

Department of Economics, University of Minnesota Twin Cities

INTERNATIONAL TRADE - ECON 4431W

Fall 2024

Instructor

Name: Jakub Pawelczak

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Course meeting: M and W 11.15 am – 12.30 pm in Blegen Hall 130

Course Credits: 3

Office Hours: Via Zoom; TBA and by appointment-link at Home page

This course is scheduled as an in-person course.

Econ 4431W satisfies the Global Perspectives Theme requirement of Liberal Education at the University of Minnesota.

Econ 4431W includes international trade theory and trade policy; it highlights the causes and effects of trade and trade restrictions on trading and non-trading countries.

The course does not focus on any specific country or region. It does however, address several issues that involve trade among nations, including **free trade, trade restrictions, protection, regional integration and the formation of free trade areas, mobility of labor and capital among nations, and trade and growth linkages**. The course material emphasizes the implications of free trade and trade restrictions. Particular emphasis is placed on the fact that trade leads to winners and losers, and these groups may be in the same or different country. Students are expected to understand the outcome of trade and trade restrictions on various groups (in class activities, homework assignments, exams, and the paper) – on domestic and foreign consumers, producers, governments, institutions; and on economic variables like prices, wages, employment, volume of trade, composition of trade, trading partners, and on income distribution across nations.

The course will focus on the following points:

The course, and most or all of the material covered in the course, focuses on the world beyond the United States.

The course develops the basic theories of international trade and applies them to study the effects of trade and trade restrictions in the world. In all these, we focus on current and future effects on various countries and the different groups within the countries.

The course either

(1) focuses in depth upon a particular country, culture, or region or some aspect thereof;

(2) addresses a particular issue, problem, or phenomenon with respect to two or more countries, cultures, or regions;

or (3) examines global affairs through a comparative framework.

The course satisfies points (2) and (3). It focuses on global trade issues, which involve two or more countries or groups of countries. Theoretically, trade restrictions affect both countries and their people. We examine the actual effects of trade and trade restrictions on all players involved. We analyze the impacts of Regionalism and Multilateralism (by using world trade shares of nations or trade concentration ratios) on trade- and whether it leads to trade creation or trade diversion. This can have serious effects on the peoples of the nations- on their income and income distribution, on government revenues, and on prices, manufacturing, trade, wages, employment, and so on.

Students discuss and reflect on the implications of issues raised by the course material for the international community, the United States, and/or for their own lives.

Students are expected to participate in class discussions of trade issues. In homework assignments, students are asked to articulate effects of trade issues on the world economy, US economy or on themselves. During class time, the instructor will often discuss the effects of trade or trade restrictions on one country, and ask students to find the effects on the trading partner. The instructor will also present current articles on international trade in every class meeting so that students can see the application of trade terms and theories in real-world situations.

STUDENT LEARNING OUTCOMES:

Students can identify, define, and solve problems- Students will be able to solve problems pertaining to international trade and its effects on all countries involved. They will have to answer questions in homework assignments and in the midterm and final exams.

Students can locate and critically evaluate information – Students will be able to find and retrieve reliable international trade data for many countries. They will need data to answer questions in homework assignments, and will also need data and other background information about the chosen countries (for the writing assignment).

Students can communicate effectively – Students will be able to communicate effectively in writing. They will be asked to read an economic journal article so they can see how writing in economics is undertaken. Using the same format, they will write a paper, and will receive feedback on every iteration of the paper.

PREREQUISITES: Econ 3101 and 3102, which students should have successfully completed prior to taking this course.

E-TEXTBOOK:

Required: **INTERNATIONAL ECONOMICS** by Appleyard and Field (9th edition; McGraw Hill)

You have enrolled in a course using Inclusive Access (IA). This means your course materials will be delivered electronically to the Canvas course website. It will be available by the first day of class, and you will be charged automatically for them through your student account. You will access your IA course materials through this course page in Canvas. If you do not want to participate in the IA program, you can opt out of the access and the fee will be refunded. The Bookstores will send an IA welcome email near the beginning of the semester, and this email will have instructions about how to opt out and when the deadline is for opting out. This email will also contain other important info about IA, so please watch for it. The subject line of the welcome email will be "Course Materials Charged to Your Student Account" and it will come from no-reply@verbasoftware.com. If you have any questions about inclusive access, please contact the Bookstores at inclusiveaccess@umn.edu.

