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Fall 2016

## DIPL 4555 AA/AB Economic Aspects of International Affairs

Nabeela N. Alam PhD  
*Seton Hall University*

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**DIPL 4555 AA/AB**  
**Economic Aspects of International Affairs**  
**Fall 2016**

**Instructor:** Nabeela N. Alam  
**Office:** McQuaid Hall 107, x2265  
**Office hours:** WR 2:30-4:00 pm or by appointment  
**Email:** nabeela.alam@shu.edu  
**Note:** Please put DIPL 4555 in the subject line

**Class times and location:**  
TR 9:00 am – 10:45 am **(AA)**  
TR 11:00 am – 12:15 pm **(AB)**  
Stafford Hall 207

### **COURSE DESCRIPTION**

This course provides upper level undergraduates in International Relations with the key economic principles to understand the causes and consequences of international flow of goods, services, investment, and people. The first half of the semester covers the basic trade theories to explain why nations trade, what and with whom they trade, and who within a country gains and loses from trade. Next, we explore the international movement of labor (migration) and capital (foreign direct investment) as alternatives to conventional trade in goods and services. Finally, we will analyze national motives for regulation in cross-border flows of trade, capital and labor, and the effects of these policies on economic welfare. The course will address current national and international debates such as: Does trade cost jobs and increase wage inequality? Should developing countries liberalize trade? Does the US benefit from the TPP? Should we globalize labour markets?

**Prerequisites:** ECON 1402 and ECON 1403. The course build on the microeconomic tools and macroeconomic frameworks you learnt in these courses to study issues in trade, migration, and evaluating economic welfare.

### **COURSE OBJECTIVES**

1. Give students the necessary analytical tools to critically read, analyze and discuss economic underpinnings of current and past events in the global economy. This includes critically evaluating news media stories on relevant issues, and being able to distil economically sound arguments from flawed reasoning and conclusions.
2. Understand the usefulness of models and assumptions in economic analyses. Students should be able to discuss the practical relevance of models, and evaluate which models and assumptions are applicable to a real life phenomenon.
3. Incorporate the use of data synthetically with other evidence and frameworks in supporting or refuting arguments.

### **Numeracy Proficiency**

This course, and economic analyses in general, has a required numeracy proficiency component. As such, through the semester, you are expected to demonstrate proficiency with numbers and measures, confidence and competence in numerical calculations and graphical interpretations, and the ability to evaluate and synthesize quantitative information accurately. In order to foster critical thinking and numeracy skills, throughout the semester you will engage in guided discussions in the classroom and will be asked to back up your arguments with frameworks used in class and evidence presented in readings. Students will be evaluated on their critical thinking and numerical (quantitative) skills, and their ability to synthesize appropriate arguments and evidence to reach a conclusion or policy recommendation.

### **REQUIRED MATERIAL**

There are two required textbooks for the course, and both are available at the Seton Hall University Bookstore.

1. Paul Krugman, Maurice Obstfeld and Marc Melitz. *International Trade - Theory and Policy, 10<sup>th</sup> Edition*. Pearson, 2014. (Referred to as KOM hereafter.)
2. Douglas Irwin. *Free Trade Under Fire, 4<sup>th</sup> Edition*. Princeton University Press, 2015.

Other required reading and audio material are listed in the Course Schedule section, along with links to access the material. Additional material will be handed out in class, posted on Blackboard, or emailed. **Note:** If you buy a different edition than those indicated, you are responsible for differences in editions as far as reading and homework material is concerned.

## COURSE COMMUNICATION AND INFORMATION DISSEMINATION

All course material will be handed out in class, emailed or posted on the course site on Blackboard, located at <http://myweb.shu.edu/> or accessible through PirateNet. I will send emails and course announcement from the course website on Blackboard, so you should regularly (every 36 hours) check the email address you listed in the SHU directory.

To confirm that you are receiving emails through Blackboard, log into the course site and send an email to yourself. The [Technology Service Desk](#) ([servicedesk@shu.edu](mailto:servicedesk@shu.edu), (973) 275-2222 or x2222) can assist you with any questions.

When emailing me, type **DIPL 4555** in the subject, and follow this with a subject relevant to your email. For instance, you may write “DIPL 4555 – Exam 1” as the subject of your email. An email with the appropriate subject automatically gets forwarded to my **DIPL 4555 folder**, and minimizes the probability of getting overlooked in a busy inbox. I will do my best to respond to your email within 24 hours during weekdays and within 48 hours during weekends.

## GRADING DISTRIBUTION AND POLICIES

The grade for this course has three main components:

|                                                       |     |
|-------------------------------------------------------|-----|
| Class participation and preparation                   | 10% |
| Debates: one oral (5%) and two written analyses (15%) | 25% |
| Exams: two in-class (35% for higher exam score)       | 65% |

## COURSE REQUIREMENTS AND EVALUATION CRITERIA

### Class participation and preparation

*Class participation* includes but is not limited to asking relevant questions, answering questions *meaningfully*, completing tasks handed out in class, demonstrating thoughtful responses to assigned readings, and referring *meaningfully* to real world examples relevant to discussions. If you participate regularly in class, I will learn your names and count your participation towards the course grade.

