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School of Diplomacy and International
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Fall 2022

DIPL 4555 AA/ AB Economic Aspects of International Affairs

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Seton Hall University

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Alam, Nabeela N. Ph.D., "DIPL 4555 AA/ AB Economic Aspects of International Affairs" (2022). *Diplomacy Syllabi*. 741.

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DIPL 4555 AA/AB
Economic Aspects of International Affairs
Fall 2022

Syllabus

Coronavirus Safety: We are still living through a pandemic, and for some vulnerable groups vaccination has not substantially decreased the risk of severe outcomes. You, your peers, professors, administrators, staff, and their family members may be among the vulnerable groups. With in-person classes, mitigation measures for containing the spread of Covid-19 are extremely important, especially because the current Omicron variants are each more contagious than the last and infection by the variants can cause breakthrough cases for even vaccinated individuals. Even if an otherwise healthy vaccinated person with no comorbidities is less at risk of serious illness, hospitalization, or death, they may spread the virus to unvaccinated, immunocompromised, or comorbid individuals on and off campus. This includes spreading to children, the majority of whom are not vaccinated. As covid-19 is airborne, you must be especially cognizant of closed spaces with little social distancing, even if the ventilation rate is adequately high and upgraded filters are in place. As such students must:

- Mask properly in class. As per Seton Hall policy, students must comply with this faculty requirement.
- Maintain social distancing to the extent possible, and
- Not come to class if you are experiencing Covid-19 symptoms or have tested positive.

Updates can be found here: <https://www.shu.edu/health-services/covid-19-information.cfm>

INSTRUCTOR AND CLASSROOM INFORMATION

Instructor: Professor Nabeela N. Alam

Email: nabeela.alam@shu.edu Please put DIPL 4555 AA or DIPL 4555 AB in the subject line.

Student (office) hours: M-T-Th 2:30-3:30pm and by appointment. All student meetings will take place via **Zoom**.

Class times and location:

Section AA: MW 9:30 am – 10:45 am, Muscarelle (previously Stafford) 207

Section AB: MW 11:00 am – 12:15 pm, Muscarelle (previously Stafford) 207

COURSE DESCRIPTION

How does the Russia-Ukraine war impact countries who are trade dependent on them? Who benefited from the US-China trade war? Will Brexit bring prosperity to the UK? What role does trade and investment play in ending the Covid-19 pandemic? These issues in international economics directly impact international relations through (perceived) impact on jobs, wages, the environment and subsequent negotiations on labour, health, and environmental standards for trade. Producing effective policy requires understanding the underlying processes driving social and economic decisions, such as the decision for a person to migrate or for a firm to offshore, and the impact of such decisions. Economists use frameworks that they test against real world data to understand the drivers of these decisions which then helps predict the impact of trade related policies. Since policies always have winners and losers, both within a country and across countries, we will also use a political economy lens to understand how trade policies can create conflict in international relations and how international institutions such as the World Trade Organization try to foster cooperation in the absence of a global enforcement mechanism. Throughout the course, we will use recent international issues to learn some key economic principles and apply them to ongoing policy debates such as those mentioned above.

Prerequisites: ECON 1402 Principles of Microeconomics.

The course is geared towards upper-level undergraduates who have completed ECON 1402 and builds on the microeconomic tools you learnt there.

COURSE OBJECTIVES

The course cultivates the use of analytical and critical-thinking tools to study the economic underpinnings of international relations. These tools will help you in your everyday capacity as a citizen and in your professional endeavours. You will apply these tools through in-class discussions and written work. Quizzes and exams are designed to test your understanding of the frameworks through problem-solving and application to scenarios not necessarily discussed in class.

By the end of the course, student should be able to:

1. Have a good grasp of the analytical tools to critically read, analyze, and discuss economic underpinnings of 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 alternative facts, distinguish between real and alt-experts.
2. Understand the usefulness of frameworks and assumptions in economic analyses; be able to discuss the practical relevance of models, and evaluate which models and assumptions are applicable to a given real world phenomenon.
3. Incorporate data synthetically with other evidence and frameworks in supporting or refuting arguments.
4. Use all three objectives above to deliver policy recommendations based on critical analysis and evidence.