The **VBID** for your material is **9781259352737R1825**

Students must set up an account with VitalSource to access their material.

To opt out of the course material students have to follow deadlines mentioned in :
<https://onestop.umn.edu/calendar/dropadd-deadlines>.

READINGS:

Douglas Irwin: Free Trade Under Fire (Princeton University Press)

Daniels and VanHoose: Global Economic Issues and Policies (Thomson South-Western)

Ethier: Modern International Economics

Krugman, Obstfeld, Melitz: International Economics: Theory and Policy

1. Bhagwati (ed): International Trade; and Lectures on International Trade

Feenstra and Taylor: International Trade

Bhagwati: In Defense of Globalization (Oxford), 2007

The Economist: current issues; Various current newspapers and news magazines

Economic Report of the President, February 2022

ONLINE OFFICE HOURS:

I will hold office hours via Zoom, the date and time will be announced during the first week of classes. If you cannot make these hours, please email me and we can set up a meeting by appointment. I will hold extra online office hours before both exams- all details will be on Canvas.

COMMUNICATION BETWEEN STUDENTS AND INSTRUCTOR:

All the information related to this course can be found on canvas. I recommend that students check the course canvas page at least twice a week to keep up with course updates. I will post homework assignments, any study material, announcements and updates on canvas. In addition, I can always be reached on the university email id. I usually respond to all emails within 48 hours but please remember to put ECON 4431W on the subject line. This helps me get back to you

quickly and efficiently. We will try to post grades for homework assignments within 7-10 days, and for exams, within two weeks.

APPROPRIATE CLASSROOM CONDUCT

Please treat each other and the instructor with respect and listen to their views. Respectful interactions are critical to successful professional conduct and this course is no exception. Please consider your tone and language, especially when communicating in text format, as the lack of other cues can lead to misinterpretation. Like other work in the course, all student-to-student communication is governed by the University's [Student Conduct Code](#).

APPROPRIATE USE OF COURSE MATERIALS

Sharing course materials with anyone outside of the class is a violation of intellectual property per Item 6 of the [U of M policy on student responsibilities](#). Please do not share any course material with anyone else.

INSTRUCTIONAL TIME AND STUDENT EFFORT:

For undergraduate courses, one credit is defined as equivalent to three hours of additional work per week for the course, in order for students to achieve an average grade. This implies that you should put in at least 9 additional hours per week on this course, along with attending class for 150 minutes per week.

TENTATIVE COURSE SCHEDULE for SPRING 2023

Week	Topic	Chapters	Activities Due
Week 1: Sep 4	Introduction; Syllabus; World Trade, Importance of International Trade;	Ch. 1	
Week 2 Sep 9,11	History until Mercantilism Meet with Writing Assistant	Ch. 2	WA-syllabus September 9 in class

Week 3 Sep 16,18	Classical Theories of Trade; Absolute Advantage Theory;	Ch. 3	WA – Topic due: September 22, 11:59PM in Canvas
			HW 1 due: September 22, 11:59PM in Canvas
Week 4 Sep 23,25	Ricardo’s Theory; its extensions, tests; Neoclassical Theory of Trade; Offer Curves	Ch. 4,5,6	
Week 5 Sep 30, Oct 2	Terms of Trade ; Ricardian model of trade-mathematical derivation	Ch. 7	
Week 6 Oct 7,9	Ricardian model of trade- mathematical derivation	Notes	HW 2 due: October 6, 11:59PM in Canvas
			R session 1 -October 14 on zoom
Week 7 Oct 14,16	LEARN “R” with WA ; Review	Ch. 13,14	WA – Outline due: October 15, 11:59PM in Canvas
			Review October 16
Week 8 Oct 21,23			R session 2-October 21 on zoom
	Midterm; LEARN “R” with WA		Midterm Exam: October 23, 11.15 am – 12.30 pm In class
Week 9 Oct 28,30	Trade Policies; Tariffs and NTBs	Ch. 13, 14	
Week 10 Nov 4,6	Protection and Measurement of Protection	Ch. 15, 16	WA – First Draft due: November 5, 11:59PM in Canvas
Week 11 Nov 11, 13	H-O Theory; Propositions; tests	Ch. 8, 9, 10	
Week 12 Nov 18, 20	Economic Growth and Trade; Trade Policies	Ch. 11,13	

