



Reading list 2009–10

16 International economics

The current edition of the subject guide is the 2009 edition This reading list was last updated in June 2009. Any queries about this reading list should be directed to externalstudy@lse.ac.uk.

Essential reading

- Copeland, L. *Exchange Rates and International Finance*. (Harlow: FT Prentice Hall, 2008) fifth edition [ISBN 9780273710271].
- Krugman, P. and M. Obstfeld *International Economics: Theory and Policy*. (Boston, Mass.; London: Pearson/Addison-Wesley, 2009) Pearson international edition; eighth edition [ISBN 0321553985; 9780321553980]
- Pilbeam, K. *International Finance*. (Basingstoke; New York: Palgrave Macmillan, 2006) third edition [ISBN 9781403948373].

However good a book might be, it is nevertheless essential that you read more widely. There are two online textbooks on international trade and international finance. These are excellent online resources that are very easy to access:

- Suranovic, S.M. *International Trade: Theory and Policy*.
<http://internationalecon.com/Trade/tradehome.php>
- Suranovic, S.M. *International Finance: Theory and Policy*.
<http://internationalecon.com/Finance/financehome.php>

You may find the following general textbook useful:

- Ethier, W.J. *Modern International Economics*. (New York; London: WW Norton, 1995) Norton international student edition; third edition [ISBN 9780393963113].

Further reading

Particularly recommended in the guide:

- De Grauwe, P. *Economics of the Monetary Union*. (Oxford: Oxford University Press, 2007) seventh edition [ISBN 9780199297801].
- The *Center for Economic Studies* and *Ifo Institute for Economic Research* publish an annual report on the European Economy. The 2008 report has recently been published and is available online at: www.cesifo-group.de/portal/page/portal/ifoHome/B-politik/70eeagreport/30PUBLEEAG2008
- Jones, R. and B. Kenen (eds) *Handbook of International Economics vol. 1: International Trade*. (Amsterdam: Elsevier Science B.V., 1998) [ISBN 9780444704221].
- World Bank, *The East Asian Economic Miracle*. (New York: Oxford University Press, 1993) [ISBN 9780585238517].
- Yusuf, S. and J. Stiglitz *Rethinking the East Asian Miracle*. (New York: World Bank and Oxford University Press, 2001) [ISBN 9780195216004].

Other items of further reading:

- Bagwell, K. and R.W. Staiger 'Will Preferential Agreements Undermine the Multilateral Trading System?', *Economic Journal*, 108(449) 1998, pp.1162–1182.
- Baldwin, R. and P. Krugman (1988) 'Industrial Policy and International Competition in Wide-Bodied Jet Aircraft' in Robert E. Baldwin, *Trade Policy Issues and Empirical Analysis*, National Bureau of Economic Research (NBER) Conference Report series, pp.45–71.

