

Professor Mariana Spatareanu

Office: Hill Hall 823

Email: marianas@newark.rutgers.edu

Office Hours: Mondays 11:30am – 12:30am or by appointment

INTERNATIONAL TRADE
Economics 21:220:335
FALL 2021

In order to protect the health and well-being of all members of the Rutgers-Newark community, masks must be worn by all persons inside campus buildings when in the presence of others, and in buildings in non-private enclosed settings (e.g., common workspaces, workstations, meeting rooms, classrooms, etc.). Masks should securely cover the nose and mouth. **Masks must be worn during class meetings.** Each day before you arrive on campus or leave your residence hall, you must complete the brief survey on the My Campus Pass symptom checker self-screening app found at: [myRutgers Portal](#).

Class Schedule:

Mondays: 2:30 PM - 3:50 PM

Wednesdays: 1:00 PM - 2:20 PM

Course description

This course will analyze the theoretical and practical consideration underlying international trade. We will cover economic models used for the analysis of international trade issues and policies that governments adopt towards international trade.

Some of the questions that will be addressed are: Why do countries trade? Are countries better off because they trade? Are both trading partners better off? Who gains and who loses within a country? What is the impact of trade on income inequality? Is there a role for strategic trade policy? How does trade affect the economies of developed and developing countries? What is the impact of migration on the sending and receiving countries? What is foreign direct investment, why do firms set up subsidiaries abroad and what is their impact on home and host countries?

Prerequisites

Students are expected to be familiar with the material in Introduction to Microeconomics and Introduction to Macroeconomics.

Course Materials

Required Textbook: **Dominic Salvatore (2012) *Introduction to International Economics*, (John Wiley and Sons Publishers)**

There will be additional readings throughout the course from sources like: the Economist, the Wall Street Journal, the Financial Times, etc.

Recommended: Trade Talks weekly podcasts from Peterson Institute for International Economics:

<https://itunes.apple.com/us/podcast/trade-talks-piie/id1270804213?mt=2>

Course Grading

Midterm Exam (<i>tentatively – October 25th</i>)	35%
Debates: Team Report	10%
Team Oral Defense	5%
<u>Cumulative Final Exam (<i>date determined by FASN</i>)</u>	<u>50%</u>

Total **100%**

You are required to engage in debates intended to highlight the pros and cons of important current international economics topics. You will form teams, debate in class, and prepare a written report on your position on the particular topic. The reports should be no longer than 10 pages double spaced; they are due the weekend after the debate. The suggested debate topics are:

1. Does international trade cause income inequality?
2. Pros and Cons of Globalization and outsourcing
3. Does international trade harm workers and the environment? Does it lead to a race to the bottom in environmental and labor standards?
4. USMCA (US Mexico Canada Agreement) – pros and cons

I will hand out problems from time to time. We will discuss some of the assignments in class.

The exams consist of multiple-choice questions and true/false type questions.

There will be NO make-up exams unless you have a valid documented excuse (such as doctor's note) AND I have been notified BEFORE the exam that you can't take the regularly scheduled exam. The exam may be different than the one given in class and may also be more difficult.

There is NO extra credit for any work that is not required from all students. Please do NOT request differential treatment as a way to boost your grades.

Course Outline

Ch. 1. Introduction – Trends in International Trade

PART 1: INTERNATIONAL TRADE THEORY.

Ch.2. Comparative Advantage.

Ch.3. The Standard Trade Model.

Ch.4. The Hecksher-Ohlin and Other Trade Theories.

PART 2: INTERNATIONAL TRADE POLICY.

Ch.5. Trade Restrictions: Tariffs

Ch.6. Nontariff Trade Barriers and the Political Economy of Protectionism

PART THREE: INTERNATIONAL TRADE AND INVESTMENT RELATIONS.

Ch.8. Growth and Development with International Trade.

Ch.9. International Resource Movements (Migration) and Multinational Corporations (Foreign Direct Investment).