Numeracy Proficiency

This course has a required numeracy proficiency component, so you are expected to gain and demonstrate proficiency with numbers, measures, numerical calculations, graphical interpretations, and in synthesizing quantitative information accurately. You will do so during guided class discussions where you must back up your arguments with frameworks used in class and evidence presented in readings. The graded work is designed to evaluate your critical thinking and numerical (quantitative) skills, and the ability to synthesize appropriate arguments and evidence to reach a conclusion or policy recommendation.

REQUIRED MATERIAL

There is one required textbook and recommended textbook for the course:

Required: Douglas Irwin. *Free Trade Under Fire, 5th Edition*. Princeton University Press, 2020. ([link](#))

Recommended: James Gerber. *International Economics, 6th Edition*. Pearson, 2014. ([link](#))

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 different editions than above, you are responsible for differences in page numbers in assigned readings.

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, (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:

- Quizzes (Best 5 out of ...?) 20%
- Policy debate analyses 20%
 - Discussion leader (10%)
 - Debate summary (10%)
- Two 75-minute exams with take-home component 60%
 - Lower scoring exam (25%)
 - Higher scoring exam (35%)

COURSE REQUIREMENTS AND EVALUATION CRITERIA

Class participation and preparation – not graded but expected

Class participation includes but is not limited to asking relevant questions, answering questions *meaningfully*, completing tasks such as groupwork or polls given in class, completing the homework tasks for the following class, demonstrating thoughtful responses to assigned materials, and referring *meaningfully* to real world examples relevant to discussions. The **quality** of your discussions is important. Your contributions should be well articulated (concise, clear, civil), logically consistent, use relevant evidence, connect to the course material and stay on point. If you participate regularly in class, I will round up your grade if it is just short of the next grade.

Preparation involves **completing and processing the assigned materials** *before* coming to class or student hours. The substantial reading load is designed to provide 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 materials 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 participation and contribution to discussions in class.

Quizzes (20%)

Short reading and analytical problem-solving *quizzes* will be administered online through Blackboard, and I will let you know at least 3 days in advance. They are open book and notes but you will have 20 minutes to answer once you open the quiz. I will count the best five out of 7 or more quizzes.

Policy Debates (20%)

Where noted in the Course Schedule, discussions will be in the form of policy debates that the class will tackle in small breakout groups of 3 or 4 and then all together. You may wish to form your own group for the semester and sit in class accordingly on the days of the policy debates. A dedicated study group can help you learn more effectively. I will provide discussion questions for the policy debates on Blackboard. There are two grading components for the policy debate:

- Each student will be a discussion leader in ONE **policy debate**, which counts for 10% of the total grade.
- Each student will also submit via Google Docs ONE **written summary** (worth 10%) of a listed debate or case that already took place in the half of the semester s/h/ze did not lead a discussion. The summary will be available to the whole class as a study guide and due at the end of the week that the debate occurred. I will list the names and dates after the first week of class.

Exams

There are two in class exams on and on during regular class time on:

- **Monday, October 17 – Exam 1**
- **Monday, December 12 – Exam 2**

The exams are non-cumulative, but keep in mind that the concepts covered in class build incrementally on previous material. There are two components of each exam:

- **Take-home:** You will write a 500-word memo (strict word limit!) that outlines one of the policy debate questions and synthesizes the evidence from the readings and frameworks in class. Caveat: You cannot choose the policy debate where you were a discussion leader or for which you wrote a summary.
- **In-class written exam:** Exams will be a combination of true/false, multiple choice, 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 materials – i.e., everything unless explicitly told otherwise in class.

The lower scoring exam will carry a weight of 25%, and the higher scoring exam will carry a weight of 35%. 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 via Zoom.

Citation Format: As per the School of Diplomacy policy, all written work in all your Diplomacy courses must include proper citations and references using one of the Chicago Manual of Style citation formats: Author-Date or Notes and Bibliography. The guidelines for these formats are also available on the course Blackboard page.

COURSE POLICIES

Attendance

Attendance in all class sessions is required and I will record attendance. Note that attendance will not be rewarded with a score towards your final grade. Do not confuse the attendance requirement with class participation requirements. Note Absences can negatively impact your overall grade. Repeated instances of lateness can be treated as absences at the discretion of the instructor. Repeated instances of absences may result in a failing grade.

Late or incomplete work

If you anticipate not being able to complete an assignment (quiz or analysis) on time you should let me know in advance and I can give you an extension. Absent prior communication, late submissions will be penalized 25% of your score for every 24-hour period that the assignment is late, except in cases of medical/family emergency or Covid-19 issues.

