

Political Economy of International Trade

POLSCI 3XX • Spring 2022

Overview

WHEN AND WHERE

Mondays and Wednesdays
10:15am–11:30am
Gross Hall 202

Fridays (discussions)
1:15pm–2:30pm
Gross Hall 304

INSTRUCTOR

Sjur Hamre
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PhD Candidate
Political Science

OFFICE HOURS

Mondays 1pm–3pm
Gross Hall 282

Sign up at ham.re/schedule

PREREQUISITES

None; Intro to Political Economy or Microeconomics recommended.

TEXTBOOKS

None; readings are posted to Sakai.

ADJUSTMENTS

The syllabus might be amended during the semester; any changes will be announced via email.

WHAT IS THIS COURSE ABOUT?

Since the end of the Cold War, global markets have become unprecedentedly intertwined: smartphones contain parts made in over 40 countries, most supermarkets stock fresh fish flown in from other continents overnight, and many of your future coworkers might be working from the other side of the world. Has this remarkable economic integration lifted millions out of poverty, allowed U.S. consumers to purchase a spectacular variety of goods at previously unheard-of prices, and made the world more peaceful? Alternatively, has it facilitated human rights abuses and propped up despotic regimes abroad, destroyed local manufacturing communities, increased inequality, made supply chains riskier, harmed the environment, and fueled political resentment and populism, as others claim?

This course will introduce you to the economic and political causes and consequences of international trade policy. Trade policy – the decisions about what gets traded, between whom, and on what terms – has profound effects on national income and how it is shared; international relations and national security; and the regulatory standards that govern how products are made and what criteria they must meet to be traded. After learning some essential context about the trading system and some key tools for studying trade, we will examine how trade policy choices affect welfare, national security, and regulatory standards. Each Friday, we will apply the material covered that week to a contemporary trade issue.

WHAT WILL I LEARN?

By the end of this course, you will be able to:

- Find and interpret common trade statistics and use them to explain trade phenomena
- Describe the most frequently used trade policy instruments and evaluate their efficacy and effects
- Explain how trade affects welfare, national security, and regulatory standards
- Analyze contemporary trade policy issues and formulate policy interventions

SHOULD I TAKE THIS COURSE?

This course will provide you with a thorough introduction to international trade issues and teach you how to competently analyze them. Because trade policy mirrors many other policy domains, you will learn concepts and skills that are broadly applicable to other areas of political science. Both the trade-specific and more general skills and knowledge is useful for many jobs and internships, and for generating senior thesis project ideas.

This course emphasizes broad domain knowledge, both of major issues in contemporary trade policy and the historical origins of the present trading

system, rather than focusing on a more in-depth and mathematical treatment of a handful of canonical formal models, which is the norm in economics. An international trade course in the economics department — e.g., ECON 335 at Duke — can be a useful supplement to this course if you are interested in developing your formal modelling skills; I recommend taking this course first.

HOW AM I GRADED?

Your grade is based on the following components:

- **Five problem sets (20%)** that measure your comprehension of foundational trade concepts and ability to apply them to cases. Your four best-scoring problem sets will count 5% each.
- **A midterm exam (20%)** that serves as a closed-book, in-class test of the material covered on your problem sets. You can retake the exam at the end of the semester, if you wish (you will keep the highest score).
- **Two short papers (40%)**, written alone or with up to two other students, that answer a prompt related to that week's material and serves as the basis for our Friday discussion.
- **Your attendance and participation (20%)** as measured by your performance on in-class quizzes as well as peer and instructor evaluations of your contributions to our Friday discussions.

The assignments are described in greater detail below.

WHAT IS THE GRADING SCALE?

Exceptional	A+: 97+	A: 93–96	A–: 90–92
Superior	B+: 87–89	B: 83–86	B–: 80–82
Satisfactory	C+: 77–79	C: 73–76	C–: 70–72
Low pass	D+: 67–69	D: 63–66	D–: 60–62

WHAT IS EXPECTED OF ME?

SHOW UP; PARTICIPATE ACTIVELY AND RESPECTFULLY

Email me if you are unable to attend class. More than two unexcused absences or late arrivals during the semester may affect your participation grade.