*Preparation* involves **completing and absorbing the assigned readings** *before* coming to class or office hours. Note that there is a substantial reading load, designed to provide you with multiple perspectives and an array of evidence. To do well in this course, you must engage in *active* reading during which you take good notes, reflect on the evidence presented, and draw out the key arguments made by the authors. I will treat assigned readings as background, and build on them in class to give a more in-depth treatment of the topics at hand. As such, you will demonstrate preparation for class through the quality of your class participation in class.

### Debate and written analysis

Each week we will discuss the economic underpinnings of events in international affairs. Where noted in the schedule, this will be in the form of debates during the last 20 minutes of class. In each debate, 2-4 students will argue for or against a position, and the class will vote on the more convincing side. Debates will be based on assigned readings that everyone completes before class. Students in the debates are encouraged but not required to pursue additional reading.

- Each student will take part in ONE debate, which counts for 5% of the total grade.
- Each student will also submit ONE written analysis (worth 5%) of a listed debate that already took place in the half of the semester s/h/ze did not take part in. The **due dates** for the written assignment are **Friday, September 30** at **2pm** (before midterm) and **Friday, November 18** at **2pm** (after midterm).
- A second written assignment (worth 10%) will mimic the debate structure but will address a topic not covered in depth in class. The prompt will be available on Tuesday, November 15 and the assignment **due date** is **Saturday, December 17** at **2pm** after the final exam.

### Exams

There are two in class exams on **Thursday, October 13** and **Tuesday, December 13**. The exams are non-cumulative, but keep in mind that the concepts covered in class build incrementally on previous material. Exams will be a combination of true/false, short essay and short analytical questions requiring use of graphs or numerical problem-solving. You are responsible in the exams for all material covered in class, in assignments, and in assigned readings – i.e., everything.

A student unable to take an in-class exam is required to provide proper documentation to the instructor **prior** to the exam. This is the only scenario where a missed exam will be excused, and I will review further steps to be taken. If your absence is excused, I may choose to give you a written make-up exam or an oral exam on the blackboard. While oral exams are particularly painful, I will not write a new exam for one or two students.

## COURSE POLICIES

**Attendance** in all class sessions is required and I will take attendance. However, I understand that unforeseen circumstances beyond your control may arise. With this in mind, you are allowed two absences without need of explanation. Any absences beyond this point will negatively impact your overall grade. In other words: you have two free passes, use them wisely by saving them for emergencies and unavoidable circumstances. Students missing class due to an illness are required to provide a doctor's note. **Lateness** will not be tolerated. Repeated instances of lateness can be treated as absences.

**Grade appeals** will be considered only in the event you discover a mistake in grading. Nonetheless, you must wait 48 hours before appealing. Note that re-grades will not be limited to the disputed part of the exam or assignment.

**Incomplete** grade designation for the course will be given only in exceptional cases for emergencies. Students wishing to request a grade of Incomplete must provide documentation to support the request accompanied by a Course Adjustment Form (available from the Diplomacy Main Office) to the professor *before* the date of the final examination. If the incomplete request is approved, the professor reserves the right to specify the new submission date for all missing coursework. Students who fail to submit the missing course work within this time period will receive a failing grade for all missing coursework and a final grade based on all coursework assigned. Any Incomplete not resolved within one calendar year of receiving the Incomplete or by the time of graduation (whichever comes first) automatically becomes an "FI" (which is equivalent to an F). It is the responsibility of the student to make sure they have completed all course requirements within the timeframe allotted. Please be aware that Incompletes on your transcript will impact financial aid and academic standing.

**Technology** can be both beneficial and harmful in learning. Based on my teaching experience and recent evidence, laptops will not be allowed in class. Mobile phones and other hand held devices must be set to silent and put away during class. If you require accommodations for using technology in the classroom, please contact me directly to resolve the matter.

## SETON HALL POLICIES AND RESOURCES

**Accommodations.** It is the policy and practice of Seton Hall University to promote inclusive learning environments. If you have a documented disability you may be eligible for reasonable accommodations in compliance with University policy, the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and/or the New Jersey Law against Discrimination. Please note, students are not permitted to negotiate accommodations directly with professors. To request accommodations or assistance, please self-identify with the Office for Disability Support Services (DSS), Duffy Hall, Room 67 at the beginning of the semester. For more information or to register for services, contact DSS at (973) 313-6003 or by e-mail at [DSS@shu.edu](mailto:DSS@shu.edu).

**Counselling.** The Office of Counselling and Psychological Services (CAPS) provides free year-round counselling to students in need of support. CAPS is located in Mooney Hall and can be reached at (973) 761-9500.