Grade appeals

I will consider an appeal only if you discover a mistake in grading. You must wait 48 hours before appealing. Appeals must be made in writing, and within two weeks of my handing back the graded assignment. Note that re-grades will not be limited to the disputed part of the exam or assignment.

Covid-19 ground rules

As mentioned in my welcome email to the class, we are going through a pandemic and I understand there are many sources of worry and uncertainty. So, if you tell me **in advance** that you need more time to complete an assignment, need extra help, or you have to miss class, I will work with you. You don't have to tell me why you need an extension, and I am not going to ask for personal information. I can also point you to different resources on campus if you need help outside of academics.

ACADEMIC RESOURCES

Academic Resource Center

<https://www13.shu.edu/offices/arc/index.cfm>
Phone: (973) 761-9108; Email: arc@shu.edu
Location: Arts & Sciences Hall Rm. 242

Online Writing Lab (OWL)

<https://academic.shu.edu/owl/front.htm>
Email: owl@shu.edu

Writing Center <https://www.shu.edu/writing-center/index.cfm>

Phone: (973) 761-7501
Location: Walsh Library, 3rd floor
Sign up for appointment using Compass

SCHOOL OF DIPLOMACY POLICIES

Disability Services Statement. 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.

Academic Integrity & Dishonesty. 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: https://www.shu.edu/student-life/upload/Student_Code_of_Conduct.pdf and <http://www.shu.edu/academics/diplomacy/academic-conduct.cfm>

Incompletes. Incompletes 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 “F” (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.

CAMPUS RESOURCES

CAPS As part of our commitment to the health and well-being of all students, Seton Hall University’s Counseling and Psychological Services (CAPS) offers initial assessments, counseling, crisis intervention, consultation, and referral services to the SHU community. The CAPS office is located on the second floor of Mooney Hall, room 27. Appointments can be made in-person or by calling 973-761-9500 during regular business hours, Monday-Friday, 8:45 a.m. - 4:45 p.m. In case of a psychological emergency, call CAPS (973-761-9500) at any time to speak to a crisis counselor. For more information, please visit: <https://www.shu.edu/counseling-psychologicalservices/index.cfm>

COURSE SCHEDULE* (subject to change)

* Note: both readings and schedule are subject to change, not least depending on how current issues evolve.

Part I – Old Trade Theories and Their Policy Applications

Mon, Aug 29. Session 1 – Introduction and Class Logistics

Required material:

- Irwin, *Free Trade Under Fire*. Chapter 1, pp. 11-17. (on *Blackboard*)
- Bown, Chad and Soumya Keyenes. 2022. “How Putin’s war could disrupt global food supplies.” *Trade Talks podcast episode 136*. March 15. ([url](#))
- Bown, Chad and Soumya Keyenes. 2020. “Vaccine economics, and why we need trade to end the pandemic.” *Trade Talks podcast episode 136*. August 13. ([url](#))

The Trade Talks podcast is a great resource for other topics you may be interested in. You can also listen to it on Google Podcasts, Spotify, iTunes, or Stitcher on your smart devices, or at <https://www.tradetalkspodcast.com/>.

Time-saving tip: I usually listen at 1.25x the normal speed to hurry things along!

Recommended material:

- Gerber, Chapter 1, pp. 2-16; Chapter 2, pp. 17-23, 28-32.

Wed, Aug 31. Session 2 – “Global Economic Integration: What’s New and What’s Not?”

Required material:

- Irwin, *Free Trade Under Fire*. Chapter 1, pp. 17-34. (on *Blackboard*)
- Bernanke, Ben. 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. ([url](#)) ([url](#))
- Bown, Chad and Thomas J. Bollyky. 2021. “How Covid-19 vaccine supply chains emerged in the midst of a pandemic.” *The World Economy*. ([url](#)) **Read sections 1-3 and look at relevant charts in the appendix**

Recommended material:

- Bradsher, Keith. 2013. “Hauling New Treasure Along the Silk Road.” *New York Times*, July 20. ([url](#)) (**Skim**)
- Gerber, Chapter 13, pp. 300-307. *The United States in the World Economy*.

Mon, Sep 5. LABOUR DAY – No class.

Wed, Sep 7. Session 3 – Gravity Model and Patterns of Trade

POLICY DEBATE 1: Can Great Britain successfully replace the EU with other trading partners after Brexit?