You may only reschedule your short papers or miss the midterm exam due to 1) significant illness, 2) personal instances of distress or emergency, 3) religious observance, and 4) varsity athletic participation and 5) required court or legal appearances.¹ If you miss the midterm exam for any reason, you must complete the end-of-semester retake exam.²

You will gain the most from this course by participating actively in class discussions. Come prepared; do the readings; and engage thoughtfully and constructively in discussions; your peers and I value quality over quantity. I

¹ I apply Trinity College policies, found here: <https://trinity.duke.edu/undergraduate/academic-policies/class-attendance-and-missed-work>

² The end-of-semester retake exam is your only retake opportunity, unless you meet the Absence from Final Exams criteria provided at the above link and received an excused absence for the midterm exam.

encourage diversity of thought and so should you; contrary to claims in popular culture, opening your mind “too much” will not cause your brain to fall out.³

SUBMIT ASSIGNMENTS ON TIME

Plan to submit your assignments on time. I only grant extensions in exceptional circumstances due to personal emergencies or serious illness. Requests for extensions must be submitted via email at least two business days before the assignment due date to be considered.

Late assignments are penalized by a letter grade for each (begun) 24-hour period that they are late. Submit all late assignments to the instructor via email only. Assignments submitted more than 72 hours after they are due receive a score of zero. In return, I will make every effort to grade and return your assignments within a week of submission.

If you believe I have made a mistake when grading one of your deliverables, submit a written appeal by email within one week that includes the affected question number(s) or page(s) and your rebuttal. I may choose to regrade other parts of your submission at my discretion.

DO NOT CHEAT

Assume that all work should be completed individually unless otherwise noted; cite text and ideas borrowed from others using APA style citations (or any other common author–date reference style of your choice; see the resources section for additional details).

Any aids allowed during written exams will be explicitly listed on the exam. Please familiarize yourself with Duke’s academic integrity policies, which are available at integrity.duke.edu.