**Academic Honesty.** Plagiarism and other forms of academic dishonesty will be reported to the administration, and may result in a lowered or failing grade for the course and up to possible dismissal from the School of Diplomacy. See university and school standards for academic conduct here:

- <http://www13.shu.edu/offices/student-life/community-standards/upload/Seton-Hall-University-Student-Code-of-Conduct.pdf>
- <http://www.shu.edu/academics/diplomacy/academic-conduct.cfm>

## **COURSE SCHEDULE** (subject to change)

### **Part I – Introduction and Old Trade Theories**

#### **Tue, Aug 30. Lecture 1 – Introduction**

Required reading:

- Irwin, *Free Trade Under Fire*, Chapter 1, pp. 1-17
- Paul Krugman. 1993. "What do Undergrads Need to Know about Trade?" *American Economic Review, Papers and Proceedings of the Hundred and Fifth Annual Meeting of the American Economic Association* 83(2): 23-26 (also in *Pop Internationalism*) ([url](#))

Recommended reading:

- KOM Chapter 1, pp.1-9.
- Pew Research Center. 2010. "Public knows basic facts about politics, economics, but struggles with specifics." Nov 18. ([url](#))
- Economist. 2004. "The travelling bra salesman's lesson." *The World in 2005 Print Edition*, November 17. ([url](#))

#### **Thu, Sep 1. Lecture 2 – Gravity Model and Patterns of Trade**

Required reading:

- KOM Chapter 2, pp. 10-22.
- Irwin, *Free Trade Under Fire*, Chapter 1, pp. 17-30
- Bradsher, Keith. 2013. "Hauling New Treasure Along the Silk Road." *New York Times*, July 20. ([url](#))
- B. Bernanke. 2006. "Global Economic Integration: What's New and What's Not?" Lecture at the Federal Reserve Bank of Kansas City's Thirtieth Annual Economic Symposium, Jackson Hole, WY. ([url1](#)) ([url2](#))

Recommended reading:

- Levinson, Marc. 2008. Freight pain. *Foreign Affairs*, 87(6), 133-140. ([url1](#)) ([url2](#))
- Hanson, Gordon. 2012. "The Rise of the Middle Kingdoms: Emerging Economies in Global Trade." *Journal of Economic Perspectives* 26(2): 41-64. ([url](#))

#### **Tue, Sep 6. Lecture 3 – Microeconomic Tools for Trade Analysis**

Required reading/listening:

- Amos, Deborah. 2010. *From NAFTA to Narcotics*. America Abroad Media. Broadcast audio. October 1. ([audio](#))
- Acemoglu, Laibson & List, *Economics*, Chapter 8 - Trade pp. 171-178 (available on *Blackboard*)
- KOM Chapter 3, pp. 24-29.

#### **Thu, Sep 8. Lecture 4 – Ricardian Model I**

Required reading:

- KOM Chapter 3, pp. 29-36
- Irwin, *Free Trade Under Fire*, Chapter 2 (Comparative advantage), pp. 31-50.

Recommended reading:

- Krugman, Paul. 1998. "Ricardo's Difficult Idea: Why Intellectuals Don't Understand Comparative Advantage." In *The Economics and Politics of International Trade*, edited by G. Cook. Routledge. ([url1](#))([url2](#))

#### **Tue, Sep 13. Lecture 5 – Ricardian Model II**

***Debate 1: How does IT outsourcing impact US and India?***

- Irons, John and Tyler Cowen. 2004. "The Rise of Outsourcing." *Wall Street Journal, Blog*, November 9. ([url](#))
- Amiti, Mary and Shang-Jin Wei. 2004. "Demystifying Outsourcing." *Finance and Development*, December, p.36-39. ([url](#))

- Farrell, Diana. 2007. "U.S. Offshoring: Small Steps to Make It Win-Win." in *Economists' Voice*, p.43-50 ([url](#))
- Blinder, Alan S. 2006. "Outsourcing: The Next Industrial Revolution?" *Foreign Affairs*, March/April. ([url](#))
- Irwin, *Free Trade Under Fire*, Chapter 4 (Offshoring and Trade in Services), pp. 133-136.
- Economist. 2013. "Services: The next big thing." *Special Report: Outsourcing and Offshoring, Print Edition*, Jan 19. ([url](#))
- Economist. 2013. "Rise of the software machines." *Special Report: Outsourcing and Offshoring, Print Edition*, Jan 19. ([url](#))

Required reading:

- KOM Chapter 3, pp. 36-48

Recommended reading:

- Blinder, Alan S. 2007. "Free Trade's Great, but Offshoring Rattles Me." *Washington Post*, May 6. ([url](#))

### Thu, Sep 15. Lecture 6 - Specific Factors Model I

Required reading:

- KOM Chapter 4, pp. 51-63, 80-83.
- Irwin, *Free Trade Under Fire*, Chapter 4, pp. 114-133.
- F. Langfitt. 2009. "Shifting Jobs, Adapting Workers." A Three-Part Series, NPR, December. ([audio](#))

