Wesleyan University

ECON 371: International Trade

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Fall 2026, MW 2:50-4:10pm, FRANK 101
Office Hours: M 9-10, W 1.30-2.30,
or by appointment

This course examines the causes and consequences of cross-border flows of goods and services. We will investigate different theories of international trade and discuss the empirical validity of their predictions. Particular emphasis will also be placed on the motives for countries to restrict or regulate trade, and the institutional arrangements governing the world trading system. Moreover, we will discuss how trade between countries can shape economic development.

In addition to the use of a standard textbook, we will work through a number of journal articles and policy papers to obtain a deeper understanding of current events in the world economy. Over the course of the semester, we will discuss numerous controversial issues with regard to international trade. Examples include trade agreements and the impact of trade on wages, jobs and inequality.

Prerequisites

Intermediate microeconomics (Econ 301) and a basic understanding of econometric techniques (Econ 300/Econ 303) are prerequisites for this course. Familiarity with microeconomic concepts such as utility and profit maximization will be assumed. The lectures, problem sets and exam will make regular use of algebra and calculus.

Course Materials

Book: Robert C. Feenstra and Alan M. Taylor, International Trade, 5th edition (ISBN: 9781319218454). The ebook version of the textbook is provided to you via the Inclusive Access (IA) option. Through the link provided on top of the Moodle course page you can toggle between being opted-in or opted-out for the IA option until the end of add/drop. If you are opted-in by the end of drop/add, your Student Account will be charged from the Wesleyan R.J. Julia Bookstore.

Moodle: I will post additional readings (mostly journal articles and policy papers) and other course materials (problems sets, practice exams, etc.) on our Moodle course site during the semester, which you should check regularly.

In addition to completing the readings for the class, I also highly recommend that you follow current (international) economic events. Good sources of international economics news are *The Economist*, *The Wall Street Journal*, or the *Financial Times*. Reading the news is a good way to experience international trade 'in action' and to apply the concepts you learn in class to the real world. You can find links to current subscription offers on the Moodle course site. The full online content of the WSJ, FT and The Economist can also be accessed free of charge through the library.

Course Requirements

There will be one exam, a group presentation, a final paper, and problem sets. The weights of the different elements for the final course grade are:

- Problem sets (5%): There will be three problem sets over the semester. Each of them will be assigned one week before the due date. If you cannot make it to class, you need to contact me and leave your problem set in the collection box next to my office door before class. Late problem sets will not be accepted, and no extensions will be granted. You are encouraged to work together on the problem sets. However, I require an individual write-up by each student.
- Exam (30%): Tentatively scheduled for Wednesday, October 28.
- Paper (30%): Students will be required to write a term paper. Detailed information on the term paper requirements and topics will be distributed after the first two weeks of the semester. At the end of the semester, each student will present their topic to the class.
- Group presentation (15%): Groups of 2-3 students will present one published research paper from the international trade literature. I will distribute a list with papers to choose from after the first two weeks of the semester.
- Class participation (20%): I highly value class participation and encourage you to raise questions and to comment on level, pace and the content of the course during the semester. In addition, I will frequently open up topics for discussion. General guidelines for your class participation grade: frequent absences (or tardiness): *C*, demonstration of good understanding of material through occasional participation in class discussion: *B*, frequent participation in class discussion and raising insightful questions: *A*.

Class Organization

You are responsible for completing all assigned readings before coming to class. This course covers a lot of ground and it will be impossible to discuss every important point in lecture. Reading the textbook and other assigned materials is therefore critical to developing a good understanding of the course material. In the lectures, we will also frequently extend the material beyond what you find in the textbook, which requires prior familiarity with the assigned readings.

To not divert my or the attention of your classmates, the use of cell phones and laptop computers is not permitted during class time (unless their use has been approved as an accommodation). You are allowed to use a tablet to take notes. Any other usage is not permitted to minimize distractions for others in the classroom. Violations of this policy will lower your class participation grade.

Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in, and benefit from, its programs and services. To receive accommodations, a student must have a disability as defined by the ADA. Since accommodations may require early planning and generally are not provided retroactively, please contact Accessibility Services as soon as possible. If you have a disability, or think that you might have a disability, please contact Accessibility Services in order to arrange an appointment to discuss your needs and the process for requesting accommodations. Accessibility Services is located in North College, room 021, or can be reached by email at accessibility@wesleyan.edu.

Grading and Exams

In the case of serious illness or some other emergency, students may ask, in advance, for permission to take the exam at a later date. If you are not able to make it to the exam due to a serious reason, you have to inform me as soon as possible. In order to be eligible to reschedule the exam, you must provide proper valid documentation, such as a doctor's note.

In the case of test accommodations, it is your responsibility to confirm the necessary arrangements at least one calendar week prior to the test. Otherwise, it will be assumed that you do not plan to use the accommodations for the scheduled exam.

If you believe a grading mistake has been made on a problem set or the exam, you may submit a written request for a re-grade within one week after the assignment was returned. As a result of a re-grade, your grade can go up, down, or stay the same.

In line with FERPA regulations, no grading information will be shared via email. In case of grading questions, you are encouraged to attend office hours.

Honor Code

I expect you to adhere to the Wesleyan University Honor Code. All submitted work, whether it is an exam or problem set, must be your own. Although I encourage you to work together on problem sets, I require an individual write-up by each student, and I will not tolerate if you copy others' work. Any academic dishonesty will be reported to the Vice President for Student Affairs and the Student Honor Board.