Framework: Applying the Gravity Model to the question of Brexit

SKILL ALERT: Evaluating the validity of information – source and methods integrity

- Deciding on valid sources of information: expert vs non-expert opinions
- Conflicting information between two expert sources: which expert source do you believe?

Required material:

- Economist. 2014. “Economic integration and the ‘four freedoms’: Why the free movement of labour is essential to Europe’s economic project.” *Free Exchange blog*, December 10. ([url](#)) ([url](#))
- Sampson, Thomas, Swati Dhingra, Gianmarco Ottaviano, and John Van Reenan. 2016. “The ‘Britain Alone’ scenario: How economists for Brexit defy the laws of gravity.” *LSE Blog*, June 2. ([url](#))
- Bown, Chad and Soumya Keyenes. 2021. “Global Britain: How’s that going then?” *Trade Talks podcast episode 154*, June 17. ([url](#))

Recommended material:

- Fenton, Siobhan. 2017. “The Irish border is the canary in the Brexit coalmine.” *Prospect*, July 31. (*url*)

Mon, Sep 12. Session 4 – Microeconomic Tools for Trade Analysis

Required material:

- Acemoglu, Laibson & List, *Economics*, Chapter 8 - Trade pp. 171-178 (on *Blackboard*)
- Girante, Joana. 2017. *Indifference Curves*. Marginal Revolution University, Principles of Economics: Microeconomics. (*video 8:27*)
- Tyler Cowen. 2015. *The Big Ideas of Trade*. Marginal Revolution University, Principles of Economics: Microeconomics. (*video 8:01*)

Wed, Sep 14. Session 5 – Comparative Adv & Tech: Specialization & Gains from Trade in Ricardian Model

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 2 (Specialization & Trade/Comparative advantage), pp. 35-55
- Bordeaux, Dan. 2015. *Comparative Advantage*. Marginal Revolution University, Principles of Economics: Microeconomics. (*video 7:14*)
- Rampell, Catherine. 2013. “Outsource Your Way to Success.” *The New York Times Magazine*, Nov 5. (*url*) **(Skim)**

Recommended material:

- Gerber Chapter 3, pp. 40-54
- Tabarrok, Alex. 2015. *Another Look at Comparative Advantage*. Marginal Revolution University, Principles of Economics: Microeconomics. (*video 12:24*)

Mon, Sep 19. Session 6 – Comparative Advantage & Technology: Wages & Productivity in the Ricardian Model

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 2 (Productivity Gains/Additional Benefits of Trade), pp. 55-69
- Irwin, *Free Trade Under Fire*, Chapter 4 (Offshoring and Trade in Services), pp. 136-137

Recommended material:

- Gerber, Chapter 4, 81-83

Wed, Sep 21. Session 7 – Policy Implications of Ricardian Model of Specialization and Trade

POLICY DEBATE 2: Cheap labour – Is it good for low-income countries? Is it unfair competition for high-income countries?

Framework: Applying the Ricardian Model to the question of competing with cheap labour from abroad

SKILL ALERT: Synthesizing evidence from multiple sources to support or refute arguments

- How do you synthesize the theoretical results (from the framework) and empirical evidence from the big picture materials (Irwin, Bardhan) and the specific case (Banerjee) to tackle the question of cheap labor?
- What are the policy implications?

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 6, pp. 222-233. (5th ed: Chapter 6, pp. 240-251)
- Banerjee, Saxena. 2018. “Beyond Third Party Monitoring: Post-Rana Plaza Interventions.” *Economic and Political Weekly* 53(16). (*url*)
- Bardhan, Pranab. 2006. “Does globalization help or hurt the world’s poor? Overview – Globalization and poverty.” *Scientific American*, March 26. (*url*)
- Harford, Tim. 2010. “Why anti-sweatshop campaigns might just do it after all.” *The Financial Times*, May 8. (*url*)(*pdf*)

Recommended material:

- Gerber Chapter 3, pp. 54-60
- Dehesa, Guillermo de la. 2007. “Are developing countries engaging in social dumping?” *VoxEU*, May 24. ([url](#))
- Doepke, Matthias and Fabrizio Zilibotti. 2009. “Child labour: Is international activism the solution or the problem?” *VoxEU*, October 12. ([url](#))
- 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](#))

Mon, Sep 26. Session 8 – Comparative Adv & Factor Endowments: Specialization & Trade in HOV Model

Required material:

- Irwin, *Free Trade Under Fire*. Chapter 4, pp. 149-165.
- Wolf, Martin. 2006. “We must act to share the gains with globalisation’s losers.” *The Financial Times*, Sep 6. ([url](#))([url](#))

Recommended material:

- Gerber, Chapter 4, pp. 63-71, 74-75, 78-79.