### Tue, Sep 20. Lecture 7 - Specific Factors Model II

#### **Debate 2: Does trade with China cost U.S. jobs?**

- Wolf, Martin. 2006. "We must act to share the gains with globalisation's losers." *The Financial Times*, September 6. ([url](#))
- Spence, Michael. 2011. "Globalization and Unemployment." *Foreign Affairs*, November/December. ([url1](#)) ([url2](#)).
- Katz, Richard; Robert Z. Lawrence; Michael Spence. 2011. "Manufacturing Globalization." *Foreign Affairs*, November/December. ([url1](#)) ([url2](#))
- Levy, Phil. 2016. "Did China Trade Cost the United States 2.4 Million Jobs?" *Foreign Policy*, May 3. ([url](#))
- Lincicome, Scott. 2016. "The Truth About Trade." *National Review*, April 11. ([url](#))
- Roberts, Russell. 2016. *David Autor on Trade, China and U.S. Labor Market*. EconTalk, March 14. ([Podcast](#))
- Roberts, Russell. 2016. "Symposium: David Autor on Trade." *EconTalk Extra*, March 17. ([url](#))
- Aldonas, Grant D., Robert Z. Lawrence and Matthew J. Slaughter. 2008. *Succeeding in the Global Economy: An Adjustment Assistance Program for the American Worker*. Washington DC: The Financial Services Forum. ([url](#))

Required reading:

- KOM Chapter 4, pp. 63-70.
- Irwin, *Free Trade Under Fire*, Chapter 4, pp. 146-155.

Recommended reading:

- Lawrence Edwards and Robert Z. Lawrence. 2013. *Rising Tide: Is Growth in Emerging Economies Good for the United States?* Washington DC: Peterson Institute of International Economics, Chapters 1-3. (Selected chapters available at this [url](#).)

I can't get enough! Point me to the actual [econ papers](#):

- Autor, David H., David Dorn and Gordon H. Hanson. 2013. "The China syndrome: Local labor market effects of import competition in the United States." *American Economic Review* 103(6): 2121-2168. ([url](#))
- Autor, David H., David Dorn and Gordon H. Hanson. 2016. "The China syndrome: Learning from labor market adjustment to large changes in trade." NBER Working Paper No. 21906. ([url](#))

### Thu, Sep 22. Lecture 8 - Heckscher Ohlin Model I

Required reading:

- KOM Chapter 5, pp. 84-96.
- Irwin, *Free Trade Under Fire*, Chapter 4, pp. 137-146.

## Tue, Sep 27. Lecture 9 - Heckscher Ohlin Model II

### **Debate 3: Are sweatshops good for labour in poor countries?**

- Bardhan, Pranab. 2006. "Does globalization help or hurt the world's poor? Overview – Globalization and poverty." *Scientific American*, March 26. ([url](#))
- KOM Chapter 3, pp. 38-40.
- KOM Chapter 12, pp. 299-305.
- Krugman, Paul. 1997. "In Praise of Cheap Labour." *Slate*, March 20. ([url](#))
- Kristoff, Nicholas. 2006. "In Praise of the Maligned Sweatshop." *New York Times*, June 6. ([url](#))
- Harford, Tim. 2010. "Why anti-sweatshop campaigns might just do it after all." *The Financial Times*, May 8. ([url](#))
- Irwin, *Free Trade Under Fire*, Chapter 6, pp. 222-233.
- Verhoogen, Eric. 2016. "How Labor Standards Can be Good for Growth." *Harvard Business Review*, April 27. Accessed August 13, 2016. ([url](#))

Required reading:

- KOM Chapter 5, pp. 102-111.

## Thu, Sep 29. Lecture 10 - Standard Trade Model I

Required reading:

- KOM Chapter 6, pp. 118-128.
- Who Gains from Oil Price Plunge? *Financial Times* (Blackboard)

## Tue, Oct 4. Lecture 11 - Standard Trade Model II

### **Debate 4: Does third world growth hurt first world prosperity?**

- KOM Chapter 6, pp. 129-132.
- Krugman, Paul. 2007. "Trade and inequality, revisited." *Vox*, June 15. ([url](#))
- Harrison, Ann, Avraham Ebenstein, Margaret McMillan, and Shannon Phillips. 2009. "International Trade, Offshoring and US Wages." *Vox*, August 31. ([url](#)) (*full paper below*)
- Reinhardt, Uwe E. 2011. "How Convincing is the Case for Free Trade?" *New York Times Economix Blog*, February 18. ([url](#))
- Tankersley, Jim. 2015. "Robots are hurting middle class workers, and education won't solve the problem, Larry Summers says." *Washington Post Wonkblog*, March 3. ([url1](#)) ([url2](#))
- Bessen, James. 2016. "Computers Don't Kill Jobs but Do Increase Inequality." *Harvard Business Review*, March 24. ([url](#))
- Milanovic, Branko. 2016. "5 Powerful Forces Driving Inequality." *Bloomberg View*, May 10. ([url](#))
- Milanovic, Branko. 2016. "Why the Global 1% and the Asian Middle Class Have Gained the Most from Globalization." *Harvard Business Review*, May 13. ([url](#))

Recommended reading:

- Golub, S. 1998. "Does Trade with Low-Wage Countries Hurt American Workers?" *Business Review*, Federal Reserve Bank of Philadelphia, March/April, pp. 3-15. ([url](#))
- Lawrence, Robert Z. and Lawrence Edwards. 2012. "Shattering the myths about US trade policy." *Harvard Business Review*, March. ([url](#))
- Edwards, Lawrence and Robert Z. Lawrence. 2013. *Rising Tide: Is Growth in Emerging Economies Good for the United States?* Washington DC: Peterson Institute of International Economics, Chapters 4-6, 8, 9. (Selected chapters available at [url](#).)
- Milanovic, Branko. 2016. "Free trade and war: a review of Avner Offer's 'The First World War: An Agrarian Interpretation'." *Global Inequality Blog*, February 28. ([url](#))
- Phillips, Matt. 2016. "The Hidden Economics Behind the Rise of Donald Trump." *Quartz Q&A*, March 1. [url](#)
- Roberts, Russell. 2014. *David Autor on the Future of Work Polanyi's Paradox*. EconTalk. Podcast, October 6. ([Podcast](#))
- Steinbaum, Marshall. 2016. "Should the Middle Class Fear the World's Poor?" *Boston Review*, May 11. ([url](#))

