IS THIS COURSE THE RIGHT ONE FOR YOU?

Are you interested in whether trade liberalization is as good or as bad as it is sometimes claimed? Do you wonder if globalization is really a new phenomenon or just a new word for something that’s been going on a long time? Would you like a stronger foundation in the international economic approach to international political economy? Are you concerned about labor immigration and outsourcing? Do you wonder if global engagement hurts or helps the environment? Are you looking for an approach to these questions that is based on economic reasoning and empirical methods?

If you answer “yes” to these questions, this course is for you. In it, we apply the tools of neoclassical economics to the study of global economic integration and political economy. Our study is guided by the theories and methods economists have developed to understand why international flows of goods, services, labor, and capital occur and their effect on income levels, income inequality, and other aspects of economic wellbeing. We apply similar methods to data we collect on globalizing developing countries. Throughout the course, we remain open to ideas, to inquiry, and to empirical assessment.

COURSE DESCRIPTION

Economics 665 is a one-semester course in international trade theory and policy for master’s students, including those from Economics, International Relations, Law, and Public Administration. The course is an introduction to global economic integration and the institutions
that regulate it. Students are introduced to the tools of international economic analysis and they apply these tools to the study of the globalization experiences of one developing country.

The prerequisite for Economics 665 is completion of or concurrent enrollment in masters-level microeconomics (such as ECN 601 or PPA 723). Although the course emphasizes the logic and method of economic modeling, it is necessarily taught with a minimum of mathematics. Students are expected to be able to read and interpret graphs and tables and to solve simple algebraic problems.

Because the course focuses on both theory and application, we use a variety of approaches to teaching and learning. Technical material will be conveyed in standard lecture format. Policy issues will be examined through class discussion. Students are required to complete a series of problem sets, designed to help them master the technical skills in the course. These problem sets will be completed on-line, using software built into our Blackboard pages.

LEARNING OUTCOMES

As a consequence of successfully completing this course, students will be able to:

- Explain the sources of international comparative advantage;
- Explain the sources of gains from trade;
- Relate the sources of comparative advantage to the distributional consequences of trade;
- Describe the institutions guiding the international exchange of goods and services;
- Explain the causes and consequences of international movement of labor and capital;
- Master tools and techniques for analyzing the trade patterns and commercial policies of a country;
- Understand the foundation for economic approaches to international political economy.

COURSE REQUIREMENTS AND STUDENT ASSESSMENT

Examinations -- 50 percent of grade.

There are two examinations, each of which accounts for 25 percent of the final grade. The first midterm covers the first half of the syllabus and the second one covers the second half. All students enrolled in the class are expected to take these exams on the scheduled dates. Permission to take a make-up exam will be given only to those students who have a legitimate and documented need to be excused. Please see policies specifically related to religious observations in the section below. PLEASE NOTE THE DATE FOR THE MIDTERM AND FINAL AS NO ALTERNATE EXAM WILL BE GIVEN.
Homework Problem Sets -- 20 percent of grade.
   Eight homework assignments must be completed on-line prior to their due date.

Country Profile -- 20 percent of grade.
   Students will be graded on each phase of the project: on-time delivery of each assignment, collection of data and descriptive material, analysis, and quality of narrative. Students will be graded on their ability to synthesize the material they have collected and to make sense of it using lectures, discussions, and readings from the course. All profiles must be completed by the due date.

Class Participation -- 10 percent of grade.
   Attendance will be taken each day. A student must attend at least 13 classes to reach full participation credit. Participation is not enough for full credit, however. I will assess your contributions to general class discussion, and your participation in class discussions and debates. To be considered of high quality, your contributions must reflect knowledge of the facts, familiarity with the appropriate analytical material, and sensitivity to the discussion as a group effort.

   Please pay close attention to the class schedule. You must read the material prior to the class meeting and be able to discuss the material with the class. We cover a lot of material and students who fall behind will be greatly disadvantaged. You should also read about current events in the world economy throughout the semester.

Syllabus Academic Integrity Statement

The Syracuse University Academic Integrity Policy holds students accountable for the integrity of the work they submit. Students should be familiar with the Policy and know that it is their responsibility to learn about instructor and general academic expectations with regard to proper citation of sources in written work. The policy also governs the integrity of work submitted in exams and assignments as well as the veracity of signatures on attendance sheets and other verifications of participation in class activities. In particular for this class, when using material from any source, including the Web, students are expected to uphold the highest standards of academic integrity. Students must avoid plagiarism, defined as “the representation of another’s words, ideas, programs, formulas, opinions, or other products of work as one’s own either overtly or by failing to attribute them to their true source (SU Rules and Regulations, Section 1.0). Plagiarism can be easily avoided by careful attention to documentation of all source materials and by acknowledgment of those sources. Students found to have cheated, misrepresented or plagiarized may receive a grade of F for the assignment or the course. Students have a right to appeal. For more information and the complete policy, see http://academicintegrity.syr.edu
Syllabus Statement Regarding Disability-Related Accommodations

I am pleased to work with students who have Accommodation Authorization Letters. Students who are in need of disability-related academic accommodations must register with the Office of Disability Services (ODS), 804 University Avenue, Room 309, 315-443-4498. ODS will provide students with authorized disability-related accommodations a current Accommodation Authorization Letter, which must be provided to me. We will review and plan for appropriate accommodations prior to their use. Accommodations, such as exam administration, are not provided retroactively; therefore, it is necessary for us to plan for accommodations as early as possible. For further information, see the ODS website, [http://disabilityservices.syr.edu/](http://disabilityservices.syr.edu/).

