ECON2235

International Trade

Semester 2, 2011
Campus: Crawley

Unit Coordinator
Winthrop Professor Peter Robertson

Business School
www.business.uwa.edu.au

* This Unit Outline should be read in conjunction with the Business School Unit Outline Supplement available on the Current Students web site http://www.business.uwa.edu.au/students
UNIT DESCRIPTION

Introduction

Is buying locally made goods good for the economy, and does buying foreign goods really send money abroad? Can Australia compete with China, and what determines international competitiveness anyway? Does the WTO put trade above the environment and human rights? What do multinational corporations really do and how does trade with low income countries affect wages and employment?

These are some of the topics addressed in this course about global trade, capital and labour flows. This course will introduce you to debates around these issues and show you how economic concepts can be applied to help us understand these and other complex issues. The broad aim of the course is to give students an increased awareness of these current issues and a framework for thinking about global economic problems.

Learning outcomes

By the end of this course, you should be able to:

• Understand how trade affects employment and wages;
• Understand the role of exports, imports;
• Have a deep understanding of market interactions and effects of external price shocks;
• Critically examine media reporting on issues relating to “competitiveness”;
• Appreciate the nature of general equilibrium relations in the international economy;
• Understand the interactions between trade and technology change;
• Understand interactions between trade and labour markets;
• Understand interaction between trade and the environment;
• Have a deep understanding for the effects of trade protection on an economy;
• Understand how models can help you understand complex economic relations.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning evaluation

You may be asked to complete two evaluations during this unit. The Student Perception of Teaching (SPOT) and the Students’ Unit Reflective Feedback (SURF). The SPOT is optional and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university wide survey and deals only with the unit. You will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.

Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process. It is therefore important that you attend classes. More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminars and tutorials’.
CONTACT DETAILS

We strongly advise students to regularly access their student email accounts. Important information regarding the unit is often communicated by email and will not be automatically forwarded to private email addresses.

<table>
<thead>
<tr>
<th>Unit coordinator/lecturer</th>
<th></th>
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<tbody>
<tr>
<td>Name:</td>
<td>Peter Robertson</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:peter.robertson@uwa.edu.au">peter.robertson@uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>6488 5633</td>
</tr>
<tr>
<td>Consultation hours:</td>
<td>1pm – 3pm, Tuesday</td>
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<tr>
<td>Lecture times:</td>
<td>Tuesdays 10am - 11.45am</td>
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<tr>
<td>Lecture venue:</td>
<td>John Bloomfield Lecture Theatre (JBLT) (Except Week 41: 10am – 11am @ BUNS: EYLT 11am – 12pm @ JBLT) Please check: <a href="http://www.timetable.uwa.edu.au">http://www.timetable.uwa.edu.au</a></td>
</tr>
<tr>
<td>Tutorial times:</td>
<td><a href="http://www.olcr.uwa.edu.au/">http://www.olcr.uwa.edu.au/</a></td>
</tr>
<tr>
<td>Tutorial venue:</td>
<td><a href="http://www.olcr.uwa.edu.au/">http://www.olcr.uwa.edu.au/</a></td>
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TEXTBOOK(S) AND RESOURCES

Unit website

http://www.webct.uwa.edu.au

Recommended/required text(s)

There is no prescribed text.