I can't get enough! Give me the actual [econ papers](#):

- Acemoglu, Daron and David Autor. 2012. "What does human capital do? A review of Goldin and Katz's *The Race Between Education and Technology*." *Journal of Economic Literature*, 50(2): 426-463. ([url](#))
- Ebenstein, Avaraham, Ann Harrison, Margaret McMillan, and Shannon Phillips. 2014. "Estimating the impact of trade and offshoring on American workers using the Current Population Surveys." *The Review of Economics and Statistics* 96(4):

581-595.

- Freeman, Richard. 1995. "Are Your Wages Set in Beijing?" *Journal of Economic Perspectives* 9(3): 15-33. ([url](#))

#### Thu, Oct 6. Exam 1 Review

#### Tue, Oct 11. Fall Break - No class

#### Thu, Oct 13. EXAM 1

### Part II – New Trade Theories

#### Tue, Oct 18. Lecture 12 - Increasing Returns I (External Economies of Scale & Economic Geography)

Required reading:

- KOM Chapter 7, pp. 145-161.

Recommended reading:

- World Bank. 2008. *World Development Report 2009*. Washington DC: World Bank. ([url](#)) (esp relevant: Chapter 4)

#### Thu, Oct 20. Lecture 13 – Increasing Returns II (Internal Econ - Monopolistic Comp & Export Decisions)

##### ***Debate 5: NAFTA and Monopolistic Competition (Canada-US auto, US-MEX – intra-industry trade, wages)***

- Amos, Deborah. 2009. *Mexico Looks to U.S. to Fuel Economic Recovery*. NPR News. Audio. October 24. ([audio](#))
- Castañeda, Jorge G. 1993. "Can NAFTA Change Mexico?" *Foreign Affairs*, September/October. ([url1](#)) ([url2](#))
- Castañeda, Jorge G. 2014. "NAFTA's Mixed Record." *Foreign Affairs*, January/February. ([url1](#)) ([url2](#))
- Economist. 2014. "Factory North America." *Free Exchange Blog*. Video, January 2. ([video](#))
- Hufbauer, Gary Clyde, Cathleen Cimino and Tyler Moran. 2014. "NAFTA at 20: Misleading Charges and Positive Achievements." *Peterson Institute for International Economics Policy Brief No. PB14-13*. ([url](#))
- McBride, James and Mohammed Aly Sergie. 2016. *NAFTA's Economic Impact*. Council on Foreign Relations Background, updated July 26. ([url](#))
- Postrel, Virginia. 2005. "What happened when two countries liberalized trade? Pain, then gain." *New York Times*, Jan 27. ([url](#)) ([link](#) to paper referenced Trefler 2004 *AER* – not required reading)

Required reading:

- KOM, Chapter 8, pp. 164-188.

Recommended reading:

- Krugman, Paul. 1993. "The Uncomfortable Truth about NAFTA: It's Foreign Policy, Stupid." *Foreign Affairs*, November/December. ([url1](#)) ([url2](#))
- Orme Jr., William A. 1993. "NAFTA: Myths versus Facts." *Foreign Affairs*, November/December. ([url1](#)) ([url2](#))
- Balze, Felipe A.m. De La. 2001. "Finding Allies in the Back Yard: NAFTA and the Southern Cone." *Foreign Affairs*, July/August. ([url1](#)) ([url2](#))
- Mosettig, Michael D. 2012. "Obama and Mexico's Peña Nieto." *PBS The Rundown Blog*, November 26. ([url](#))

I can't get enough! Give me the actual econ papers:

- Melitz, Marc and Daniel Trefler. 2012. "Gains from Trade when Firms Matter?" *Journal of Economic Perspectives* 26(2): 91-118. ([url](#))

#### Tue, Oct 25. Lecture 14 – Multinationals, FDI & Outsourcing

Required reading:

- KOM, Chapter 8, pp. 190-200.



