Instructor and T.A. Information
Instructor: Horatiu RUS
Office: HH 203
Office Phone: #38338
Office Hours: Fridays 1-2pm
Email: hrus@uwaterloo.ca
Twitter: @horatiurus

Course Description
This graduate/advanced undergraduate course discusses selected international trade theories and some empirical topics representative of recent research. After establishing a common grounding in the method of the dual general equilibrium approach to classical trade theory, the course moves to discuss recent influential theoretical and empirical contributions to the field. Theory, extensions, applications and empirical tests of models such as: increasing returns to scale and imperfect competition, heterogeneous agents, trade policy instruments, gravity models, political economy, offshoring, distributional effects and trade and environment will be covered. The topics are covered using a combination of graphical, mathematical and empirical economics treatments.

Required Text
- There is no required textbook for the course.

However, several useful sources are listed below as recommended and will be placed ON RESERVE in UW Library - Porter:


and


(an entirely non-technical yet rigorous discussion of the evolution of economic thinking about international trade)


**Course Requirements and Assessment**

For Econ 436

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<thead>
<tr>
<th>Assessment</th>
<th>Date of Evaluation (if known)</th>
<th>Weighting</th>
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<tbody>
<tr>
<td>Problem set 1</td>
<td>tba</td>
<td>10%</td>
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<td>Problem set 2</td>
<td>tba</td>
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<tr>
<td>Midterm Exam</td>
<td>February 26 - tentative</td>
<td>30%</td>
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<tr>
<td>Class Participation</td>
<td>na</td>
<td>10%</td>
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<tr>
<td>Final Exam</td>
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For Econ 673

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<tr>
<td>Problem set 1</td>
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<td>Problem set 2</td>
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<tr>
<td>Midterm Exam</td>
<td>February 26 - tentative</td>
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<tr>
<td>Class Participation</td>
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<tr>
<td>Short presentation</td>
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<tr>
<td>Final Exam or Research Project Proposal</td>
<td>Scheduled by Registrar’s Office or tba</td>
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**Important Notes on assignments and exams:**

1. The problem sets include several questions based on the material discussed in the lectures or readings. These problem sets are meant to deepen your understanding of the issues and can be explored in small teams. You can work in groups of 2 or 3, but must submit individually drafted versions of the assignment.

2. Exams cover all lecture material, indicated textbook chapters and problems and additional reading.
3. There are no make-up tests. If you miss a midterm exam and present appropriate documentation, the weight will be shifted to the final.

4. The final research project proposal has to be approved in advance by the instructor, if this option is chosen by the graduate student.

**Course Outline**

Students are required to read the textbook chapters and additional readings for every section. Please note that this list is tentative. Updates are probable, depending on class background and interests, and will be announced in class and posted on UW-Learn.

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<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Readings Due</th>
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<tbody>
<tr>
<td>1</td>
<td>tba</td>
<td>International Trade: Stylized facts. The Gains from Trade</td>
<td>Helpman and Krugman, 1985, pp. 28-29 + TBA</td>
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<tr>
<td>Week</td>
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<td>Topic</td>
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+ TBA  
Krugman \& Obstfeld chapter 3 (ninth or older than seventh versions only) or Feenstra \& Taylor chapter 3 or (more advanced) Markusen et al. chapter 9  
Helpman: chapter 3  
+ TBA |
| 5    | tba  | International Trade Driven by Factor Endowments: the Heckscher-Ohlin-Samuelson Model | Helpman: chapter 2  
Dixit and Norman (1980) chapters 4 and 5.  
Feenstra (2003) chapters 1, 2, and 3.  
Deardorff on Lerner Diagrams (http://www-personal.umich.edu/~alandear/writings/Lerner.pdf)  
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+ TBA |
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<th>Week</th>
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<tr>
<td>7</td>
<td>tba</td>
<td>Increasing Returns. Imperfect Competition and International Trade</td>
<td>Feenstra, ch. 5</td>
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<td>Helpman ch. 4</td>
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<td>Helpman and Krugman ch. 3, 7, 11</td>
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<td>Paul Krugman's Nobel Prize Lecture (video) + TBA</td>
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<td>8</td>
<td>tba</td>
<td>Trade Policy Instruments</td>
<td>Feenstra ch 7,8</td>
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<td>Week</td>
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| 10   | tba  | Other Topics in Trade: Political Economy | Grossman, Gene, and Elhanan Helpman.  
"Protection for Sale."  
Goldberg, Pinelopi Koujianou and Giovanni Maggi.  
American Economic Review.  
+ TBA |
| 11   | tba  | Other Topics in Trade: Distributional Effects | Autor, David H. David Dorn and Gordon H. Hanson.  
Untangling Trade and Technology: Evidence from Local Labor Markets.  
"Globalization and U.S. Wages: Modifying Classic Theory to Explain Recent Facts."  
Elhanan Helpman and Oleg Itskhoki and Stephen Redding, 2010."Inequality and Unemployment in a Global Economy,"  
Goldberg, Pinelopi Koujianou, and Nina Pavcnik.  
+ TBA |
+ TBA |

**Late Work**

Late submissions will not be accepted without a documented reason.
Electronic Device Policy
Laptop computers should only be used to take notes on the margins of slides or other class-related activities. While the course material is interesting, it was not designed to compete with social media.

Attendance Policy
While attendance is not enforced, students are expected to attend each class having read the assigned readings and ready to contribute to the discussion.

Institutional-required statements for undergraduate course outlines approved by Senate Undergraduate Council, April 14, 2009

Academic Integrity
In order to maintain a culture of academic integrity, members of the University of Waterloo community are expected to promote honesty, trust, fairness, respect and responsibility. See the UWaterloo Academic Integrity webpage and the Arts Academic Integrity webpage for more information.

Discipline
A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to Policy 71 - Student Discipline. For typical penalties check Guidelines for the Assessment of Penalties (https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/guidelines/guidelines-assessment-penalties).

Grievance
A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read Policy 70 - Student Petitions and Grievances, Section 4 (https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-70). When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals
A decision made or penalty imposed under Policy 70, Student Petitions and Grievances (other than a petition) or Policy 71, Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to Policy 72, Student Appeals (https://uwaterloo.ca/secretariat-general-counsel/policies-procedures-guidelines/policy-72).

Note for Students with Disabilities
The AccessAbility Services office, located on the first floor of the Needles Hall extension (NH 1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic
accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

**Mental Health Support**

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

**On Campus**

Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 xt 32655

**MATES**: one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services

Health Services Emergency service: located across the creek form Student Life Centre

**Off campus, 24/7**

**Good2Talk**: Free confidential help line for post-secondary students. Phone: 1-866-925-5454

Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880

**Here 24/7**: Mental Health and Crisis Service Team. Phone: 1-844-437-3247

**OK2BME**: set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download UWaterloo and regional mental health resources ([PDF](#))

Download the [WatSafe app](#) to your phone to quickly access mental health support information

**Territorial Acknowledgement:**

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabeg and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.

For more information about the purpose of territorial acknowledgements, please see the CAUT Guide to Acknowledging Traditional Territory ([PDF](#)).