Wed, Sep 28. Session 9 – Comparative Advantage & Factor Endowments: Trade, Jobs, & Wages in HOV Model

Required material:

- Irwin, *Free Trade Under Fire*. Chapter 4, pp. 119-137.
- 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](#))

Recommended material:

- Gerber, Chapter 4, pp. 85-89.
- Dabla-Norris, Era, Kalpana Kochhar, Frantisek Ricka, Nujin Suphaphiphat, and Evridiki Tsounta. 2015. “Causes and Consequences of Income Inequality: A Global Perspective.” *IMF Staff Discussion Note 15/13*. ([url](#))
- Economist, The. 2014. “Revisiting Ricardo: Why globalisation is not reducing inequality in developing countries.” *Print edition*, August 23. ([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](#))

Mon, Oct 3. Session 10 – The Short-Run Specific Factors Model

*** Will skip if we fall behind ***

Required material:

- Gerber, Chapter 4, pp. 71-73 (Specific Factors). ([Blackboard](#))

Recommended material:

- Gerber, Chapter 15, pp. 357-369.

Wed, Oct 5. Session 11 – Comparative Advantage and Trade between High-income and Low-income Countries

POLICY DEBATE 3: Does trade with China and emerging countries cost jobs and lower wages in the US?

SKILL ALERT: Synthesizing evidence from multiple sources to support or refute arguments

- Use multiple frameworks: HOV model and Ricardian model
- Use multiple sources of empirical evidence – what policies work?
- Is the answer black or white?

Required material:

NOTE: All frameworks/materials to date are useful in this debate, not just the new material below.

- Irwin, *Free Trade Under Fire*. Chapter 4, pp. 165-173
- Autor, David. 2018. "Trade and labor markets: Lessons from China's rise." *IZA World of Labor Article No. 431*. ([url](#))
- Harrison, Ann, Abraham Ebenstein, Margaret McMillan, and Shannon Phillips. 2009. "International Trade, Offshoring and US Wages." *FoxEU.org*, August 31. ([url](#))
- Solinger, Marc. 2017. "Why China is sending jobs to Africa?" *Public Radio International*, Aug. 7. ([podcast](#))(14:19 mins)

Recommended material:

- Gerber, Chapter 17, pp. 412-417, 425-435.
- 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](#))
- Krugman, Paul. 2007. "Trade and inequality, revisited." *FoxEU.org*, June 15. ([url](#))
- Steinbaum, Marshall. 2016. "Should the Middle Class Fear the World's Poor?" *Boston Review*, May 11. ([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* 90(6): 166-171. ([url1](#)) ([url2](#))
- Blinder, Alan S. 2007. "Free Trade's Great, but Offshoring Rattles Me." *Washington Post*, May 6. ([url](#))
- Farrell, Diana. 2007. "U.S. Offshoring: Small Steps to Make It Win-Win." in *Economists' Voice*, p.43-50 ([url](#))

Mon, Oct 10 and Tue, Oct 11. FALL BREAK No class.

Wed, Oct 12. Session 12 – Review of EXAM 1

Fri, Oct 14. 500-word policy debate memo due on Blackboard

Mon, Oct 17. Session 13 – EXAM 1

Part II – Beyond Comparative Advantage: New Trade Theories and Their Applications

Wed, Oct 19. Session 14 – Monopolistic Competition, Internal Economies of Scale, and Intra-Industry Trade

Required material:

- Chatzky, Andrew, James McBride, and Mohammed A. Sergie. 2020. *NAFTA and the USMCA: Weighing the Impact of North American Trade*. Council on Foreign Relations Backgrounder, last updated July 1. ([url](#)) [Read first 2 sections.]
- Swanson, Ana. 2016. "We're totally misunderstanding the difference between Mexico and China." *Wonkblog*, Washington Post, December 19. ([url](#))

Recommended material:

- Gerber, Chapter 5, pp. 92-101; Chapter 13, pp. 307-322. *The United States in the World Economy: NAFTA*.
- Krugman, Obstfeld & Melitz (10th ed), Chapter 8, pp. 164-188. (*Blackboard*)
- Postrel, Virginia. 2005. "What happened when two countries liberalized trade? Pain, then gain." *New York Times*, Jan 27. ([url](#)) ([link to Trefler 2004 AER paper referenced – AER paper not required reading](#))
- Amos, Deborah. 2010. *From NAFTA to Narcotics*. America Abroad Media. Broadcast audio, October 1. ([audio](#))
- Bown, Chad. 2018. "The five surprising things about the USMCA trade agreement." *Washington Post Monkey Cage Blog*, October 9. ([url](#))
- 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](#))

Mon, Oct 24. Session 15 – Beyond Comparative Advantage: External Economies of Scale and Trade

Recommended material:

- Gerber, Chapter 5, pp. 101-109.
- World Bank. 2008. *World Development Report 2009*. Washington DC: World Bank. ([url](#)) (esp relevant: Chapter 4)

Part III – Factors of Production Moving Across Borders

Wed, Oct 26. Session 16 – Multinationals, FDI and Offshoring (K Movement Across Borders)

Required material:

- Krugman, Obstfeld & Melitz (10th ed), Chapter 8, pp. 190-201. (*Blackboard*)
- Oldenski, Lindsay. 2015. “Reshoring by U.S. Firms: What Do the Data Say?” *Peterson Institute for International Economics Policy Brief No. PB15-14*, September. ([url](#))

Recommended material:

- Economist. 2013. “Staying put.” *Special Report: Outsourcing and Offshoring, Print Edition*, Jan 19. ([url](#))

Mon, Oct 31. Session 17 – Migration: Impact in Host Countries (L Movement Across Borders)

CASE: Mariel Boat Lift and U.S. Bracero Program

Learn about the impacts of immigration and stopping immigration from these specific cases.

Required material:

- Feenstra & Taylor Chapter 5, pp. 123-144, 151-154 (**Ok to read after class.**)
- Jiang, Jess. 2015. “Episode 654: When the Boats Arrive.” *Planet Money*. NPR. Podcast audio, Sep 30. ([15 mins](#))
- Preston, Ian. 2014. “The effect of immigration on public finances.” *VoxEU.org*, November 5. ([url](#))
- Clemens, Michael, Ethan Lewis, and Hannah Postel. 2017. “The impact of immigration barriers on native workers: Evidence from the US exclusion of Mexican braceros.” *VoxEU.org*, April 17. ([url](#))

Recommended material:

- D’Amuri, Francesco and Giovanni Peri. 2010. “Immigration and productive tasks: Can immigrant workers benefit native workers?” *VoxEU.org*, October 31. ([url](#))
- Peri, Giovanni, Kevin Shih and Chad Sparber. 2014. “How highly educated immigrants raise native wages.” *VoxEU.org*, May 29. ([url](#)) ([link to the actual NBER working paper no. 200923](#), and non-technical [summary](#) in October 2014 NBER digest)

Wed, Nov 2. Session 18 – Migration: Impact in Sending Countries

Required material:

- 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](#)) (**skim**)
- Feenstra & Taylor Chapter 5, pp. 154-159.
- 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](#))

POLICY DEBATE 4: Should we globalize labour?

Argue about the pros and cons of loosening immigration using the frameworks and evidence.

NOTE: All frameworks/materials in the last class and this one are useful in this debate, not just the materials below.

Required material:

- Clemens, Michael. 2020. "Emigration rises along with economic development. Aid agencies should face this, but not fear it." Center for Global Development, August 18. ([url](#))
- deParle, Jason. 2007. "Should We Globalize Labor Too?" *New York Times Magazine*, June 10. ([url](#))

Recommended material:

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

Part IV – Trade Policy and Global Governance Institutions

Mon, Nov 7. Session 19 – Instruments of Trade Policy: Tariffs and Quotas

Required material:

- Gerber, Chapter 6, pp. 114-133. (*Blackboard*) (**Ok to read after class.**)
- Irwin, *Free Trade Under Fire*, Chapter 2 (Gains from Trade) pp. 48-69.
- Irwin, *Free Trade Under Fire*, Chapter 3, pp. 84-103.