- Spencer, Jane and Nicholas Casey. 2007. "Toy Recall Shows Challenge China Poses to Partners." *Wall Street Journal*, August 3. ([url](#))
- Economist. 2013. "Staying put." *Special Report: Outsourcing and Offshoring, Print Edition*, Jan 19. ([url](#))
- \_\_\_\_\_. 2013. "Reshoring manufacturing: Coming home." *Special Report: Outsourcing and Offshoring, Print Ed*, Jan 19. ([url](#))
- \_\_\_\_\_. 2014. "Offshoring: Innocence abroad." *Free Exchange*, March 6. ([url](#))
- \_\_\_\_\_. 2014. "In with the New." *Special Report: Poland, Print Edition*, June 28. ([url](#))

Recommended reading:

- Katz, Lawrence & Spence, "Manufacturing Globalization: The Real Sources of U.S. Inequality and Unemployment." *Foreign Affairs*, Nov/Dec 2011 [url](#)
- Spence, Michael. "Globalization and Unemployment." *Foreign Affairs*. July/August 2011. Accessed June 16, 2016.
- Economist. 2010. "Corporate Law: Offshoring your lawyer." *Print Edition*, Dec 16. [url](#)
- Economist. 2013. "Offshoring: Welcome home." *Leaders, Print Edition*, Jan 19. ([url](#))
- Economist. 2013. *Special Report: Outsourcing and Offshoring – Here, There and Everywhere*. Print Ed. Jan 17. ([url](#)) ([Soundcloud](#))

### Thu, Oct 27. Lecture 15 – Migration I

Required reading:

- Feenstra & Taylor Chapter 5, pp. 123-144, 151-154
- Jiang, Jess. 2015. *Episode 654: When the Boats Arrive*. NPR Planet Money. Podcast audio. September 30. ([audio](#))
- Preston, Ian. 2014. "The effect of immigration on public finances." *Vox*, November 5. ([url](#))
- Sparshott, Jeffrey. 2015. "Does immigration suppress wages? It's not so simple." *Wall Street Journal*, June 1. ([url](#))

Recommended reading:

- Borjas, George. 2013. "Immigration and the American Worker: A Review of the Academic Literature." *Center for Immigration Studies*, April. ([url](#))
- D'Amuri, Francesco and Giovanni Peri. 2010. "Immigration and productive tasks: Can immigrant workers benefit native workers?" *Vox*, October 31. ([url](#))
- Peri, Giovanni, Kevin Shih and Chad Sparber. 2014. "How highly educated immigrants raise native wages." *Vox*, May 29. ([url](#)) ([link](#) to the actual NBER working paper no. 20093, and non-technical [summary](#) in October 2014 NBER digest)

I can't get enough! Give me the actual econ papers:

- Mayda, Anna Maria. 2006. "Who is against immigration? A cross-country investigation of individual attitudes towards immigrants." *Review of Economics and Statistics* 88(3): 510-530. ([url](#))

### Tue, Nov 1. Lecture 16 – Migration II

**Debate 6: Should we globalize labour? – The case for restrictions**

- deParle, Jason. 2007. "Should We Globalize Labor Too?" *New York Times Magazine*, June 10. ([url](#))
- NYU Development Research Institute. 2016. *The Economic Case for Migration Restrictions*. Interview with Michael Clemens of CGD. Success Project Podcast. January 25. ([audio](#))
- Ratha, Dilip, Supriyo De, Ervin Dervisevic, Sonia Plaza, Kirsten Schuettler, William Shaw, Hanspeter Wyss, Soonhwa Yi, and Seyed Reza Yousefi. 2013. "Migration and Remittances: Recent Developments and Outlook." *World Bank Migration and Development Brief*, April 13. ([url](#))
- Hussein, Zahid. 2014. "Can International Remittances be Unproductive in Recipient Countries? Not Really!" *World Bank End Poverty in South Asia Blog*, February 16. ([url](#))
- \_\_\_\_\_. 2014. "The Bangladesh Remittance Story Reaffirmed." *World Bank End Poverty in South Asia Blog*, Aug 7. ([url](#))
- \_\_\_\_\_. 2014. "The Remittance Multiplier in Action." *World Bank End Poverty in South Asia Blog*, September 17. ([url](#))
- Kruse, Aurelien. 2015. "Why low oil prices are also bad news for the poor in Central Asia." *World Bank's Eurasian Perspectives Blog*, November 18. ([url](#))
- Collin, Matt and Matt Judd. 2016. "Brexit: Bad News for Remittances." *Center for Global Development, View from the Center Blog*, July 5. ([url](#))

Required reading:

- Feenstra & Taylor Chapter 5, pp. 154-159.

- Ribica, Selma. 2015. "Cutting the Costs of Remittances." *The CGAP Blog*, July 7. ([url](#))

Recommended reading:

- Economist. 2016. "Migrant workers in the UAE: Wages of chagrin." *Print edition*, April 9. ([url](#))
- Ratha, Dilip. 2009. "Dollars Without Borders." *Foreign Affairs*, October 16. Accessed August 13, 2016. ([url](#))

### **Part III – Trade Policy and Institutions**

#### **Thu, Nov 3. Lecture 17 – Instruments of Trade Policies – Tariffs**

Required reading:

- KOM Chapter 9, pp. 206-225.
- Irwin, *Free Trade Under Fire*, Chapter 3, pp. 77-99.
- Weisman, Jonathon. 2009. "U.S. to Impose Tariffs on Chinese Tires." *Wall Street Journal*, September 13. ([pdf](#))

#### **Tue, Nov 8. Lecture 18 – Instruments of Trade Policies – Antidumping and Non-Trade Barriers**

Required reading:

- KOM Chapter 9, pp. 225-228.
- Irwin, *Free Trade Under Fire*, Chapter 5, pp. 164-188.
- Mankiw and Swagel. 2005. "Anti-Dumping: The Third Rail of Trade Policy." *Foreign Affairs WTO Special Edition*. ([url](#))
- Economist. 2002. "Just say no: Why protecting American steel is such a bad idea." *Print Edition*, Feb 28. ([pdf](#))

Recommended reading:

- Bown & Crowley, "Today's Trade Policy and Trade Research." *VoxEU*, June 5, 2016. ([url](#))
- Conconi, Paola, Manuel García Santana, Laura Puccio, and Roberto Venturini, "The perverse effects of preferential rules of origins." *VoxEU*, 16 March, 2016. ([url](#))

#### **Thu, Nov 10. Lecture 19 – Political Economy of Trade Policy**

##### ***Debate 7: Should trade policy be used for domestic redistribution?***

- KOM Chapter 10, pp. 236-251.
- Irwin, *Free Trade Under Fire*, Chapter 3 (p.99-) Politics of protection
- Postrel, Virginia. 2005. "What happened when two countries liberalized trade? Pain, then gain." *New York Times*, Jan 27. ([url](#)) ([link](#) to paper referenced Trefler 2004 AER)
- WBUR. 2009. *Global Trade Realities*. On Point with Tom Ashbrook. Podcast, September 24. ([podcast](#))

Recommended reading:

- Mankiw, Gregory & Swagel. 2006. "The politics and economics of outsourcing." [url](#) (referencing 2004 elections)
- Hughes, Neil. 2005. "A Trade War with China?" *Foreign Affairs* 84(4): 94-106. ([url1](#)) ([url2](#))

#### **Tue, Nov 15. Lecture 20 – GATT, WTO & Dispute Settlement Mechanism**

Required reading:

- KOM Chapter 10, pp. 252-263.
- Irwin, *Free Trade Under Fire*, Chapter 7, pp. 239-269.
- Joffe-Walt, Channa. 2010. "The Friday Podcast: The Cotton Wars." *NPR Planet Money*, October 29. ([podcast](#))
- Sutherland, Peter D. 2008. "Transforming Nations." *Foreign Affairs*, March 2. Accessed June 16, 2016. ([url](#))

Recommended reading:

- Bown, Chad P. 2009. "US-China Trade Conflicts and the Future of the WTO." *Fletcher Forum of World Affairs*, 33: 27. ([url](#))
- China's Role in the UN: Past Present and Future ([url](#))
- Chan, Sewell. 2010. "U.S. and Brazil Reach Agreement on Cotton Dispute." *New York Times*, April 6. ([url](#))

### Thu, Nov 17. Lecture 21 – Regional Trade Agreements

#### **Debate 8: Is TPP good for the US and its signatories?**

- Baldwin, Richard. 2016. "The World Trade Organization and the Future of Multilateralism." *Journal of Economic Perspectives* 30(1): 95-116. ([url](#))
- Economist. 2014. "Free trade agreements: A better way to arbitrate." *Print Edition*, October 11. ([url](#)) ([pdf](#))
- Liao, Rebecca. 2015. "Fair trade: The TPP's promises and pitfalls." *Foreign Affairs*, December 3, 2015. [url](#)
- Petri, Peter and Michael G. Plummer. 2012. *The Trans-Pacific Partnership and Asia-Pacific Integration: Policy Implications*. Policy Brief No. PB 12-16, June. Washington DC: Peterson Institute for International Economics.

#### Required reading:

- KOM Chapter 10, 263-268.
- Irwin, *Free Trade Under Fire*, Chapter 7 (Regional Trade Agreements), p.281-294.

#### Recommended reading:

- Petri & Plummer, "Economics of the Trans-Pacific Partnership." *VoxEU*, 30 April, 2016. [url](#)
- Poland - EU's headache - Economist 12 Jan 2016 [url](#)

### Tue, Nov 22. Lecture 22 – Trade and Environment

#### Required reading:

- KOM Chapter 12, pp. 305-310.
- Irwin, *Free Trade Under Fire*, Chapter 2, pp. 63-74; Chapter 7 (Environmental Regulations and WTO Rules), 269-281.
- Harris, Jonathon M. 2004. "Trade and the Environment." Global Development and Environment Institute, Tufts University.
- Economist. 2015. "The best is the enemy of the green." *Print Edition*, Dec 5. ([url](#))
- Economist. 2013. "Air trade: Can trade restrictions be justified on environmental grounds?" *Print Edition*, Feb 23. ([pdf](#))
- WTO. *An introduction to trade and environment in the WTO*. Accessed Aug 16, 2016. ([url](#))

#### Recommended reading:

- Frankel, Jeffrey. 2009. *Environmental Effects of International Trade*. Expert Report No. 31 to Sweden's Globalisation Council. pp. 6-21, 31-49.
- Cosbey, Aaron. 2016. "The Trade Implications of the Paris COP21 Agreement." International Trade Working Paper 2016/17. Commonwealth Secretariat, London. ([url](#))

### Thu, Nov 24. THANKSGIVING - No Class

### Tue, Nov 29. Lecture 23 - Strategic Trade Policy

#### Required reading:

- KOM Chapter 12, pp. 290-298.
- Schneider, Patrick. 2012. *Discussion Summary – The U.S. International Trade Commission's High-technology Trade Roundtable*. ([pdf](#))

#### Recommended reading:

- TU, Xinquan and Guijun Lin. "The revival of industrial policy: How should the WTO address it?" Paper presented at the Trade and Development Symposium: Perspectives on the Multilateral Trading System.