Artificial Intelligence Policy

The use of any AI tools (e.g., ChatGPT, Copilot, Gemini, etc.) to complete, draft, check, or otherwise assist with problem sets or exam responses is strictly prohibited in this class. For presentations and the final paper only, AI may be used for the following limited purposes: (1) locating background sources, (2) summarizing papers to inform your understanding, provided that AI-generated summaries are not directly incorporated into or paraphrased in submitted work, (3) explaining concepts, and (4) debugging or explaining code that you have written yourself. AI may not be used to generate text, structure arguments, create outlines, or draft any portion of your written or spoken work. All submitted work must represent your own original thinking and writing. Violations will be treated as Honor Code infractions. I welcome questions about specific use cases, but please ask before using AI, not after.

Tentative Course Schedule*

Note: FT=Feenstra and Taylor (5th edt)

Class	Date	Reading	Topic	Notes
1	09/07	FT 1.1, Irwin (2020)	I. Introduction	
2	09/09	FT 2	II. Trade Theory	
3	09/14	Costinot and Donaldson (2012)		
4	09/16	FT 3		
5	09/21	FT 4.1-4.2		PS 1 due
6	09/23	FT 4.3-4.4 & 6.1-6.2		
7	09/28	FT 11.1-11.2	III. Trade Empirics	
8	09/30	Rose (2004)		
9	10/05	Larch et al. (2025)		PS 2 due
10	10/07	FT 8.1-8.4	IV. Trade Policy	
11	10/12	FT 8.5-8.6 & 9.1		
12	10/14	FT 9.2-9.3		
13	10/19	Frankel and Romer (1999)	V. Trade and Development	PS 3 due
14	10/21	Exam review		
15	**10/28**	**Exam**		
16	11/02	Etkes and Zimring (2015)	VI. Group Presentations	
17	11/04	Mayda and Rodrik (2005)		
18	11/09	Greenland et al. (forthcoming)		
19	11/11	Kren and Lawless (2024)		
20	11/16	Pierce and Schott (2016)		
21	11/18	Amiti et al. (2026)		
22	11/23	Autor et al. (2026)		
23	11/30	Feyrer (2019)		
24	12/02		VII. Final Paper Presentations	
25	12/07			
26	12/09			

***Subject to change. Check regularly for an updated version on Moodle.**

Additional Readings (all available on Moodle): * indicates required reading

I. Introduction

*Irwin, Douglas A. (2020), "Introduction" in *Free Trade Under Fire*, 5th edition, p. 1-10, Princeton, NJ: Princeton University Press.

II. Trade Theory

*Costinot, Arnaud and Dave Donaldson (2012), “Ricardo’s Theory of Comparative Advantage: Old Idea, New Evidence,” *American Economic Review Papers and Proceedings*, 102 (3), 453-458.

*Etkes, Haggay and Assaf Zimring (2015), “When Trade Stops: Lessons From the Gaza Blockade 2007-2010” *Journal of International Economics*, 95(1), p. 16-27.

*Greenland, Andrew, James Lake and John Lopresti (forthcoming), “Trade and US Inequality in the Tokyo Round,” *Review of Economics and Statistics*.

*Mayda, Anna Maria and Dani Rodrik (2005), “Why Are Some People (and Countries) More Protectionist Than Others?” *European Economic Review*, 49(6), p. 1393-1430.

Autor, David H., David Dorn and Gordon H. Hanson (2013), “The China Syndrome: Local Labor Market Effects of Import Competition in the United States,” *American Economic Review*, 103(6), 2121-2168.

Eaton, Jonathan and Samuel Kortum (2012), “Putting Ricardo to Work,” Journal of Economic Perspectives, 26(2), 65-90.

Krugman, Paul R. (1979), “Increasing Returns, Monopolistic Competition, and International Trade,” *Journal of International Economics*, 9(4), 469-479.

Krugman, Paul R. (1980), “Scale Economies, Product Differentiation, and the Pattern of Trade,” *American Economic Review*, 70(5), 950-959.

Melitz, Marc J. and Daniel Trefler (2012), “Gains from Trade when Firms Matter,” *Journal of Economic Perspectives*, 26(2), 91-118.

III. Trade Empirics

*Kren, Janez and Martina Lawless (2024), “How Has Brexit Changed EU-UK Trade Flows?” *European Economic Review*, 161, 104634.

*Larch, Mario, José-Antonio Monteiro, Roberta Piermartini, and Yoto V. Yotov (2025), “On the Trade Effects of GATT/WTO Membership: They Are Positive and Large After All” *Canadian Journal of Economics*, 58(1), p. 281-328.

*Rose, Andrew (2004), “Do We Really Know That the WTO Increases Trade?” *American Economic Review*, 94(1), p. 98-114.

IV. Trade Policy

*Amiti, Mary, Sebastian Heise and David E. Weinstein (2026), “The Anatomy of Tariff Pass-through into Consumer Prices,” *NBER Working Paper No. 35561*.

*Autor, David H., Anne Beck, David Dorn and Gordon H. Hanson (2026), "Help for the Heartland? The Economic and Political Effects of the Trump Tariffs in US Local Labor Markets," *Working Paper*.

*Pierce, Justin R. and Peter K. Schott (2016), "The Surprisingly Swift Decline of US Manufacturing Employment," *American Economic Review*, 106(7), 1632-1662.

V. Trade and Economic Development

*Feyrer, James (2019). "Trade and Income – Exploiting Time Series in Geography," *American Economic Journal: Applied Economics*, 11(4), 1-35.

*Frankel, Jeffrey A. and David Romer (1999). "Does Trade Cause Growth?" *American Economic Review*, 89(3), p. 379-399.

Feyrer, James (2021). "Distance, Trade, and Income – The 1967 to 1975 Closing of the Suez Canal as a Natural Experiment," *Journal of Development Economics*, 153, 102708.

Irwin, Douglas A. (2019), "Does Trade Reform Promote Economic Growth? A Review of Recent Evidence," *Working Paper 19-9*, Washington, DC: Peterson Institute for International Economics.