

Brief Contents

	Contents	9
	Preface	23
1	Introduction	33
PART 1	International Trade Theory	42
2	World Trade: An Overview	42
3	Labor Productivity and Comparative Advantage: The Ricardian Model	56
4	Specific Factors and Income Distribution	83
5	Resources and Trade: The Heckscher-Ohlin Model	116
6	The Standard Trade Model	150
7	External Economies of Scale and the International Location of Production	177
8	Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises	196
PART 2	International Trade Policy	238
9	The Instruments of Trade Policy	238
10	The Political Economy of Trade Policy	268
11	Trade Policy in Developing Countries	307
12	Controversies in Trade Policy	322
PART 3	Exchange Rates and Open-Economy Macroeconomics	345
13	National Income Accounting and the Balance of Payments	345
14	Exchange Rates and the Foreign Exchange Market: An Asset Approach	374
15	Money, Interest Rates, and Exchange Rates	411
16	Price Levels and the Exchange Rate in the Long Run	445
17	Output and the Exchange Rate in the Short Run	483
18	Fixed Exchange Rates and Foreign Exchange Intervention	527
PART 4	International Macroeconomic Policy	570
19	International Monetary Systems: An Historical Overview	570
20	Financial Globalization: Opportunity and Crisis	629
21	Optimum Currency Areas and the Euro	666
22	Developing Countries: Growth, Crisis, and Reform	702

Mathematical Postscripts	745
Postscript to Chapter 5: The Factor-Proportions Model	745
Postscript to Chapter 6: The Trading World Economy	749
Postscript to Chapter 8: The Monopolistic Competition Model	757
Postscript to Chapter 20: Risk Aversion and International Portfolio Diversification	759
Index	767
Credits	785