**COURSE TITLE:** INTERNATIONAL TRADE THEORY AND POLICY

**COURSE CODE:** ECON 3006 (EC 30N)

**LEVEL:** UNDERGRADUATE LEVEL (FINAL YEAR)

**NO OF CREDITS:** 3

**PREREQUISITES:** ECON 2000, ECON 2002 AND ECON 2003

**COURSE DESCRIPTION / RATIONALE:**

This course covers, the theory of international trade including alternative theories of trade: the structure of world trade and the main factors influencing trade (trade in services): the relationship between trade, growth and development; international trade policy; international investments; the multinational firm; institutions and agreements which influence international trade (WTO, Post Lome etc.) regional economic integration including North-South cooperation.

**PURPOSE OF THE COURSE**

Students are expected to become familiar with the basics of international trade and the implications of different events on the short and long run growth possibilities of an economy. Additionally students would become more aware of the various linkages among the international, regional and hence national levels of economic activity.

**INSTRUCTOR INFORMATION**

**LECTURER:** Dr. Roger Hosein

**LECTURER’s EMAIL:** Roger.Hosein@sta.uwi.edu

**LECTURER’s PHONE CONTACT:** 662-2002 EXT 83041
CONTENT

1. International Trade: Its Contemporary Dimensions
2. Neo-Classical Trade Theory- The Relevant Tools
3. Gains from Trade in Neo Classical Theory
4. Offer curves and the Terms of Trade
5. The Basis of Trade- Factor Endowments and the H/O Model with Extensions
7. Alternative Theories of Trade and IIT
8. Economic Growth and International Trade
9. International Factor Movements
10. The Instruments of Trade Policy

GOALS/AIMS

To equip students with an adequate set of tools; theoretical and practical; to understand the issues in international trade

GENERAL OBJECTIVES

To simplify the theory of international trade into practical easy to follow steps.

TOPIC OR UNIT OBJECTIVES

ASSIGNMENT

Students will be required to attempt tutorial sheets and attend tutorial sessions. Students will also be required to undertake a project.

COURSE ASSESSMENT

40% Coursework
60% Final Examination

TEACHING STRATEGIES

The mode of teaching will be via face to face lectures and tutorials sessions.

RESOURCES

Lecture notes will be provided to the class via the online course profile. Readings from texts are also provided.

READINGS

Lecturer notes – available from the lecturer


## COURSE CALENDAR

<table>
<thead>
<tr>
<th>Topic</th>
<th>Reading</th>
<th>Week</th>
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| **International Trade: Its Contemporary Dimensions** | Lecture Notes Chapter 1, 2, and 3  
The International Economy 3<sup>rd</sup> Edition Kenen P. B (1994) Chapter 1  
International Economics 7<sup>th</sup> Edition, Husted and Melvin (2007) Chapter 1 | 1    |
| **Neo-Classical Trade Theory - The Relevant Tools** | Lecture Notes Chapter 4  
| **Gains from Trade in Neo Classical Theory** | Lecture Notes Chapter 5  
| **Offer curves and the Terms of Trade** | Lecture Notes Chapter 6  
| **The Basis of Trade-Factor Endowments and the H/O Model with Extensions** | Lecture Notes Chapter 7  
The International Economy 3<sup>rd</sup> Edition Kenen P. B. (1994) Chapters 4-6 | 5    |
| Empirical Tests of the H/O Model | Lecture Notes Chapter 7  
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| Alternative Theories of Trade and IIT | Lecture Notes Chapter 8  
| Intra Industry Trade             |                                                                                                                                 |   |
| The Product Life Cycle Hypothesis |                                                                                                                                 |   |
| Imitation Gap Hypothesis         |                                                                                                                                 |   |
| Economic Growth and International Trade | Lecture Notes Chapter 9  
Growth and the Trade Triangle  
Growth trade triangle  
Dutch Disease  
Immizerising Export Led Growth | 8 |
| Growth and the Trade Triangle    |                                                                                                                                 |   |
| International Factor Movements   | Lecture Notes Chapter 10  
Applied Papers to be given in class | 9 |
| Mobility of labor and migration issues |                                                                                                                                 |   |
| Case study on migration of Caricom nurses |                                                                                                                                 |   |
| Capital mobility:                |                                                                                                                                 |   |
| Foreign Direct Investment        |                                                                                                                                 |   |
| The Instruments of Trade Policy  | Lecture Notes Chapter 11  
| Tariffs barriers                |                                                                                                                                 |   |
| Non Tariff barriers             |                                                                                                                                 |   |

### COURSE ACTIVITIES PLANNED


2. Attendance at the Conference on the Economy (COTE2012) on October 11 – 12, 2012 students must register for attendance with the Economics Student Union (ESU) or the Department of Economics.
ADDITIONAL INFORMATION

Please note that **UWI Examination Regulation No. 19** states that:

> Any candidate who has been absent . . . or whose attendance at prescribed lectures, classes, ... **tutorial**, ... has been unsatisfactory . . . or who has failed to submit essays or other exercises . . . may be debarred by the relevant Academic Board, on the recommendation of the relevant Faculty Board, . . . from taking any University examinations . . . “

The Department of Economics//Faculty of Social Sciences **requires students to attend and participate in at least 75% of tutorials for a course to avoid being debarred from taking the final exam.**

“97. (i) Cheating shall constitute a major offence under these regulations.
   (ii) Cheating is any attempt to benefit one’s self or another by deceit or fraud.
   (iii) Plagiarism is a form of cheating.
   (iv) Plagiarism is the unauthorized and/ or unacknowledged use of another person’s intellectual effort and creations howsoever recorded, including whether formally published or in manuscript or in typescript or other printed or electronically presented form and includes taking passages, ideas or structures from another work or author without proper and unequivocal attribution of such source(s), using the conventions for attributions or citing used in this University.

103. (i) If any candidate is suspected of cheating, or attempting to cheat, the circumstances shall be reported in writing to the Campus Registrar. The Campus Registrar shall refer the matter to the Chairman of the Campus Committee on Examinations. If the Chairman so decides, the Committee shall invite the candidate for an interview and shall conduct an investigation. If the candidate is found guilty of cheating or attempting to cheat, the Committee shall disqualify the candidate from the examination in the course concerned, and may also disqualify him/her from all examinations taken in that examination session; and may also disqualify him/her from all further examinations of the University, for any period of time, and may impose a fine not exceeding Bds$300.00 or J$5000.00 or TT$900.00 or US$150.00 (according to campus). If the candidate fails to attend and does not offer a satisfactory excuse prior to the hearing, the Committee may hear the case in the candidate’s absence.”

How to study for this Course

Students should keep up-to-date with lectures, office hours and tutorials.
## Grading System

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