



Topics in International Economics

5 July - 6 August 2010

Yale University

Students must arrive by: Sunday 4 July 2010

Course Description

The first section of this course introduces the student to the basic trade model as well as recent and important extensions such as intra-industry trade, strategic trade, the new economic geography, and the rise of offshoring. It also examines the political economy of trade policy, beginning with a discussion of the relative benefits and costs of tariffs (quotas) and ending with a critical evaluation of more recent forms of trade protectionism such as antidumping laws and selective subsidies. Finally, it addresses issues related to trade creation and diversion resulting from the creation of regional trading blocs such as NAFTA and the EEC, as well as the proposed FTAA.

Section II delves into important and controversial questions such as whether universal labor standards belong on the international trade agenda and whether the rapid pace of international trade and finance has been responsible for the growing economic divergence and rising income and wage inequality observed both between and within countries.

The third section introduces students to the workings of foreign exchange markets in highly integrated capital markets, and addresses the issue of whether exchange rate volatility has been “excessive.” In this connection, it discusses the pros and cons associated with imposing a small (Tobin) tax to reduce exchange rate volatility.

Section IV turns its attention to the underlying economic and institutional causes of the Mexican, Asian, Russian, Argentinian, and U.S. economic and financial crises. It presents alternative explanations which contend that these crises, particularly the Asian crisis, could have taken place even if their currencies were not “overvalued” and their pre-crisis monetary and fiscal policies were viewed as “credible” by market participants. This section also addresses issues related to the appropriateness of lifting (or imposing) capital controls, with particular attention to the relatively successful use of (temporary) controls by Chile, China, Colombia, and Malaysia.

Finally, Section V examines the viability of various proposals to reform the international financial system, as well as the underlying economic and financial factors responsible for the euro’s relatively strong performance vis-a-vis the dollar in recent years.

Target Audience

Undergraduate IARU students



Delivery Method

Class participation will be encouraged via class discussion of the assigned reading material by selected students.

Assessment

Students will be required to write three short discussion papers and a major term paper on a selected economic problem and/or issue pertaining to the international economy. Participation will also count towards your grade.

Accommodation

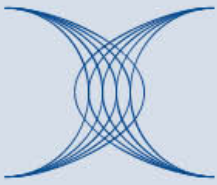
Students will live on the Yale campus in the heart of downtown New Haven. Students can check into housing on Sunday, 4 July. The check out date is Friday, 6 August. Yale dormitories, called residential colleges, are the foundation of Yale's social and intellectual structure. Only students in residence have access to these summer facilities and activities.

Student rooms are furnished with a twin bed, mattress, pillow, blanket, dresser, desk, desk lamp, and chair. Students should bring their own sheets (twin, extra-long) and towels. Household items are available for purchase at the Yale Bookstore and other local stores.

Meals, featuring a wide variety of foods, are served during three meal periods per day in the college dining halls. If a student has special dietary needs, these should be specified on the application form; arrangements can then be made by the student directly with Dining Services. Meal service begins with dinner on the evening of housing check-in (Sunday 4 July) and concludes with lunch on the afternoon of the last day of classes (Friday 6 August).

Each suite is equipped with jacks for telephone and Ethernet service. Students must provide their own telephones and will need a calling card to make long distance calls. Computer clusters with printers are available in the residential colleges and libraries; students may also bring their own computers and Ethernet cable.

The Summer Master, Assistant Masters and Yale students who serve as residential counselors will be available to make sure that your stay in New Haven is productive and pleasant. The counselors help summer students adjust to life at Yale and in the New Haven area, and they coordinate a wide range of cultural and recreational activities, including supervised outings and field trips. Some activities have a small additional fee.



Costs (US Dollars)

Tuition fee: USD \$2,750 (2 tuition scholarships available for each IARU partner)

Accommodation: USD \$2,158 (Estimate for summer 2010)

Field-trip costs: TBA

Estimated visa cost: Check with your local US Embassy or US Consulate

SEVIS fee USD \$200. Other fees: Visa application fee, Visa issuance fee (if applicable) depends on your country of citizenship

Estimated text book costs: Please see syllabus for the required texts

Estimated living expenses: USD \$500

An estimate of USD \$100 per week as spending money. Cost varies by each student's personal spending habits.

Further Information

For further information about this course, visit www.yale.edu/summer/gsp/yale