

Contact Info: mwitte@northwestern.edu,

Class meets: Tuesday, Thursday 11-12:30 in Harris L07 (I intend to record lectures)

Office hours: After class from 12:30-1:30 on Thursdays, and Wednesdays 10:00-11:30.

(I'm available at other times too, so get in touch if you want to talk.)

TA: Radhika Ramakrishnan, raram@u.northwestern.edu will hold office hours on Fridays 11:00-11:50, on Zoom for now, and will sometimes hold TA sections in FSL 2407

Readings: <https://sites.google.com/site/markwitteeconomics/home/economics-361-international-trade>

Textbook: *International Trade*, Krugman, Obstfeld, & Melitz (KOM), **10th Edition** (2015)

Important dates		Share of Class Grade
Thursday, February 10	Midterm 11:00-12:30	35% of class grade
Friday, February 11	Drop Deadline	
Friday, February 25	P/N Deadline	
Wednesday, March 16	Final Exam 9:00-11:00 AM	45% of class grade
Various dates	Homework	20% of class grade

Much of the material in this class is very theory heavy. I will record some lectures so that I can cover some of the complicated aspects of the material in greater detail and at a slower pace.

Week of January 4 - Simple trade models, Gravity, Simple Ricardo
(KOM Chapter 1), Silk Road , History of Trade Wars , US Trade Deficit Gravity Models of Trade (KOM Chapter 2), Medieval trade routes Containerization , Truck Driver Who Reinvented Shipping , The Jones Act Labor Productivity and Comparative Advantage: The Ricardian Model (KOM Chapter 3) Iowa Car Crop
Week of January 11 - Ricardo, Edgeworth Boxes, Specific Factors Model
Winners & Losers from Trade: Specific Factors & Income Distribution (KOM Chapter 4)
Week of January 18 - China Shock
Autor/Dorn/Hanson China Shock: China's Rise , Autor video , Autor IZA article , NPR 2021 , Case & Deaton , Krugman Wrong
Week of January 25 - Heckscher-Ohlin, Immigration
Resources & Trade: The Heckscher-Ohlin Model (KOM Chapter 5, postscript), Video Immigration. Banerjee & Duflo , Taylor , Landsburg
Week of February 1 - Standard Trade Model, Trade Wars
The Standard Trade Model (KOM Chapter 6, not the appendix)
Week of February 8 - Catch Up, Midterm

Midterm: Thursday, February 10, 11:00-12:20
Week of February 15 - Firms in Trade, O-Rings
External Economies of Scale and International Location of Production (KOM Chapter 7) “Firms in International Trade,” Bernard, Jensen, Redding, and Schott, <i>JEP</i> Summer 2007 Krugman Vaccine , Kremer’s O-Ring Theory of Development
Week of February 22 - More Firms in Trade
Firms in the Global Economy: Export Decisions, Outsourcing, & Multinational Enterprises (KOM Chapter 8, postscript), New York vs. Nutmeg , Glue
Week of March 1 - Conclusion
Instruments of Trade Policy (KOM Chapter 9), Junk Food The Political Economy of Trade Policy (KOM Chapter 10), History of US Trade Wars
WEDNESDAY, March 16, 9:00-11:00 AM: Final Exam

Learning Objectives: We will learn how to approach these questions: What determines the pattern of trade? (Who trades with whom, what, and how much?) What are the effects of international trade on economic welfare? What are the effects of trade policies? How do domestic policies interact with trade and trade policies?

The following are questions that many of you will have about the class.

Q: Where should I look for posted Zoom recordings, slides, readings, and things like that?

A: The best place is on Canvas under “Pages.” I’ll try to put everything there in an organized way.

Q: I am not now nor have I ever taken the **prerequisites**. Am I in trouble in here?

A: Probably; this class uses the tools of Econ 310-1,2 Intermediate Microeconomics a lot, and Econ 281 Introduction to Econometrics a bit.

Q: What are the math requirements for this class?

A: You will need to be able to do basic calculus, graphing, and algebra. I expect you to be able to use basic economic tools like present values, expected values, noncompetitive market structures, and to understand regression analysis. I will do some more complicated math for the purposes of exposition but I will not ask you to reproduce it on the exams although you should understand the underlying ideas. As a guide, I will try to preview any math or exposition you might need in the homework.

Q: Is there a regular TA section each week?

A: No, but Radhika will hold office hours as well as occasional sessions to explain some tricky stuff as necessary.

Q: What are the basic work expectations for the class?

A: I hope that you will do about two hours of study for every hour of lecture, and that you will read the material assigned for the lecture before class (and catch up on the first lecture assigned reading too).

Q: What is the deal with these homeworks?

