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Summer Course: The Pure Theory of International Trade

Universidad de Los Andes June ? 2004 to June ?? 2004

This course covers the main topics in the pure theory of international trade. We will assume you have a solid command of graduate level microeconomics. We will begin with the basic Ricardian theory of comparative advantage and bring you to the latest developments in the field by the end of the course.

Textbook: You may find the following book helpful:

Bhagwati, J., Panagariya, A. and Srinivasan, T.N., *Lectures in Trade Theory*, MIT Press, 1998, September

List of Topics and Relevant Chapters in the textbook

1. The Ricardian Theory of Comparative Advantage (Chapters 2-4)
2. The Heckscher-Ohlin Theory (Chapters 5, 6, 10.1)
3. The Specific-factors Model (Chapters 7, 10-2-10.3)
4. An Introduction to Duality (Chapter 9)
5. Generalizations and Factor Content Theory (Chapter 8)
6. Commercial Policy (Chapters 12-14)
7. Economies of Scale and International Trade (Chapter 11)
8. An Introduction to the WTO (Core WTO Agreements: "Trade in Goods and Services and Intellectual Property" by A. Panagariya--can be downloaded)
9. Preferential Trading (Survey by A. Panagariya in the *JEL*, June 2000)
10. Political Economy of Trade Policy (Chapter 34)
11. Trade Reform (Chapter 35)

This is an overly ambitious list and we do not guarantee that we will get through all the topics. We do not wish to sacrifice clarity for speed. The level of preparation of the students will have some impact on the speed with which we can progress.