

Economics 425(L01) International Trade

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Lecture Location: Online via Zoom
Lecture Days/Time: TR 9:30-10:45

Office: Zoom office hours
Office hours: TR 16:00-17:00

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Course Description:

This course provides a typical introduction to international economics focusing on international trade in goods. It is atypical in that I will motivate the material by use of four current policy debates. As you are undoubtedly aware, the Trump Administration has initiated a series of trade actions against several countries (Canada, the EU, China, Russia, etc.). In discussing and evaluating these actions, you will learn about the costs and benefits of international trade, the impact trade policy measures, and gain some familiarity with issues such as: comparative advantage; trade with economies of scale; strategic trade policy in the presence of imperfect competition; trade-related aspects of intellectual property rights; and trade's impact on the environment. Writ large, the course examines the nature, causes and consequences of international trade in order to provide the basis for analyzing aspects of trade policy such as regional preferential trading arrangements such as NAFTA and the European Union, and global trading arrangements such as the World Trade Organization. Writ small, the course will help you make sense of what is happening on the world stage with regard to Trump, trade, and NAFTA.

Course Objectives/Learning Outcomes:

By the end of this course the student will have a very good understanding of the determinants of world trade patterns and the volume of trade flows. They will understand the positive and normative implications of international trade for citizens and understand the incentives governments have to intervene in international markets. They will also understand how international trade can affect the employment and wages of workers, how it affects environmental outcomes, and how international trade and intellectual property rights protection interact.

Course Outline:

I have organized the material around four very topical trade policy issues. My plan is to spend three weeks discussing and evaluating each issue. Three weeks gives us six lectures to ask and then answer the question under study. I am hoping to stick to the three-week window for each topic, but it is possible we either run out of time (and leave one issue untouched) or world events intervene making us spend more time on one topic than another. If we do complete our discussion of four issues, and then include some time for review sessions and a midterm, we will have pretty well exhausted all the course time. In addition, I may invite one or two guest speakers to the class who are experts in one of the areas.

Each of the four sections or modules will proceed in much the same way, and there are four elements to each section.

First, there will be a video from YouTube (or similar) introducing the issue (typically courtesy of Trump), together perhaps with some discussion by others (perhaps a clip from the PBS news hour).

Second, there is the lecture material I will provide that gives us the logical framework with which we can discuss the issue. This material is also presented in the book, although my presentation will differ substantially and will be tailored of course to the issue at hand. **You will be responsible not only for the lecture material presented in class, but also the material in the Chapters I assign in class.** So, for example, the course starts with a discussion of comparative advantage and the elegant model put forward by David Ricardo over 200 years ago. Ricardo's model is the perfect vehicle with which to discuss how differences in technologies across countries affect trade flows, national incomes, and welfare. It is also perfect for a discussion of how the transfer of technology across countries – perhaps accelerated by weak intellectual property rights – creates winners and losers in the global economy. And hence this is how we will frame a discussion of the current dispute between the U.S. and China over intellectual property rights.

Third, trade policy discussions are often full of all kinds of minutiae and detail that the book does not cover, and I am not an expert on. To fill this gap, I will typically ask you to listen to one or more podcasts from "Trade Talks" from the Peterson Institute at <https://piie.com/trade-talks>. These are short, very informative, and very detailed discussions of trade policy issues.

Fourth, with the completion of every section (except the last one) there will be an assignment for you to do that will reinforce the material and hopefully prepare you for the examinations.

The four modules are, in brief, organized around the following trade policy issues:

1. Intellectual Property Rights and Trade (Chapters 1 and 2)
2. Why Economists and Environmentalists disagree: trade vs the environment (Chapter 13).
3. Special Interests, Trade Policy and the CDN dairy industry (Chapter 5)
4. Immigration, factor flows, and rising wage inequality (Chapter 6)

Required Textbook(s):

International Trade John McLaren Wiley 2013 ISBN-13: 978-0-470-40879-7. The book comes with a full set of slides, practice questions and some quizzes all which will be made available to the students. My lectures will broadly follow the book but will include more technical and difficult material and will require a more in depth understanding of the arguments that is present in the book or the slides. The Chapter references above are what is currently planned, but I may alter the order of presentation order somewhat.

Additional materials will be available on D2L. For each of the topics we discuss I will require you to read at least one additional outside reading. These will be academic articles that we will discuss in class, with my help. Just reading the book and slides will not be a good strategy to pass the course.

