

Professor Ricardo Bebczuk
University of Illinois at Urbana-Champaign

Fall 2023
MSPE Program

ECON 513: International Trade
T-TH – 11:00AM-12:20AM
Room 215B DKH

Course Syllabus

Course Objectives:

This course seeks to highlight and discuss relevant policy lessons in the field of international trade, broadly understood as encompassing mobility in goods and services, labor and capital. The course follows a clearly applied approach, with a focus on the medium- to long-term impacts on economic growth and productive structure. After reviewing the underlying analytical framework, full attention will be paid to descriptive and econometric evidence from both developed and developing countries. In addition, current events will be used as a trigger for the application of concepts and/or data introduced in class.

Contact Information:

My office is located in David Kinley Hall, Room 208. My email (and preferred contact) is bebczuk@illinois.edu. I will respond to your emails promptly, and will be accessible to answer questions throughout the semester. My regular office hours are Mondays and Wednesdays from 5:00PM to 6:00PM, but you may set up appointments to meet with me, when possible, at other times.

Grades

The final score is the weighted average of:

Midterm 1 (09/28/2023, in class) – 40% of the final grade

Midterm 2 (11/02/2023, in class) – 30% of the final grade

Final (12/08/2023 at 8AM, room TBA) – 30% of the grade

The final score, on a 0-100 scale, will be converted into a letter grade as follows:

Numerical Grade	Letter Grade
97-100	A+
93-96	A
90-92	A-
87-89	B+
83-86	B
80-82	B-
77-79	C+
73-76	C
70-72	C-
67-69	D+
63-66	D
60-62	D-
0-59	F

Texts

Given the broad and policy-oriented scope of the course, there is no single required text for this class, but a highly recommended textbook covering some of the contents is:

Krugman P., M. Obstfeld and M. Melitz (2022), *International Trade: Theory and Policy*, Pearson.

Please notice that this textbook does not cover all the topics nor follow necessarily the same approach of the course, but you will find it them quite useful, especially in regard to trade in goods. If you are familiar with comparable standard textbooks by other authors, or with previous editions of this one, please feel free to use them.

Class lectures are required reading, in the same way that selected sections of the papers that will be cited at the bottom of some slides.

Needless to say, given the course approach, attendance and attention in class (plus participation through questions and comments) are critical for your grasping of the material and your performance on this course.

Course Materials

Class lectures and other announcements will be e-mailed to your @illinois.edu accounts. A Canvas page is under construction as well.

List of Topics

1. Trade in goods I: Ricardian, Heckschler-Ohlin and Krugman models.
2. Trade in goods II: Tariffs and other barriers to free trade.
3. Trade in goods III: Static and dynamic gains from trade. Trade and growth. Trade and convergence. Empirical evidence.
4. Trade in goods IV: Additional topics. Trade and structural productive change. Trade in services. Trade and natural resources. Exporting firm productivity and dynamics. Gravity models.
5. Labor mobility: Trends, drivers and impediments to international labor mobility. Brain drain. Labor mobility, trade, wages and jobs. Worker remittances.
6. Capital mobility: Amount, direction and composition of international capital flows. Tests of capital mobility. Macroeconomic determinants of the trade and current account. Financial openness and growth.