Religious Observances Policy

SU’s religious observances policy, [http://supolicies.syr.edu/emp_ben/religious_observance.htm](http://supolicies.syr.edu/emp_ben/religious_observance.htm), recognizes the diversity of faiths represented among the campus community and protects the rights of students, faculty, and staff to observe religious holy days according to their tradition. Under the policy, students are provided an opportunity to make up any examination, study, or work requirements that may be missed due to a religious observance provided they notify their instructors before the end of the second week of classes. An online notification process is available this semester through MySlice/Student Services/Enrollment/My Religious Observances from the first day of class until the end of the second week of class.
COURSE MATERIALS

There is one text required for this course, and it is available at the SU Bookstore: John McLaren, International Trade: Economic Analysis of Globalization and Policy, John Wiley & Sons, 2013. Because this is a new text, there are unlikely to be any used copies available. Students are also required to read all supplementary readings, which are available for their exclusive academic use on our class Blackboard website. All reading listed in the class schedule is required.

SCHEDULE OF CLASSES AND REQUIRED READING

<table>
<thead>
<tr>
<th>Class</th>
<th>Topics</th>
<th>Required Readings</th>
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| Wk 1: January 15 **Introduction to Economic Globalization** | How do we define economic globalization? What is new about the current wave of globalization? How do we evaluate the effects of globalization? | 1. McLaren, Chapter 1  
| Wk 2: January 22 **Comparative advantage as a reason for trade** | Introduction to the Ricardian Model and comparative advantage; Gains from trade; opposition to globalization. | 1. McLaren, Chapter 2  
| Wk 3: January 29 **Increasing returns as a reason for trade** | How scale can drive trade; export vs. FDI as a way to serve foreign markets; monopolistic competition; firm heterogeneity | 1. McLaren, Chapter 3  
| Wk 4: February 5 | Imperfect competition as a reason for trade | Oligopoly as a source of trade; effect on profits and consumer prices, reciprocal dumping. | 1. McLaren, Chapter 4  
| Wk 5: February 12 | Specific factors and mobile factors: trade and income distribution | How does trade affect returns to productive factors? | 1. McLaren, Chapter 5  
2. McLaren, Chapter 6 |
| Wk 7: February 26 | Tariffs, quotas, and the intersection of domestic and foreign policy | Basic analysis of tariffs and quotas; rationale for multilateral cooperation. | 1. McLaren, Chapter 7  
| Wk 8: March 5 | Midterm Examination | Review followed by 90 minute exam. |
| March 12: NO CLASS | | Spring Break! |
| Wk 9: March 19 | Multilateral Cooperation | The case for multilateral cooperation; the WTO; the intersection of | 1. McLaren, Chapter 8  
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<th>Wk 10: March 26</th>
<th>Tariffs and Growth Strategies</th>
<th>Tariffs with increasing returns; infant-industry arguments.</th>
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|                |                              | 1. McLaren, Chapter 9  

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<tr>
<th>Wk 11: April 2</th>
<th>Strategic Trade Policy</th>
<th>Policy with imperfect competition; VERs, strategic trade policy.</th>
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|                |                              | 1. McLaren, Chapter 10  

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<tr>
<th>Wk 12: April 9</th>
<th>Offshoring</th>
<th>Why do companies engage in offshoring?</th>
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|                |                              | 1. McLaren, Chapter 11  
|                |                              | http://www.voxeu.org/article/has-production-become-more-fragmented-international-vs-domestic-perspectives |
|                |                              | http://www.voxeu.org/article/thinking-clearly-about-offshoring |

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<th>Wk 13: April 16</th>
<th>Immigration</th>
<th>What are the economics effects of immigration on the sending and receiving countries?</th>
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|                |                              | 1. McLaren, Chapter 12  

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<tr>
<th>Wk 14: April 23</th>
<th>Trade and the Environment</th>
<th>What is the pollution haven argument and what the arguments and</th>
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|                |                              | 1. McLaren, Chapter 13  
|                |                              | 2. Mary Lovely and Judy Dean, “Trade Growth, Production Fragmentation and China’s Environment,” R.C. Feenstra and S-J. Wei, eds., *China’s Growing Role in World Trade*, |
| Evidence that globalization does or does not harm the environment. | University of Chicago Press, 2010.  
|---|---|
| **Wk 15: April 30**  
**Child Labor** | Adding child labor to trade models, human rights issues  
1. McLaren, Chapter 1  