- Baldwin, R.W. 'The Political Economy of Trade Policy', *The Journal of Economic Perspectives* 3(4) 1989, pp.119–135.
- Bhagwati, J. 'Immiserizing growth' in Caves and Johnson (1968) *Readings in International Economics*, American Economic Association.
- Borjas, G. 'The economics of immigration', *Journal of Economic Literature*, 1994, pp.1667–171.
- Brander, J.A. 'Strategic Trade Policy' Chapter 27 in G.M. Grossman and K. Rogoff *Handbook of International Economics Volume 3*, 1995. Also available as an NBER Working Paper, No. 5020 (February, 1995).
- Burtless, G. 'International trade and the rise in earnings inequality', *Journal of Economic Literature* 3(2) 1995, pp.800–16.
- Calvo, G. and C. Reinhart 'Fear of Floating', *Quarterly Journal of Economics* 117(2) 2002.
- Corden, W.M. 'Those Current Account Imbalances: A Sceptical View', *The World Economy*, 2007, pp. 363–82.
- De Grauwe, P. *Economics of the Monetary Union*. (Oxford: Oxford University Press, 2009) eighth edition [ISBN 9780199563234].
- De Grauwe, P. *International Money: Post-War Trends and Theories*. (Oxford: Oxford University Press, 1996) second edition.
- Dixit, A. (1988) 'Tariffs and Subsidies under Oligopoly: The Case of the U.S Automobile Industry' in Kierzkowski, H. *Protection and Competition in International Trade: Essays in Honor of W.M. Corden*. (Oxford and New York: Blackwell, 1987) pp.112–27.
- The Economist*, 17 April 2008: 'Krugman's conundrum: the elusive link between trade and wage inequality'.
- Edwards, S. (2001) 'Does the Current Account Matter?', National Bureau of Economic Research (NBER), Working Paper 8275.
- Eichengreen, B. and R. Razo-Garcia (2006) 'The Evolution of Exchange Rate Regimes', *Economic Policy*.
- European Commission Quarterly Report on the Euro Area, Vol. 7, No. 1 (2008) – Read the Focus section on Economic and monetary integration in East Asia: Are there lessons to be learned from the European experience?
- Feenstra, R.C. 'Integration of trade and disintegration of production in the global economy', *Journal of Economic Perspectives* 12(4) 1998, pp.31–50.
- Fischer, S. (2001) *Journal of Economic Perspectives*: pdf version:
<http://www.imf.org/external/np/speeches/2001/010601a.pdf>
- Frankel, J. (1999) 'No Single Currency Regime is Right for All Countries at All Times', *Princeton Essays in International Finance*, No. 215.
- Freeman, R.B. 'Are your wages set in Beijing?', *Journal of Economic Perspectives* 9(3) 1995, pp.15–32.
- Isard, P. 'Uncovered Interest Parity', *IMF Working Paper* WP/06/96, April 2006. Jones, R.W. and J.P. Neary 'The positive theory of international trade' in Jones, R.W. and P.B. Kenen (eds) *Handbook of International Economics Vol. 1 International trade*. (Amsterdam: Elsevier Science B.V., 1998).
- Joshi, V. 'Exchange rate regime for developing countries' in Scott M.F. and D. Lal *Public Policy and Economic Development*, (Clarendon Press: Oxford, 1990) [ISBN 0198285825].
- Krugman, P. 'Is Bilateralism Bad?' in E. Helpman and A. Razin *International Trade and Trade Policy*. (Cambridge, Mass: MIT Press, 1991). Also available as an NBER Working Paper, No. 2972 (May, 1989).
- Krugman, P. 'Monomoney Mania,' *Slate*, 4/16/99: <http://slate.msn.com/id/25210/>
- Krugman, P. (1995) 'Growing World Trade: Causes and Consequences', *Brookings Papers on Economic Activity* pp.327–377.
- Krugman, P. (1996) 'Ricardo's difficult idea', paper for a conference. Available at:
<http://web.mit.edu/krugman/www/ricardo.htm>
- Krugman, P. and M. Obstfeld Chapter 16 'Output and the Exchange Rate in the Short Run' and Chapter 17 'Fixed Exchange Rates and Foreign Exchange Intervention' (also Appendix of Chapter 17).
- Mann, C.L. 'Perspectives on the U.S. Current Account Deficit and Sustainability', *The Journal of Economic Perspectives* 16(3) 2002, pp.131–152.
- Markusen, J.R. 'The boundaries of multinational enterprises and the theory of international trade', *Journal of Economic Perspectives* 9(2) 1995, pp.169–89.

- Neary, P. 'Short-Run Capital Specificity and the Pure Theory of International Trade', *Economic Journal* 88(351) 1978, pp.488–510.
- Obstfeld, M. and K.S. Rogoff 'The Mirage of Fixed Exchange Rates', *Journal of Economic Perspectives* 9(4) 1995, pp.73–96.
- Panagariya, A. 'Preferential Trade Liberalization: The Traditional Theory and New Developments', *Journal of Economic Literature* 38(2) 2000, pp.287–331.
- Reinhart, C.M. and K.S. Rogoff (2008) 'Is the 2007 US Sub-Prime Financial Crisis so Different? An International Historical Comparison', *NBER Working Paper 13761*; www.nber.org/papers/w13761
- Rodrik, D. and F. Rodriguez (1999) 'Trade Policy and Economic Growth: A Skeptic's Guide to the cross-national evidence', *NBER Working Paper 7081*.
- Taylor, A.M. and M.P. Taylor 'The Purchasing Power Parity Debate', *Journal of Economic Perspectives* 18(4) 2004, pp.135–58.
- Venables, A.J., A. Smith, P. Krugman and R. Kanbur 'Trade and Industrial Policy under Imperfect Competition', *Economic Policy* 1(3) 1986, pp.621–672.
- World Bank *The East Asian Economic Miracle*. (New York: Oxford University Press, 1993).
- Yusuf, S. and J. Stiglitz *Rethinking the East Asian Miracle*. (New York: World Bank and Oxford University Press, 2001).

Additional web materials

Articles by Paul Krugman on currency crises available on his website:

<http://web.mit.edu/krugman/www/crises.html>

<http://web.mit.edu/krugman/www/DISINTER.html>

<http://web.mit.edu/krugman/www/FLOOD.pdf>

<http://web.mit.edu/krugman/www/MINICRIS.htm>

Suranovic, S.M. *International Finance: Theory and Policy*.

<http://internationalecon.com/Finance/financehome.php>

Suranovic, S.M. *International Trade: Theory and Policy Analysis*.

<http://internationalecon.com/Trade/tradehome.php> [For purchase]

Making use of the Online library

- To help you read extensively, all External students have free access to the University of London Online library where you will find the full text or an abstract for many of the journal articles listed for this unit.
- The Online library is accessed via the Student Portal at <http://my.londonexternal.ac.uk/>
- For most journals, the username and password you need is the same as the one which you have been sent to use for logging in to the Student Portal.