no class on November 28 -Thanksgiving

Week 13 Nov 25	Effects of Trade Policies- small and large countries	Ch. 13,14,15, 16	HW 3 due: December 4, 11:59PM in Canvas
Week 14 Dec 2,4	Effects of Trade Policies- small and large countries	Ch. 13,14,15, 16	WA – Final report due: December 10, 11:59PM in Canvas
Week 15 Dec 9,11	Review and Sample Questions		

Final exam:

FINAL

December 19, 2023

December 19, 1:30-3:30 pm, room: Blegen Hall 130

NOTES:

1. Students are responsible for material covered in both the lecture and supporting material in the mentioned chapters of the textbook. Everything discussed in class is part of the course and will appear on exams.
2. Extra credit is not offered in this course.
3. Only registered students can attend this course. All visitors must consult the Instructor before attending any lecture.

HOMEWORK ASSIGNMENTS AND CLASS PARTICIPATION:

There are three homework assignments; due on the dates mentioned. They will be posted on Canvas. Written answers to **homework assignments must be typed** according to department policy. Graphs and numerical computations need not be typed, but should be legible, big, and very neat.

All homework is to be submitted online through Canvas. Homework should be uploaded as a single pdf of size less than 10MB. You may discuss homework with classmates but you must write up the answers in your own words. Identical or essentially similar answers are not acceptable; you will receive a score of zero.

GRADE DISPUTES:

Any dispute regarding a grade must be submitted in writing (such as via the [Canvas Inbox](#)) within 72 hours of when the grade is posted. You must provide clear rationale for why you believe that your grade is incorrect. Statements like “I think I’m right” or “I think I met all of the requirements of this assignment” are not sufficient rationale. Keep in mind that, based on our second look at an assignment, your grade could go down as well as up.

WRITING INTENSIVE COURSE:

This class is designated as Writing Intensive (W). Writing Intensive courses, as understood by the Council on Liberal Education, are defined as courses at either the upper or lower division level in which the course grade is directly tied to the quality of the student's writing as well as to knowledge of the subject matter, so that students cannot pass the course who do not meet minimal standards of writing competence. In this course, a significant amount of writing is required - minimally ten to fifteen finished pages. The writing assignment includes revisions of drafts/proposals on which you receive feedback. Details soon.

Gabriel Devoto (devot002@umn.edu) is the writing assistant for the course.

EXAMS:

There is a midterm exam and a final exam. Dates and times are given below.

The exams will have questions much like the homework assignment questions. I will give you sample questions to work on and we can solve these together during class.

All exams are closed book, closed notes, no calculators are allowed. In case of absence, please contact me BEFORE the exam.

MIDTERM EXAM: will include all material covered, closed book; from **11.15 am– 12.30 pm on October 23.**

FINAL EXAM: --- will include material covered after the mid-term, closed book; **from 1:30-3:30 pm on December 19 .**

I hold a short review in class before the midterm and final exams. This is to answer questions about class material and provide you with the exam format, along with sample questions.

GRADING POLICY:

The final grade is determined as follows:

Homework: 20%

Midterm: 25%

Final: 30%

Writing Assignment: 25%

Department Grading Scale:

92%-100% A

90%-91% A-

88%-89% B+

82%-87% B

80%-81% B-

78%-79% C+

72%-77% C

70%-71% C-

68%-69% D+

60%-67% D

0 -59% F

IMPORTANT:

1. You **MUST** receive at least a C- (70/100) on your Writing Intensive assignment in order to pass the course. This is a firm policy. Students taking the class on an S-N basis must receive at least a C- to receive an S.
2. Make up's are not allowed for the mid term exam under any circumstances, except in medical emergencies for which a doctor's note is required.
3. Make up's are possible for the final exam only if the student has another exam scheduled at the same time, or has three exams within a 16 hour period. This should be pre-arranged with me. We can discuss an alternative exam time.
4. No Late Assignments accepted.

Please make sure your homework assignment is uploaded to Canvas before the due date and time.