Additional resources and reading material

Additional reading material may be assigned during the course. This may be made available on line on the course WebCT site. Please check the course website each week for additional readings.
<table>
<thead>
<tr>
<th>Topic and Week Plan</th>
<th>Guide to Subtopics</th>
<th>Relevant Textbook Chapter</th>
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<tbody>
<tr>
<td><strong>Week 1</strong>&lt;br&gt;Topic 1&lt;br&gt;Introduction</td>
<td>1. Globalization and its effects&lt;br&gt;2. Facts about Trade&lt;br&gt;3. Gains from Trade&lt;br&gt;4. The Anti Globalization Movement</td>
<td>KO Chaps 1, 2 and 11</td>
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<tr>
<td><strong>Weeks 3 - 4</strong>&lt;br&gt;Topic 3&lt;br&gt;The Ricardian Model</td>
<td>1. The Ricardian Trade Model&lt;br&gt;2. Productivity and real wages&lt;br&gt;3. Terms of trade shocks</td>
<td>KO Chap 3</td>
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<tr>
<td><strong>Weeks 5</strong>&lt;br&gt;Topic 4&lt;br&gt;Trade Growth and Poverty</td>
<td>1. Trade and growth&lt;br&gt;2. Case Study: Chinese growth</td>
<td>KO Chap 5</td>
</tr>
<tr>
<td><strong>Week 6</strong>&lt;br&gt;Topic 5&lt;br&gt;Tariffs, the WTO and New Protectionism</td>
<td>1. The WTO Tokyo to Doha&lt;br&gt;2. New Protectionism&lt;br&gt;3. The Effects of a Tariff</td>
<td>KO Chap 8</td>
</tr>
<tr>
<td><strong>Week 7</strong>&lt;br&gt;Topic 6&lt;br&gt;Trade policy and political economy</td>
<td>1. Quotas&lt;br&gt;2. Agricultural Protection&lt;br&gt;3. Dumping&lt;br&gt;4. Subsidies and Game theory</td>
<td>KO Chap 9</td>
</tr>
<tr>
<td><strong>Midsession Exam</strong></td>
<td>EXAM IN CLASS</td>
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<tr>
<td><strong>Week 8</strong></td>
<td></td>
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<tr>
<td><strong>Week 9</strong>&lt;br&gt;Topic 7&lt;br&gt;Externalities, Scale Effects and Learning</td>
<td>1. Clusters and Geography&lt;br&gt;2. Silicon Valley and Bangalore&lt;br&gt;3. Externalities and the Infant Industry</td>
<td>KO Chap 6 &amp; 10</td>
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Week 10
1. Case Study: Shrimp and Turtles

Week 11
Topic 8
Trade and The Environment
1. Trans-boundary Environmental Problems
2. The Kyoto Protocol

Week 12
Topic 9
Globalization and Inequality
1. International Trade and Wage Inequality

Week 13
Topic 10
Immigration
1. Immigration in Theory
2. The Refugee Debate

ASSESSMENT MECHANISM

The purpose of assessment
There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work provides you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

Assessment mechanism summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Weight</th>
<th>Due date</th>
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<tbody>
<tr>
<td>Mid-semester multi-choice quiz 40 minutes in lecture</td>
<td>30%</td>
<td>Week 8 (in class)</td>
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<tr>
<td>Tutorial participation details will be discussed in the first tutorial (to be held in week 2)</td>
<td>10%</td>
<td>Tutorials start in Week 2</td>
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<tr>
<td>All-inclusive final exam</td>
<td>60%</td>
<td>(2 hours)</td>
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There will be no make-up quizzes. Students who miss the quiz without a legitimate excuse (such as an appropriate doctor’s medical certificate) will receive a grade of zero for this component. Holidays, sports trips and weddings, for example, are not legitimate excuses. Students who have a legitimate excuse for missing the quiz will have their overall grade depend entirely on the other two components (that is, tutorial participation 12% and final exam 88%). Likewise make-up final exams will only be given to students with legitimate excuses such as a medical reason verified by a medical certificate.

Note 1: Results may be subject to scaling and standardisation under faculty policy and are not necessarily the sum of the component parts.

Note 2: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning outcomes as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the unit.
Student Guild
Phone: (+61 8) 6488 2295
Facsimile: (+61 8) 6488 1041
E-mail: enquiries@guild.uwa.edu.au
Website: http://www.guild.uwa.edu.au

Charter of Student Rights and Responsibilities


Appeals against academic assessment

The University provides the opportunity for students to lodge an appeal against assessment results and/or progress status (refer http://www.secretariat.uwa.edu.au/home/policies/appeals).