

## **ECONOMICS 280A INTERNATIONAL ECONOMICS**

### **Course Requirement:**

A *three-hour* closed-book exam in the *final exam* period. Prior knowledge of graduate-level micro-theory necessary for following the class, but no familiarity with international economics is required.

For the topics below a small number of readings, mostly from the textbooks, is cited against each general topic, but *in class some more detailed readings on subtopics*, mostly from journals, will be referred to from time to time. On account of the small number of lectures in the semester in relation to the vastness of the literature for international economics, there will be *no mid-term*, but I'd urge you to follow along with your readings, as I move from topic to topic, and come to my office hours for discussion, if necessary, instead of leaving all your reading until the final exam time. There will *no problem sets* formally, but from time to time I'll *announce in class problems for you to solve*, and if you have difficulty with them, I'd encourage you to see me in my office hours.

### **Textbooks:**

In my lectures I shall not follow any particular book. However, selected chapters in the following textbooks should cover many of the topics to be discussed in class. None of these textbooks is required.

1. P. Krugman, Rethinking International Trade, MIT Press, 1990 paperback.  
(Chapters 2, 3, 5, 7, 14)
2. R. Feenstra, Advanced International Trade, Princeton University Press, 2004  
(Chapters 1-5, 7, 9, 10)
3. G. Grossman (ed.), Imperfect Competition and International Trade, MIT Press, 1992,  
paperback. (Chapters 7-8, 11-14)
4. G. Grossman and K. Rogoff (eds.), Handbook of International Economics, North Holland,  
Vol. 3., 1995 (Chapters 24-28)
5. J. Bhagwati, A. Panagariya and T.N. Srinivasan, Lectures in International Trade, 2nd ed.,  
MIT Press, 1998. (Chapters 2-8, 11-15, 18, 30, 37)

## Suggested Readings on Specific Topics

### A. The Traditional Theories of Comparative Advantage

- i. Textbook 5, Chapters 2-4, 5-8.
- ii. Textbook 2, Chapter 1,2.
- iii. Textbook 4, Chapter 26

### B. Trade Liberalization or Protection and Income Distribution

- i. Textbook 2, Chapters 1-4 and 9.
- ii. Textbook 4, Chapter 28
- iii. Journal of International Economics Symposium on Trade and Wages, June 2001.
- iv. Goldberg and Pavcnik, "Distributional Effects of Globalization in Developing Countries", Journal of Economic Literature, March 2007
- v. Bardhan, "Globalization, Inequality, and Poverty: An Overview", <http://globetrotter.berkeley.edu/macarthur/inequality/papers/BardhanGlobalOverview.pdf>

### C. Scale Economies, Product Differentiation, Market Imperfections and Trade Patterns

- i. Textbook 3, Part III.
- ii. Textbook 1, Chapters 2, 3, 5, 7 and 14.
- iii. Dixit and Norman, Theory of International Trade, Chapter 9.
- iv. Textbook 5, Chapter 11.
- v. Textbook 2, Chapter 5..
- vi. Textbook 4, Chapters 24 and 26.

### D. Heterogenous Firms and International Trade

- i. Melitz, Econometrica, 71(6),2003
- ii. Helpman, "Trade, FDI, and the Organization of Firms", Journal of Economic Literature, September 2006
- iii. Bernard, Jensen, Redding, and Schott, "Firms in International Trade", Journal of Economic Perspectives, Summer 2007
- iv. Bernard, Redding, and Schott, Review of Economic Studies, January 2007
- iv. Yeaple, Journal of International Economics, January 2005

### E. Economic Growth and Trade

- i. Textbook 5, Chapter 37.
- ii. Bardhan and Udry, Development Microeconomics, Chapter 14.
- iii. Grossman and Helpman, Innovation and Growth in the Global Economy, Chapters 3, 8-12.
- iv. Helpman, "Innovation, Imitation, and Intellectual Property Rights", Econometrica, November 1993.
- v. Textbook 4, Chapter 25.

F. Positive and Normative Effects of Protection

- i. Textbook 3, Chapters 7 and 8.
- ii. Textbook 5, Chapters 12-15, 18 and 30.
- iii. Textbook 2, Chapter 7.
- iv. Textbook 4, Chapter 27.