 205-240. (Available on Canvas)

Week 6: September 24th & 26th

In class exam Monday September 24th

September 26th: New Trade Theory & Imperfect Competition

Week 7: October 1st & 3rd

New Trade Theory & Imperfect Competition

Economies of Scale, Exports, Outsourcing, and Multinational Companies

Krugman, Obstfeld, and Melitz Chapters 7 & 8

Milberg, William and Deborah Winkler (March 2010), Financialization and the Dynamics of Offshoring in the USA, *Cambridge Journal of Economics*, Volume 34, Issue 2, (pp. 275–293). (Available on Canvas)

Milberg, William and Deborah Winkler (May 2010), Economic Insecurity in the New Wave of Globalization: Offshoring and the Labor Share Under Varieties of Capitalism, *International Review of Applied Economics*, Vol. 24, No. 3 (pp. 285–308). Retrieved from <https://static1.squarespace.com/static/53ce7840e4b01d2bd01192ee/t/53e8f008e4b02354ac1d22f2/1407774728155/Economic-Insecurity-in-the-New-Wave-of-Globalization.pdf>. (Available on Canvas)

Week 8: October 8th & 10th

Fall Break, no classes

Week 9: October 15th & 17th

Globalization's Critics

Chang, Ha-Joon (December 2003), Kicking Away the Ladder: The “Real” History of Free Trade, Foreign Policy in Focus (Silver City, NM: Interhemispheric Resource Center). (Available on Canvas)

Milanovic, Branko (2003), The Two Faces of Globalization: Against Globalization as We Know It, *World Development* Vol. 31, No. 4 (pp. 667-683). (Available on Canvas)

Rodrik, Dani (2011), Why Doesn't Everyone Get the Case for Free Trade? in *The Globalization Paradox* (pp. 47-66), New York: W.W. Norton & Co Inc. (Available on Canvas)

Week 10: October 22nd & 24th

Trade Institutions and Political Economy

Krugman, Obstfeld, and Melitz Chapters 9 -12

Rodrik, Dani (Spring 2018), What do Trade Agreements Really Do? *Journal of Economic Perspectives*, Volume 32, Number 2 (pp. 73–90). Retrieved from https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/what_do_trade_agreements_really_do.pdf. (Available on Canvas)

Week 11: October 29th & 31st

National Income Accounting and the Balance of Payments

Krugman, Obstfeld, and Melitz, Chapter 13

Week 12: November 5th & 7th

In class exam Monday, November 5th

November 7th: Exchange rates

Krugman, Obstfeld, and Melitz Chapter 14

Week 13: November 12th & 14th

Money, Interest, and exchange rate regimes

Krugman, Obstfeld, and Melitz Chapters 15-18

Week 14: November 19th & 21st

Financial globalization and its disappointments

Krugman, Obstfeld, and Melitz Chapters 19 & 20

Rodrik, Dani (2009), Why Did Financial Globalization Disappoint? IMF Staff Papers Vol. 56, No. 1. Retrieved from <https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/why-did-financial-globalization-disappoint.pdf>. (Available on Canvas)

Taylor, Lance (2002), Global Macroeconomic Management. in Nayar, Deepak, *Governing Globalization Issues and Institutions* New Delhi: Oxford University Press. (Available on Canvas)

Stiglitz, Joseph E (2002), Globalization and the Logic of International Collective Action: Re-examining the Bretton Woods Institutions. in Nayar, Deepak, *Governing Globalization Issues and Institutions* New Delhi: Oxford University Press. (Available on Canvas)

Week 15: November 26th & 28th

Poverty, Inequality, and Development

Krugman, Obstfeld, and Melitz Chapter 22

Günseli Berik, Yana van der Meulen Rodgers & Stephanie Seguino (2009) Feminist Economics of Inequality, Development, and Growth, *Feminist Economics*, 15:3, 1-33. (Available on Canvas)

Milanovic, Branko (May 2013), Global Inequality in Numbers: In History and Now, *Global Policy* Volume 2 Issue 4 (pp. 198-208). (Available on Canvas)

Milberg, William, and Deborah Schöller (2008), Globalization, Offshoring, and Economic Insecurity in Industrialized Countries, Prepared for U.N. Department of Economic and Social Affairs.

Pritchett, Lant (1997), Divergence Big Time, *The Journal of Economic Perspectives*, Vol. 11, No. 3, pp. 3-17. (Available on Canvas)

Rodrik, Dani (2011), The Future of Economic Convergence, Presentation to the Jackson Hole Symposium of the Federal Reserve Bank of Kansas City, August 25-27, 2011. Retrieved from <https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/future-economic-convergence.pdf>. (Available on Canvas)

The Role of BRICs in the World Economy and International Development (2017), New Development Bank. Retrieved from <https://reddytoread.files.wordpress.com/2017/09/brics-2017.pdf>. (Available on Canvas)

Amsden, Alice (2001), Speeding Up and Selective Seclusion. In the Rise of “the Rest:” Challenges to the West from Late-Industrializing Economies (pp. 125-189), New York: Oxford University Press. (Available on Canvas)

Week 16: December 3rd & 5th

Globalization and crisis

Krugman, Obstfeld, and Melitz Chapter 21

Milberg, William, and Deborah Winkler (2008), Trade, Crisis, and Recovery, Restructuring Global Value Chains in a Post Crisis World (pp. 21-70). Retrieved from <https://static1.squarespace.com/static/53ce7840e4b01d2bd01192ee/t/53e8f02ee4b02354ac1d2346/1407774766017/Trade-Crisis-and-Recovery.pdf>. (Available on Canvas)

Rodrik, Dani (2018), Populism and the Economics of Globalization, *Journal of International Business Policy*. Retrieved from https://drodrik.scholar.harvard.edu/files/dani-rodrik/files/populism_and_the_economics_of_globalization.pdf. (Available on Canvas)

Seguino, S. (2010). The global economic crisis, its gender and ethnic implications, and policy responses. *Gender and Development*, 18(2), 179-199. (Available on Canvas)

Week 17: Final Exam Thursday, December 13, 10:30 am – 12:30 pm

Regularly scheduled classroom: Social and Behavioral Sciences Building (BEH S), room 112

CSBS EMERGENCY ACTION PLAN



BUILDING EVACUATION

EAP (Emergency Assembly Point) – When you receive a notification to evacuate the building either by campus text alert system or by building fire alarm, please follow your instructor in an orderly fashion to the EAP marked on the map below. Once everyone is at the EAP, you will receive further instructions from Emergency Management personnel. You can also look up the EAP for any building you may be in on campus at <http://emergencymanagement.utah.edu/eap>.



CAMPUS RESOURCES

U Heads Up App: There's an app for that. Download the app on your smartphone at alert.utah.edu/headsup to access the following resources:

- **Emergency Response Guide:** Provides instructions on how to handle any type of emergency, such as earthquake, utility failure, fire, active shooter, etc. Flip charts with this information are also available around campus.
- **See Something, Say Something:** Report unsafe or hazardous conditions on campus. If you see a life threatening or emergency situation, please call 911!

Safety Escorts: For students who are on campus at night or past business hours and would like an escort to your car, please call **801-585-2677**. You can call 24/7 and a security officer will be sent to walk with you or give you a ride to your desired on-campus location.