



# Brief Contents

	Contents	ix
	Preface	xxi
1	Introduction	1
<b>Part 1</b>	<b>International Trade Theory</b>	<b>10</b>
2	World Trade: An Overview	10
3	Labor Productivity and Comparative Advantage: The Ricardian Model	24
4	Specific Factors and Income Distribution	50
5	Resources and Trade: The Heckscher-Ohlin Model	80
6	The Standard Trade Model	111
7	External Economies of Scale and the International Location of Production	137
8	Firms in the Global Economy: Export Decisions, Outsourcing, and Multinational Enterprises	155
<b>Part 2</b>	<b>International Trade Policy</b>	<b>192</b>
9	The Instruments of Trade Policy	192
10	The Political Economy of Trade Policy	219
11	Trade Policy in Developing Countries	256
12	Controversies in Trade Policy	271
<b>Part 3</b>	<b>Exchange Rates and Open-Economy Macroeconomics</b>	<b>293</b>
13	National Income Accounting and the Balance of Payments	293
14	Exchange Rates and the Foreign Exchange Market: An Asset Approach	320
15	Money, Interest Rates, and Exchange Rates	354
16	Price Levels and the Exchange Rate in the Long Run	384
17	Output and the Exchange Rate in the Short Run	421
18	Fixed Exchange Rates and Foreign Exchange Intervention	463
<b>Part 4</b>	<b>International Macroeconomic Policy</b>	<b>504</b>
19	International Monetary Systems: An Historical Overview	504
20	Optimum Currency Areas and the European Experience	557
21	Financial Globalization: Opportunity and Crisis	586
22	Developing Countries: Growth, Crisis, and Reform	619

**Mathematical Postscripts**

Postscript to Chapter 5: The Factor Proportions Model .....	661
Postscript to Chapter 6: The Trading World Economy .....	665
Postscript to Chapter 8: The Monopolistic Competition Model .....	673
Postscript to Chapter 21: Risk Aversion and International Portfolio Diversification .....	675

<b>Credits</b> .....	683
----------------------	-----

<b>Index</b> .....	685
--------------------	-----