Recommended material:

- Carrère, Céline, Anja Grujovic, Frédéric Robert-Nicoud. 2019. "Quantifying the effects of Trump's protectionist policies." VoxEU, November 13. ([url](#))

Wed, Nov 9. Session 20 – Instruments of Trade Policy: Non-tariff barriers/Political Economy of Trade Policy

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 3 (Politics of protection/Is protection ever beneficial?) pp. 103-118.
- Bown, Chad. 2017. "Rogue 301: Trump to Dust Off Another Outdated U.S. Trade Law?" *Trade and Investment Policy Watch*, Peterson Institute of International Economics, August 3. ([url](#))
- Economist. 2002. "Just say no: Why protecting American steel is such a bad idea." *Print Edition*, Feb 28. ([url](#))

Recommended material:

- Gerber, Chapter 7, pp. 136-154.
- WBUR. 2009. *Global Trade Realities*. On Point with Tom Ashbrook. Podcast, September 24. ([youtube](#)) (45mins)

Mon, Nov 14. Session 21 – International Trade Conflicts

POLICY DEBATE 5: Who wins from trade wars?

NOTE: All frameworks/materials in the course so far are useful in this debate, not just the materials below.

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 7 (The China Trade War) pp. 288-292.
- Blanchard, Emily. 2019. "Trade wars in the global value chain era." VoxEU, June 20. ([url](#))
- Keynes, Soumya and Chad Bown. 2020. "US-China trade war: The Negotiators." *Trade Talks Podcast*, Jun 21. ([28 mins](#))
- Bown, Chad and Melina Kolb. 2021. *Trump's Trade War Timeline: An Up-to-Date Guide*. Peterson Institute of International Economics, May 17. ([url](#)) (**Skim to get an idea about the back and forth**)
- Cuñat, Alejandro and Robert Zymek. 2020. "Hidden causes and hidden effects: Bilateral trade imbalances." VoxEU, February 17. ([url](#))
- Keynes, Soumya and Chad Bown. 2020. "Coronavirus and trade restrictions." *Trade Talks Podcast*, Mar 14. ([28 mins](#))

Recommended material:

- Bown, Chad. 2020. "EU limits on medical gear exports put poor countries and Europeans at risk." *PIIE Trade Investment and Policy Watch*, March 19. ([url](#))
- Bown, Chad. 2021. "How Covid-19 Medical Supply Shortages Led to Extraordinary Trade and Industrial Policy." *Forthcoming in Asian Economic Policy Review*. ([url](#))

Wed, Nov 16. Session 22 – Political Economy of International Trade Cooperation: WTO and GATT

Required material:

- Baldwin, Richard. 2016. "The World Trade Organization and the Future of Multilateralism." *Journal of Economic Perspectives* 30(1): 95-116. ([url](#)) **Read pages 95-106.**
- Irwin, *Free Trade Under Fire*, Chapter 5.
- Irwin, *Free Trade Under Fire*, Chapter 7, pp. 257-288.

Recommended material:

- Gerber, Chapter 2, pp. 17-23 (International Institutions), 28-37.
- Bown, Chad P. 2009. "US-China Trade Conflicts and the Future of the WTO." *Fletcher Forum of World Affairs*, 33: 27. ([url](#))
- Chan, Sewell. 2010. "U.S. and Brazil Reach Agreement on Cotton Dispute." *New York Times*, April 6. ([url](#))
- Mankiw and Swagel. 2005. "Anti-Dumping: The Third Rail of Trade Policy." *Foreign Affairs WTO Special Ed.* ([url](#))

Mon, Nov 21. Session 23 – Dispute Settlement Mechanism / WTO vs Regional Trade Agreements

CASE: U.S.–Brazil Cotton Wars

Learn how the WTO's Dispute Settlement Mechanism works.

Required material:

- Joffe-Walt, Channa. 2010. "The Friday Podcast: The Cotton Wars." *NPR Planet Money*, Oct 29. ([podcast](#)) 32 mins)
- Irwin, *Free Trade Under Fire*, Chapter 7 (Regional Trade Agreements), p.303-314.
- Baldwin, Richard. 2016. "The World Trade Organization and the Future of Multilateralism." *Journal of Economic Perspectives* 30(1): 95-116. ([url](#)) **Read pages 106-114.**

Recommended material:

- Gerber, Chapter 2, pp. 23-28.
- Gerber, Chapter 14, pp. 326-355. *The European Union: Many Markets Into One* (skim quickly to get an idea of EU)
- Gerber, Chapter 15, pp. 376-377. *Regional Trade Blocs in Latin America*.
- Bollyky, Thomas J. and Anu Bradford. 2013 "Getting to Yes on Transatlantic Trade." *Foreign Affairs*, July 10. ([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](#))

Wed, Nov 23. THANKSGIVING BREAK No class!

