

University of Oregon  
Department of Economics  
Winter Term 2008

## ECN 481/581: INTERNATIONAL TRADE

Professor Bruce Blonigen

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### SYLLABUS

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**OVERVIEW:** International trade concerns itself first with how and why countries trade goods and services with each other. Economists are still struggling to develop models that accurately predict real world trade flows. The first half of the course will examine trade theories, their empirical relevance, and the often overlooked role of multinational firms on trade flows. The second half of the course will look at trade policies. In surveys, the issue that economists agree on *most* often is that free trade is the appropriate policy. Yet, every country has numerous trade restrictions and taxes, as well as their share of politicians who believe countries should restrict trade even more. We will analyze the latest happenings with the World Trade Organization in the context of what we learn about the economics of trade and trade policies.

My theory on teaching is that it is a two-way contract with you, the student. I'm obligated to teach you what you should know in the area and also keep it interesting and show the relevance of what we study. But you are also obligated to consistently spend the time that is necessary to learn the material each week. Cramming before tests doesn't cut it.

**READING:** *International Economics, Fifth (or Sixth) Edition*. Appleyard and Field.

**GRADING:** There will be a midterm, a final, homework and quizzes, and empirical projects. The empirical projects will have you find and analyze real world data to address issues raised in class and which are currently important issues in the field. They are posted on the course webpage (URL listed above). Course grades will be determined as follows:

<b>20%</b>	<b>HOMEWORK AND QUIZZES</b>
<b>20%</b>	<b>EMPIRICAL PROJECTS</b>
<b>25%</b>	<b>MIDTERM</b>
<b>35%</b>	<b>FINAL</b>

Quizzes and tests can only be made up in emergency circumstances and if notification is given as soon as possible. These make-up quizzes and tests tend to be much more difficult!

**REQUIREMENTS FOR 581 STUDENTS:** Students taking the course for EC 581 graduate-level credit will be required to write a 10-page paper instead of the empirical projects. The paper will comprise 30% of your grade, with the other components accounting for the following percentages of your final grade: homework and quizzes=10% midterm=25%, final=35%. Please schedule to see me by the end of the second week to agree on a paper topic. The paper will be due at the time of the written final in the class.

**ACADEMIC DISHONESTY POLICY:** Academic dishonesty (from plagiarizing work to cheating on exams) will not be tolerated. Please acquaint yourself with the Student Conduct Code, which is published online at [http://www.uoregon.edu/~stl/programs/student\\_judi\\_affairs/academic-dishonesty.htm](http://www.uoregon.edu/~stl/programs/student_judi_affairs/academic-dishonesty.htm). If I have reason to believe that a student is violating the Student Conduct Code, I will involve the Student Judicial Affairs Office.

**STUDENTS WITH DISABILITIES:** If you have a documented disability and anticipate needing accommodations in this course, please make arrangements with me during the first week of the term. Please request that the counselor for students with disabilities (164 Oregon Hall) send me a letter verifying your disability.

### **GENERAL OUTLINE OF COURSE**

*(subject to some change and additional readings with notice in class)*

**WEEK 1:** Introduction.

Readings: Chapters 1 & 2.

**WEEK 2:** Ricardian Classical Trade Theory

Readings: Chapters 3 & 4.

**WEEK 3:** Neoclassical Trade Theory

Readings: Chapter 5 & 6.

**WEEK 4:** Heckscher-Ohlin Trade Model

Readings: Chapter 7 & 8.

**WEEK 5:** Empirical Relevance and New Trade Theory

Readings: Chapter 9 & 10.

**WEEK 6:** Multinational Firms and Capital Flows and **MIDTERM**

Readings: Chapter 12.

**WEEK 7:** Trade Policy Analysis

Readings: Chapter 13 & 14.

**WEEK 8:** Trade Policy Analysis

Readings: Chapter 15.

**WEEK 9:** U.S. Trade Policy in Practice

Readings: Chapter 16 & 17.

**WEEK 10:** Trade Agreements and Economic Integration

Readings: Chapters 18.

**FINAL: 1:00 pm., Thursday, March 20.**