

INTERNATIONAL ECONOMICS

INTRODUCTION TO THE COURSE

International economics is divided into two broad subfields: *international trade* and *international money*. International trade focuses on *real* transactions in the international economy, that is, on those transactions that involve a physical movement of goods. On the other hand, international money focuses on financial transactions and refers to the monetary side of the international economy. This course deals with the first aspect of international economics, i.e. the real transactions and focuses on two main aspects of it: international trade theory and evidence and international trade policy.

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What Is International Economics About?

International Economics: Trade and Money

Part I. International Trade Theory

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Do Old Rules Still Apply?

Chapter 3. Labor Productivity and Comparative Advantage: The Ricardian Model

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External Economies and International Trade

Economic Geography and Interregional Trade

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Direct Foreign Investment and Multinational Firms

Part II. International Trade Policy

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Basic Tariff Analysis

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Other Instruments of Trade Policy

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The Case for Free Trade

National Welfare Arguments Against Free Trade

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The Doha Disappointment

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Results of Favoring Manufacturing: Problems of Import-Substituting Industrialization

Trade Liberalization Since 1985

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Chapter 11. Controversies in Trade Policy

Sophisticated Arguments for Activist Trade Policy

Globalization and Low-Wage Labor

Globalization and the Environment

GRADING

Mid-term exam (30%): to be written in class.

Homeworks (20%): During the course there will be two assignments about some of the topics discussed in class.

Final Exam (50%): to be written in class.

BIBLIOGRAPHY

Paul R. Krugman and Maurice Obstfeld.: “*International Economics: Theory and Policy*” (7th edition onward).