Books on Reserve:

None

Prerequisites/corequisites:

ECON 357 and 359

Recommended Textbook(s):

None

Books on Reserve:

None

Online Delivery:

This course will be delivered online. Students are expected to be able to participate online in accordance with this Course Outline. Lectures, assignments, office hours, exams, readings and other course material, etc. all require online access and this access is the responsibility of the student.

In order to remotely participate in online courses, students will need to have: a computer with a current and updated operating system (macOS or Windows will work with all university-supported online learning technologies), a current and updated web browser installed – the latest versions of Firefox, Safari, Chrome or Edge will help to avoid compatibility issues, secure and reliable internet, microphone / headphones, webcam (optional), scanner (or camera to scan your work).

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 online at the Registrar scheduled times and delivered using ZOOM. The streaming interactive learning sessions will not be recorded, although slides from lectures (when available) will be posted to D2L for students whose Internet access may be disrupted during the interactive Zoom sessions.

Grade Determination and Final Examination Details:

There will be two examinations. One will be a typical midterm, and the other is a final exam scheduled by the Registrar. Both tests will share the same format. The midterm will be on Thursday the 11th of February. Exams will be made available on D2L. Students will download the exam from D2L, complete the exam, scan it, and submit using Dropbox in D2L. Students will have 120 minutes to complete the midterm exam, at the time of their choosing, within a designated 24-hour period. The 24-hour period will start at 9:30 am on Thursday the 11th and continue until 9:30 am Friday the 12th. The midterm exam is intended to be completed in 75 minutes. The final exam is intended to be completed in two hours, but students will have three hours to complete and upload the exam. It will follow the same format as the midterm and will need to be written in a 24-hour period set by the Registrar. **Both exams will contain both analytical problem-solving questions and an essay question.** The analytical questions require you to manipulate and make use of economic modelling in a precise and mathematical way. The essay question will feature an introductory prompt I provide and require you to write a cohesive essay responding to the prompt. The essay must be a proper essay – no point form, logically written, and must make use of the materials learnt in the course. An essay is not an opinion piece, it is a logical argument and a good essay is no less precise in its construction than is an answer to a purely analytical question. **The essay component and analytical components will each be worth 50% of the grade in any exam (including the final), so essay writing and analytical skills will both be required to do well in the course.**

In addition, there will be a series of assignments due during the year. I plan on four assignments. The first assignment will be a review of microeconomics, the remaining assignments are tied to course material. These assignments will have due dates (approximately 10 days from receiving them) and will be marked and returned to the students. Answer keys for the assignments will be provided.

Finally, there are class participation marks. Since we will be discussing the chapters assigned and the readings, students are expected to participate in this discussion. I will pose questions concerning the materials to the class in general, and sometimes to students in particular. Students may respond via the chat window or by speaking to the class. Depending on class size I may limit the number of responses any one student can make during a lecture. I will keep track of student's participation in this question-and-answer format. I will assign a full 20% of student participation marks to any student who contributes in a significant way to the discussion in every one of the four modules; 15% if they contribute to 3/4 modules; 10% if they contribute in 2/4 modules; and 5% if they contribute to the discussion of only 1/4 modules. Significant contribution is defined by a willingness to engage and an ability to provide correct answers. As a Students who are unable to participate may ask that I reallocate the weight of the class participation mark for the first two modules to the first midterm (making it worth 35%) and reallocate the weight of the class participation marks from the second two modules to the final (making it worth 50%). Any student asking for this reallocation must do so in an email to me prior to January 30th.

Assignments	15%
Midterm	25%
Final Exam	40%
Class Participation	<u>20%</u>
	100%

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work.

All other course components will also be accessed, submitted, and returned through D2L.

Non-programmable calculators WILL be allowed during the writing of tests or final examinations.

Tests and exams WILL NOT involve multiple choice questions.

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

If a student's letter grade on the final exam exceeds their midterm(s) letter grade, the weight of the midterm(s) may be transferred to the final exam at the discretion of the instructor. The student must have written the midterm(s) or provided supporting documentation for the absence(s) such as a medical note or statutory declaration.

If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam <https://www.ucalgary.ca/pubs/calendar/current/g-6.html>.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the remaining exams; otherwise a grade of zero will be assigned. Documentation MUST be provided.

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.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/policies/files/policies/acceptable-use-of-material-protected-by-copyright-policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of

extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

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 Arts Students' Association (F.A.S.A.):

Economics Department Representative

E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics:

<https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at societyofundergradsineconomics@gmail.com.

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625].

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>.