Mon, Nov 28. Session 24 – Environmental Standards in the WTO and International Trade Agreements

POLICY DEBATE 6: Should the WTO rules include environmental standards?

Learn how the legal principles of WTO drive its dispute settlement rulings.

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 2, pp. 69-82
- Irwin, *Free Trade Under Fire*, Chapter 7 (Environmental Regulations / WTO Rules), 292-297.
- WTO. *Environmental disputes in the GATT/WTO*. Accessed Jan 25, 2021. ([link](#))

- United States — Restrictions on Imports of Tuna ([link](#))
- United States — Import Prohibition of Certain Shrimp and Shrimp Products ([link](#))
- United States — Standards for Reformulated and Conventional Gasoline ([link](#)) (also in Irwin reading)
- Harris, Jonathon M. 2004. "Trade and the Environment." Global Development and Environment Institute, Tufts University. ([link](#))
- Keynes, Soumya and Chad Bown. 2021. "Tackling climate change with a carbon border adjustment tax." *Trade Talks Podcast*, July 25. ([link](#))

Recommended material:

- Gerber, Chapter 8, pp. 156-177
- WTO. *An introduction to trade and environment in the WTO*. Accessed Aug 16, 2016. ([link](#))
- Elliott, Kimberly Ann, Eric Gravel, Michael Hobby, Pablo Lazo Grandi, Francis Maupain, Kimberly Nolan Garcia, Rafael Peels, Adriana Rossi, Jeffrey Vogt and EU Commission Staff. 2015. "Social Dimensions of Free Trade Agreements." *Studies on Growth with Equity*. ILO and International Institute for Labour Studies. ([link](#))

Wed, Nov 30. Session 25 – Health Standards (SPS) and Patents (TRIPS) in the WTO

Required material:

- Irwin, *Free Trade Under Fire*, Chapter 7 (Environmental Regulations / WTO Rules), 297-303.
- WHO. 2006. "Access to AIDS medicines stumbles on trade rules." *Bulletin of the World Health Organization* 84(5): 337-424. ([link](#))
- UNAIDS. 2012. "Getting to zero AIDS-related deaths: TRIPS and the potential impacts of free trade agreements." June 1. ([link](#))
- Keynes, Soumya and Chad Bown. 2022. "Why sharing patents for COVID-19 medicines is not enough." *Trade Talks Podcast*, June 26. ([link](#))

Materials to be added/changed closer to class date as pandemic/crisis unfolds

Recommended material:

- Athey, Susan, Michael Kremer, Christopher Snyder, and Alex Tabarrok. 2020. "In the race for a Coronavirus vaccine, we must go big. Really, really big." *The New York Times Opinion*. May 4. ([link](#))
- Kominers, Scott Duke and Alex Tabarrok. 2020. "Vaccines use bizarre stuff. We need a supply chain now." *Bloomberg Business Opinion*. August 18. ([link](#))
- Keynes, Soumya and Chad Bown. 2021. "The murky world of export restrictions for Covid-19 vaccines." *Trade Talks Podcast*, February 25. ([link](#))

Mon, Dec 5. Session 26 – Trade Policy for Developing Countries

Required material:

- Gerber, Chapter 13, pp. 322-323. *AGOA*. (Blackboard)
- Irwin, *Free Trade Under Fire*, Chapter 6
- Haddad, Mona and Ben Shepherd. 2011. "Export-led growth: still a viable strategy after the crisis?" *VoxEU.org*, April 12. ([link](#))
- OECD. 2013. "Aid for Trade: Helping developing countries trade their way out of poverty" *OECD Insights* blog, Jan 14 ([link](#))
- Rodrik, Dani. 2001. *The Global Governance of Trade as if Development Really Mattered*. New York: United Nations Development Program. *Read pages 9-21*. ([link](#))

Recommended material:

- Gerber, Chapter 15: Trade and Policy Reform in Latin America.
- Gerber, Chapter 16: Export-Oriented Growth in East Asia.
- Lawrence, Robert Z. and Terra Lawson-Remer. 2016. "Making US Trade and Investment Policies Work for Global Development." Peterson Institute of International Economics *Policy Brief 16-21*, November. ([link](#))

Wed, Dec 7. Session 27 – CONCLUDING REMARKS

Fri, Dec 9. 500-word policy debate memo due on Blackboard

Mon, Dec 12. Session 28 – EXAM 2