5. The Writing TA will hold a class on R - for use while writing your paper. R is a good software tool which allows you to find the effects of trade policies. Attendance is **mandatory** for all students on that day, as well as on the days of the two Peer Reviews. Details soon.

Department of Economics - Additional Information and Policies and Procedures 2024-2025

Course Prerequisites

Students are expected to have completed all prerequisites before taking an Economics course.

Additional Student Resources

Resources for students: <https://osa.umn.edu/resources-for-students>

Study abroad in Economics

The Department encourages you to undertake Study Abroad. Many courses in foreign countries can satisfy some economics major, minor, or Liberal Education requirements. For more information, please contact our Undergraduate Advisors, Ms. Annie Bigley and Ms. Tiffany Kroeze Murphy, or the University's Learning Abroad Center at <http://www.umabroad.umn.edu/>.

Undergraduate advisors

Contact the Undergraduate Advisers if you wish to sign up for an Economics major or minor or to get information about institutions of higher study. Your APAS form will list your progress toward an Economics degree.

Adviser: Ms. Tiffany Kroeze Murphy and Ms. Annie Bigley (econadv@umn.edu); Sign up for appointments at econ.appointments.umn.edu

Economics undergraduate program information

Available on the Internet at: <https://cla.umn.edu/economics/undergraduate>. Registration policies are listed in the University Course Schedules and College Bulletins.

Complaints or concerns about courses

All course grades are subject to department review.

Please contact your instructor or TA if you have any complaints/concerns about the course. If your concerns are not resolved after talking with your instructor, you can contact Dr. Ayca Ozdogan, Director of Undergraduate Studies. Her e-mail is: ozdog002@umn.edu

Class Assignments

Written answers to homework assignments must be typed; Graphs and numerical work need not be typed but should be legible.

Incomplete Grade

Low-class standing is not a valid reason for an Incomplete grade. An I is given only in exceptional circumstances like family emergencies or hospitalization; arrangements must be worked out between the student and instructor before the final exam. We require written proof of emergencies. Details about I grade and how to make it up are to be decided by the instructor and student; you need to fill out the form.

Make-up Exams

Make-up exams are possible for the final exam only if the student has another exam scheduled at the same time or has three exams within 16 hours. This should be pre-arranged with the instructor at least three weeks before the final exam. Make-up final exams may also be possible for documented medical emergencies.

Grade Disputes

Any dispute regarding a grade must be submitted in writing (such as via the Canvas Inbox or by email) within 72 hours of when the grade is posted. You must provide a clear rationale for why you believe that your grade is incorrect.

Instructional Time and Student Effort

Each credit should equal three hours of total work per week (one hour of instructional time and two hours of independent student work). Because of this, students should be expected to spend four hours of effort on the course outside of class.

Dropping a class

Termination of attendance alone is not sufficient to drop a class. You must notify the Registrar's office. Please contact your academic (college) adviser for details on this process and pay attention to the University deadlines for add/drop.

Statement on FERPA (Family Education Rights and Privacy Act)

In this class, our use of technology will sometimes make students' names and U of M Internet IDs visible within the course website, but only to other students in the same class. Since we are using a secure, password-protected course website, this will not increase the risk of identity theft or spamming for anyone in the class. If you have concerns about the visibility of your Internet ID, please contact me for further information.

Department of Economics policy on AI

Artificial intelligence (AI) language models, such as ChatGPT, and online assignment help tools, such as Chegg®, are examples of online learning support platforms. The following actions are prohibited in economics course:

- Submitting all or any part of an assignment/paper/exam statement from an online learning support platform.
- Incorporating any part of an AI-generated response in an assignment.
- Using AI to summarize or contextualize source materials.
- Submitting your work to an online learning support platform for iteration or improvement.

If you are in doubt as to whether you are using an online learning support platform appropriately in this course, please discuss your situation with the instructor. For further information, please: <https://it.umn.edu/services-technologies/resources/artificial-intelligence-appropriate-use>.

Any assignment content composed by any resource other than you, regardless of whether that resource is human or digital, must be attributed to the source through proper citation. (Examples

of citing content composed by digital tools are presented in: libguides.umn.edu/ChatGPT or provide an alternative reference appropriate for your class].)