A: There will be a bunch of these over the course of the quarter and they will usually follow what we did in lecture, and have some predictive value for what will be on the exams. Your first homework will be to get you familiarized with the use of Piazza, so you will need to post an interesting article relating to international trade in Piazza. You can find the link to Piazza on “Pages” in Canvas. When you post your article, don’t send it to the whole class but rather only to me, and be sure to put your last name in the header so I know it’s from you. Also, when you are posting on Piazza about specific homework or exam questions, it’s very helpful if you **cut-and-paste** the actual text question into what you write in Piazza.

Q: What will the tests be like?

A: Some problem solving, some graphing, some essays. The homeworks will give you examples of the sorts of problems I am apt to ask. Also, you are expected to *go to the bathroom before the exam and then hold it until the exam is over*. Interesting fact: On the tests, *we will give you points for leaving a question blank*. On any given problem or graded sub-problem, we will give you 20% of the points if you leave the question completely blank (or clearly cross out what you’ve written). This is intended to remove the incentive to pursue “pity points” on questions where you really don’t know what I’m asking, and instead allow you to devote your time to doing the best you can on the material you know best. Of course...you’ll probably just choose to write complete and perfect answers to every question on every test, but we wanted you to have the option.

Q: Can I expect any leniency if I'm caught cheating or engaging in any unethical behavior?

A: No. Weinberg’s policy is that students who are suspected of cheating are reported *immediately*. In recent years, I've sent the names of students to the dean; some were expelled and those who were not did not enjoy the experience.

Q: In studying for the tests, should I stress studying the notes, the book, or the readings?

A: All of the above, but particularly the notes. I'll make sure that I don't inflict any math problems on the exams that I haven't already given you in the homework. Note however, that not everything that is important for the class, or that I cover in lecture or the readings will make it onto the test. Some material is important for you to learn, but does not lend itself to good test questions. I'm also inclined to have you do math on the homework to build that level of understanding there, and then use graphs on exam questions so as to minimize the chance of algebra mistakes causing you to miss points on something where you had a good level of understanding.

Q: Averaging my grades, I come out very close to a higher grade. How about if you give it to me?

A: No...unless you are deserving of special consideration.

Q: Am I deserving of special consideration?

A: That depends. I may feel you deserve a higher grade than you earn on the tests if I feel that your comments in class, Piazza, and office hours improve the education of your fellow students and show you are able to and have been thinking intelligently about the material.

Q: What is your electronics communication policy?

A: **(1)** I expect you to have your preferred e-mail address entered into Canvas so that I can send messages to the class, and I expect you to **check that e-mail on a daily basis**. **(2)** Use the **Piazza** discussion forum (found in Canvas’s “Pages”) to post questions that would be of general use to your classmates. (Yes: “What does MR stand for?” No: “I got 11 points on the midterm; does that mean I’m going to flunk the

class?") [Piazza is a discussion forum that allows anonymous posts. The story about [its creation](#) is pretty cool.] (3) When you write to me about something relating to the class, be sure to put "361" in the header so I'll be sure to know what you're asking about.

Q: What happens if I fall suddenly ill and am unable to make it to a test?

A: If you do not reach me or leave a message on my e-mail (mwitte@northwestern.edu), your misfortune will be doubled. You will get a zero on the test for a grade of F that cannot be made up. Any problem that causes you to be physically unable to take a test must be carefully documented by an independent source who can confirm that you were incapacitated.

Q: Wait, what?! Will this class be recorded?

A: "This class or portions of this class will be recorded by the instructor for educational purposes. These recordings will be shared only with students enrolled in the course and will be deleted at the end of the Spring Quarter. Your instructor will communicate how you can access the recordings.

Unauthorized student recording of classroom or other academic activities (including advising sessions or office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact AccessibleNU. Unauthorized use of classroom recordings – including distributing or posting them – is also prohibited. Under the University's Copyright Policy, faculty own the copyright to instructional materials – including those resources created specifically for the purposes of instruction, such as syllabi, lectures and lecture notes, and presentations. Students cannot copy, reproduce, display or distribute these materials. Students who engage in unauthorized recording, unauthorized use of a recording or unauthorized distribution of instructional materials will be referred to the appropriate University office for follow-up."

Q: What if I have concerns about accessibility for this class?

A: Any student with a documented disability needing accommodations is requested to speak directly to the AccessibleNU (accessiblenu@northwestern.edu, 847-467-5530) and the instructor, as early as possible in the quarter (preferably within the first two weeks of class). All discussions will remain confidential.

Q: When the class is over, what will I wish that I had known at its start?

A: Beyond the obvious things, in the past some students wrote on their CTECs that they wish they had known my tests would be so hard. I agree that my tests tend to be a bit long and I try to make them hard. Also, I'll admit there's some reading so be careful not to fall too far behind. Now you've been warned.

Q: What is the most important thing?

A: Please be assured that I want students to learn and to receive the good grades they deserve. So please make an appointment with me should you have undue difficulty with your work in the course.

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