### Thu, Dec 1. Lecture 24 - Trade & Development

#### **Debate 9: Should developing countries liberalize trade?**

- Rodrik, Dani. 2001. *The Global Governance of Trade as if Development Really Mattered*. New York: United Nations Development Program.
- Panagariya, Arvind. 2005. "The Protection Racket." *Foreign Policy* 150: 94-95. ([url1](#))([url2](#))

- Economist. 2009. "The export trap: Asia's failing export-led growth model." March 25. ([url](#))
- Elliott, Kimberly Ann. 2015. "Taking the Lead on Trade and Development." In *The White House and the World: Practical Proposals on Global Development for the Next US President*. Washington DC: Center for Global Development. ([url](#)) (book [url](#))
- Haddad, Mona and Ben Shepherd. 2011. "Export-led growth: still a viable strategy after the crisis?" *Vox*, April 12. ([url](#))
- Jackson, Selina. 2015. "Growth and development: Why openness to trade is necessary but not sufficient." Brookings Institution Future Development Blog, November 23. ([url](#))
- Milanovic, Branko. 2011. "More or Less." *Finance and Development*, 48(3). ([url](#))
- UNCTAD Press Release 2013. *Export-led development is no longer viable, UNCTAD says – economies will perform better with more balanced strategies*. Geneva, September 11. ([url](#))
- Porter, Eduardo. 2014. "A Global Boom, but Only for Some." *New York Times*, March 18. ([url](#))

Required reading:

- KOM Chapter 11
- Irwin, *Free Trade Under Fire*, Chapter 6
- Economist. 2015. "Making towels in India: Dry run." *Print Edition*, July 9. ([url](#))

Recommended reading:

- Rodrik, Dani and Mark Rosenzweig. 2010. "Development Policy and Development Economics: An Introduction." In *Handbook of Development Economics Volume 5*, edited by Dani Rodrik and Mark Rosenzweig. Elsevier. Pages xvi-xxii. ([url](#))
- Economist. 2004. "Global economic inequality: More or less equal?" *Print Edition*, March 11. ([url](#))
- Lemos, Ronaldo. 2011. "Why Foxconn's iPad Deal Is Wrong for Brazil." *Foreign Affairs*, October 28. Accessed June 16, 2016. [url](#)
- Goldberg, Pinelopi Koujian and Nina Pavcnik. 2007. "Distributional Effects of Globalization in Developing Countries." *Journal of Economic Literature* 45(1): 39-82. ([url](#))
- Loungani, Prakash. 2016. "People in Economics: Rebel with a Cause." *Finance and Development*, June. ([url](#))
- Porter, Eduardo. 2014. "Q. and A.: A Development Expert on Narrowing Inequality." *New York Times*, March 18. ([url](#))

## Tue, Dec 6. Lecture 25 - US Trade Policy and Rise of the Rest

Required reading:

- McBride, James. 2015. *The Future of U.S. Trade Policy*. Council on Foreign Relations Backgrounder, updated Oct 5. ([url](#))
- Katz, Richard. 2013. "Mutual assured production: Why trade will limit conflict between China and Japan." *Foreign Affairs* 92(4): 18-24. [url](#)
- Khanna, Parag. 2016. "The New Arms Race: Connectivity and Competition." *Foreign Affairs*, February 15. ([url](#))
- Wallerstein, Mitchel B. 2009. "Losing Controls." *Foreign Affairs* 88(6): 11-18. ([url1](#)) ([url2](#))

Recommended reading:

- Brautigam, Deborah. 2010. "Africa's Eastern Promise." *Foreign Affairs*, January 5. ([url](#))
- Burke, Alison, Alexandria Icenhower and Delaney Parrish. 2014. "The evolution of foreign aid research: measuring the strengths and witnesses of donors." Brookings Now Blog, July 11. ([url](#))
- Burns, Nicholas. 2007. "America's Strategic Opportunity with India." *Foreign Affairs* 86(6): 131-146. ([url1](#)) ([url2](#))
- Burns, Nicholas. 2014. "Passage to India." *Foreign Affairs* 93(5): 132-141. ([url1](#)) ([url2](#))
- China's Role in the UN: Past Present and Future ([url](#))
- Fukuyama, Francis. 2007. "A Quiet Revolution." *Foreign Affairs* 86(6): 177-182. ([url1](#)) ([url2](#))
- Hochberg, Fred P. 2016. "Protecting America's Competitive Advantage." *Foreign Affairs* 94(3): 59-65. ([url1](#)) ([url2](#))
- Krugman, Paul. "Competitiveness: A Dangerous Obsession." *Foreign Affairs* 73(2): 28-44. ([url1](#)) ([url2](#))

## Thu, Dec 8. Wrap Up & Exam 2 Review

## Tue, Dec 13. EXAM 2