Unattributed use of online learning support platforms and unauthorized sharing of instructional property are forms of scholastic dishonesty and will be treated as such. Students may receive a score of zero if unauthorized AI tools are used in any assignment or exam that is graded.

University of Minnesota Policies and Procedures 2024-2025

Student Conduct Code

The University seeks an environment that promotes academic achievement and integrity, that is protective of free inquiry, and that serves the educational mission of the University. To support this environment, the University seeks a community that is free from violence, threats, and intimidation; that is respectful of the rights, opportunities, and welfare of students, faculty, staff, and guests of the University; and that does not threaten the physical or mental health or safety of members of the University community.

As a student at the University, you are expected to adhere to the Board of Regents Policy: [Student Conduct Code \(pdf\)](#). Note that the conduct code specifically addresses disruptive classroom conduct, which means "engaging in behavior that substantially or repeatedly interrupts either the instructor's ability to teach and/or a student's ability to learn." The classroom extends to any setting where a student is engaged in work toward academic credit or satisfaction of program-based requirements or related activities.

Use of Personal Electronic Devices in the Classroom

Using personal electronic devices in the classroom setting can hinder instruction and learning, not only for the student using the device but also for other students in the class. To this end, the University establishes the right of each instructor to determine if and how personal electronic devices are allowed to be used in the classroom. For complete information, please review the Administrative Policy: [Teaching and Learning: Student Responsibilities](#).

Scholastic Dishonesty

As students in a university community, you are expected to do your academic work, and to cite sources of knowledge that you draw on in completing your assignments and other academic work. Failing to do so is scholastic dishonesty, which includes: plagiarism; cheating on assignments or examinations, including the unauthorized use of online learning support and testing platforms; engaging in unauthorized collaboration on academic work, including the posting of student-generated coursework on online learning support and testing platforms not approved for the specific course in question; taking, acquiring, or using course materials without faculty permission, including the posting of faculty-provided course materials on online learning support and testing platforms; submitting false or incomplete records of academic achievement; acting alone or in cooperation with another to falsify records or to obtain dishonestly grades, honors, awards, or professional endorsement; altering, forging, misrepresenting, or misusing a University academic record; or fabricating or falsifying data, research procedures, or data analysis. When it is determined that a student has cheated, the student may be given an "F" or

an "N" for the course and may face additional sanctions from the University. For additional information, please see [Teaching and Learning: Instructor and Unit Responsibilities](#).

Additional resources about academic integrity can be found through the [Office for Community Standards](#) and the [Center for Educational Innovation](#).

Beware of websites that advertise themselves as being "tutoring websites." It is not permissible to upload any instructor materials to these sites without their permission or copy material for your homework assignments from these various sites. If you have additional questions and concerns, please speak with, or email your instructor to clarify the practices expected for the course. Your instructor can respond to your specific questions regarding what would constitute scholastic dishonesty in the context of a particular class, for example, when and whether collaboration on assignments is permitted, when citing sources is required and what citation method to use, or when and which electronic aids are permitted or prohibited during an exam.

Makeup Work for Legitimate Absences

Students will not be penalized for absence during the semester due to unavoidable or legitimate circumstances. Such circumstances include verified illness, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, and religious observances. Such circumstances do not include voting in local, state, or national elections. For complete information, please see Administrative Policy: [Makeup Work for Legitimate Absences](#).

Appropriate Student Use of Class Notes and Course Materials

Taking notes is a means of recording information and more importantly of personally recording, integrating, and connecting information as part of your educational experience. However, broadly disseminating class notes beyond the current classroom community or accepting compensation for taking and distributing classroom notes undermines instructor interests in their intellectual work product while not substantially furthering instructor and student interests in effective learning. Such actions violate shared norms and standards of the academic community. For additional information, please see Administrative Policy: *Teaching and Learning: Student Responsibilities*.

University Grading Scales

The University has two distinct grading scales: A-F and S-N. For additional information, please refer to: Administrative Policy: [Grading and Transcripts](#).

Sexual Harassment, Sexual Assault, Stalking and Relationship Violence

The University prohibits sexual misconduct and encourages anyone experiencing sexual misconduct to access resources for personal support and reporting. If you want to speak confidentially with someone about an experience of sexual misconduct, please contact a confidential resource on your campus. If you want to report sexual misconduct or have questions about the University's policies and procedures related to sexual misconduct, please contact your campus [Title IX office or relevant policy contacts](#).

