

Fall 2013

University of Tsukuba
College of International Studies
International Trade

Instructor: Professor Hisahiro Naito
Class: Class room: 3A405
Time: 12:15-15:00

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Office hour: Wednesday 14:30-15:30, appointment is needed.
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Objective

This course studies positive and normative sides of international trade. As economic activity becomes more and more global, it is increasingly becoming important to know the nature of international trade.

The ultimate purpose of this class is that at the end of this trimester students can think logically about issues related with international economy such as whether Japan should allow the immigration of unskilled foreign workers, whether foreign direct investment abroad is harmful to Japan, whether opening agricultural products are harmful for Japan, whether trade is bad for environment.

To be able to answer those questions, this course studies the benefit and the cost of international trade, which goods will be exported and which good are imported (comparative advantage theory), who will become winner and loser in international trade (the Stolper-Samuelson theorem), what the government can do for international trade and what the government should do. Political economy of trade policy.

Textbook

Krugman, Obstfeld and Melitz, International Economics Theory and Policy, Addison and Wesley, 9th edition

References

Borjas, A friend or stranger: The impact of immigration on the US economy, Basic Books

中村二郎、内藤久裕、神林龍、川口大司、町北朋洋、『日本の外国人労働力 経済学からの検証』、日本経済新聞社

Grading

The grading for this course will be based on problem sets and the final exam.

The total point is calculated based on the following weight. Problem sets 40% and the final 40%, and the class participation 20%. The final exam will be take home exam.

Based on this total point, the final letter grade is determined as follows. 80 points (or more) of out 100 is A. 65-80 is B. 40-65 is C. Point lower than 40 is D. For those who are exceptionally good, A+.

Class Registration is mandatory: Homework and examination announcement are distributed through class-email list that is made from the class registration. In order to receive class related announcement, you need to register this class. Late registration is not allowed at all for this class.

Class-email is distributed through the university account email. For example, if your university registration number is 201200000. Then, class email is distributed to

s1200000@u.tsukuba.ac.jp

Anyone who takes this class has an obligation to check university account email every day.

Forgetting to check university account email cannot be an excuse for late home work.

Debate activities

As class participation activities, we have debates presentation on some important policy issues such as joining TPP, accepting immigrant in a large scale(perhaps. 5% of the total population) in Japan, adopt a pollution friendly trade policy (imposing high rate of tariffs on import from countries which has less regulation on pollution), lowering corporate income tax, setting the tariff rate on agricultural goods to zero. The purpose of those debates is to learn from preparation for debates and learn what kind of the discussion is made on those policy issues.

For the grade on those debates, I grade based on (1) how much each team prepares for those debates, (2) how much each team makes a convincing argument (3) how much each team's argument changes the opinion of audience.

For debates, each team has three students or less depending on class size. In each debate session, there are two teams, pro and con. The first student in each team presents why they support or oppose to a certain policy. The second student in each team makes an argument that criticizes the opinion of the opponent team. The third student answers the criticism of the opponent team and makes a brief conclusion.

Each student has three minutes. Thus, one debate session will end within 18 minutes +discussion (9minutes for each team). At the beginning of each session, I distribute the evaluation sheet to the audience. Before the debate, I will also ask the audience whether they support a certain policy or not. After the debate session, I will also ask whether they change their opinion or not. If a large number of students change their opinions, it means that one of two debate team makes a very good job, which means that I will give a high point to such a team.

INTERNATIONAL TRADE THEORY

0. Overview of International Trade

I History of international agreement on trade
International trade from the point of macro-economy

II. Gains from Trade: Basic Model

III. Ricardian Model

IV Specific Factors and Heckscher Ohlin model

V. The effect of Trade Policy in an competitive market

VI. The effect of Trade Policy in imperfectly competitive markets

VII: Capital Movement and Foreign Direct Investment

VI: Immigration vs. Capital Movement