Instructors are required to share information they learn about possible sexual misconduct with the campus Title IX office that addresses these concerns. This allows a Title IX staff member to reach out to those who have experienced sexual misconduct to provide information about personal support resources and options for investigation. You may talk to instructors about concerns related to sexual misconduct, and they will provide support and keep the information you share private to the extent possible given their University role. For more information, please see Administrative Policy: [Sexual Harassment, Sexual Assault, Stalking and Relationship Violence](#).

Equity, Diversity, Equal Opportunity, and Affirmative Action

The University provides equal access to and opportunity in its programs and facilities, without regard to race, color, creed, religion, national origin, gender, age, marital status, familial status, disability, public assistance status, membership, or activity in a local commission created to deal with discrimination, veteran status, sexual orientation, gender identity, or gender expression. For more information, please consult the Board of Regents Policy: [Equity, Diversity, Equal Opportunity and Affirmative Action \(pdf\)](#).

Disability Accommodations

The University of Minnesota values disability as an aspect of diversity and is committed to access and inclusion in our courses. Your syllabus is an important place to convey information about accessibility and inclusive teaching practices, as well as information about seeking and using disability accommodations. The following three syllabus statements are available for you to select from to incorporate and customize in your syllabus, depending on what best fits you. If you are interested in further enhancing accessibility and inclusion in your course, this resource on [Teaching with Access & Inclusion](#) may be a valuable starting place.

The University of Minnesota is committed to creating learning environments that are inclusive and accessible to all students. If you are experiencing disability-related barriers to learning in your courses, the Disability Resource Center (DRC) is the office that collaborates with students to explore reasonable accommodations, tools, and resources.

- If you are registered with the DRC and have a current accommodation letter, please share your letter with me as soon as possible so that we can discuss how your accommodation will be implemented in this course. The sooner I know about your disability access needs, the more equipped I can be to facilitate accommodations. You may reach out to me or your (access consultant/disability specialist) if you have any questions or concerns about your accommodation.
- If you are not registered with the DRC and are experiencing or think you may be experiencing disability related to a mental health, attention, learning, chronic health, sensory, or physical condition, and would like to discuss accommodations and/or resources, please contact the DRC on our campus (e.g., Twin Cities campus - 612.626.1333).
- If you have a short-term medical condition, such as a broken arm, I may be able to assist in minimizing classroom barriers. In situations where additional assistance is needed, you should contact the DRC as noted above.

Reference [Disability Resources \(pdf\)](#) for additional information.

Discrimination

All University members are prohibited from engaging in, or assisting or abetting another's engagement in, discrimination and related retaliation (collectively "prohibited conduct"). The terms "discrimination" and "retaliation" are defined in the *Definitions* section below. The University of Minnesota (the "University") will take prompt and effective steps intended to end prohibited conduct; prevent its recurrence; and, as appropriate, remedy its effects.

Mental Health and Stress Management

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance and may reduce your ability to participate in daily activities. University services are available to assist you. You can learn more about the broad range of confidential mental health services available on campus via the [Student Mental Health Website](#). As an instructor/University community member, we care about the wellbeing of students. If health, safety, or mental health concerns are conveyed, we may consult with campus support offices to provide support and resources to a student.

Academic Freedom and Responsibility

Academic freedom is a cornerstone of the University. Within the scope and content of the course as defined by the instructor, it includes the freedom to discuss relevant matters in the classroom. Along with this freedom comes responsibility. Students are encouraged to develop the capacity for critical judgment and to engage in a sustained and independent search for truth. Students are free to take reasoned exception to the views offered in any course of study and to reserve judgment about matters of opinion, but they are responsible for learning the content of any course of study for which they are enrolled.*

Reports of concerns about academic freedom are taken seriously, and there are individuals and offices available for help. Contact the instructor, the Department Chair, your adviser, the associate dean of the college, or the Vice Provost for Faculty and Academic Affairs in the Office of the Provost. [Academic Freedom and Responsibility \(pdf\)](#).

** Language adapted from the American Association of University Professors "Joint Statement on Rights and Freedoms of Students."*