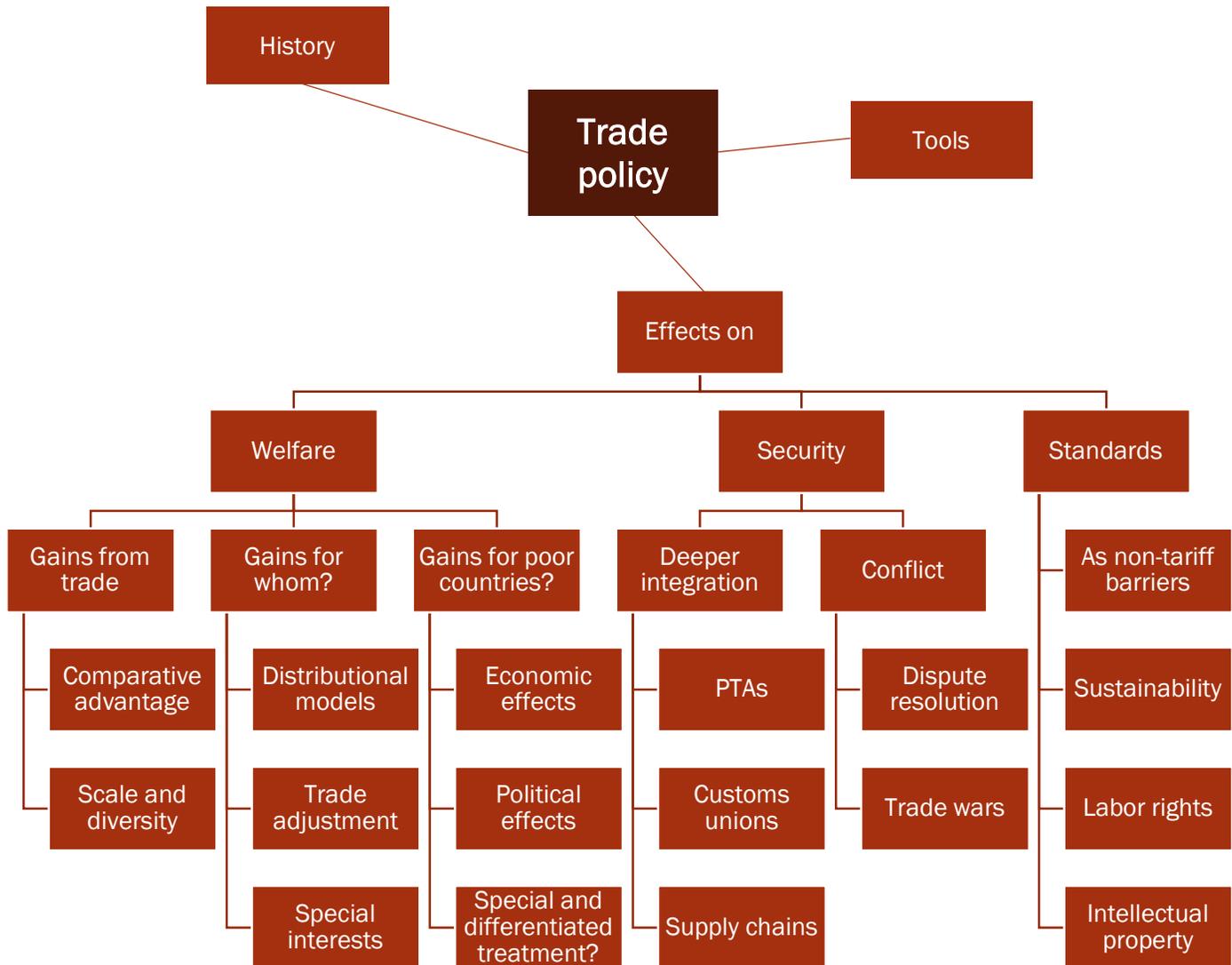
HELP ME HELP YOU

Please reach out if you think you are struggling with the material. I want to help you succeed in this course; the sooner you come by my office hours, the better. If you receive a grade below B– on any assignment, please schedule an appointment with me to discuss how to improve your work.

I will make every effort to ensure that students are fully able to participate in this course. If you require any academic accommodations due to a documented disability, please contact me by the end of the second week of the course; the information you provide will remain confidential. More information is available from the Student Disability Access office at access.duke.edu.

³ See e.g., Minchin, Tim (2006). Take My Wife! In *So Rock*. Melbourne, Australia: Laughing Stock Productions or Radin, Max (1937). On legal scholarship. *The Yale Law Journal* 46(7), 1124-1141.

The big picture: the course in one chart



Graded components

JANUARY TO MARCH

FIVE PROBLEM SETS (20%)

During the first half of the course, you will complete five problem sets that measure your comprehension of foundational trade concepts and demonstrate your ability to apply them to cases. Completing these problem sets will help you prepare for your midterm exam.

Problem sets are due on Sakai at 5:00pm The exact dates each problem set is due are noted below and on the course calendar:

- January 24th
- February 7th
- February 14th
- February 21st
- March 14th

Your four best-scoring problem sets will count 5% each.

MARCH 28TH **& OPTIONAL MAKE-UP** **DURING FINAL EXAMS**

MIDTERM EXAM (30%)⁴

The midterm exam tests your knowledge of foundational trade concepts and your ability to apply them; the problems will be similar to those on the problem sets.

You may bring a single letter- or A4-sized, hand-written cheat-sheet to the exam (write on one side only). I will post a practice guide and sample exam to Sakai.

You may retake the midterm during the final exam period if you wish to improve your score (I will count your highest score). You may only miss the midterm for approved reasons (cf. the attendance policy); if you miss the midterm, you must attend the makeup exam (your score will count as your midterm score). If you miss both exams, you will fail the course; the only exception is if you have a valid absence from both exams (again, cf. the attendance policy), in which case I will reach out to schedule your make-up exam.

TWO WEEKS **CHOSEN BY YOU**

SHORT PAPERS (40%)

In the short papers, you will answer a prompt related to that week's material. Your papers will serve as the basis for our Friday discussions; you will lead a small group discussion the weeks you submit papers for.

You can write your papers alone or in groups of up to three students. Please sign up for two weeks that suit your schedule and interests –using this sign-up sheet – by the end of week two of the course. Your best paper counts for 25% of your grade; the second-best paper counts for 15% of your grade.

Short papers should:

- Demonstrate **knowledge of the issues** raised by the prompt and present a **well-supported argument** using (and citing) in-class and external academic and news sources.
- Use effective **presentation and style**, including appropriate spelling, grammar, diction, and organization (include an introduction with a thesis statement, a conclusion, and a logically organized essay body with appropriate topic sentences).
- Adhere to the following **format requirements**: use a 12pt, double-spaced, standard font, and 1-inch (or ca. 2.5cm) margins; you're your essay 1,000 words or less; number your pages, and include an

⁴ For persuasive evidence on the benefits of test taking, see Karpicke, Jeffrey D. and Blunt, Janell R. (2011). Retrieval Practice Produces More Learning than Elaborative Studying with Concept Mapping. *Science* 331(6018). 772–775.

appropriate title as well as a header containing author names, the date your paper is due, and the word length.

Short papers are due on Sakai at 5:00pm the day before discussion.

EACH CLASS

ATTENDANCE AND PARTICIPATION (20%)

READING QUIZZES (10%)

Doing the readings prior to lecture is essential for effective participation. To incentivize class preparation, about half our lectures will start with a simple reading quiz (I will toss a coin before each class). Each quiz will contain five multiple-choice questions, written with the aim that any student who has done the readings would get all the answers correct. Three or more correct answers earns you full credit on the quiz; you get no credit otherwise. If you have an excused absence, you get full credit; if you don't, you get no credit. I have included a sample quiz at the end of the syllabus. As a buffer for bad luck, I will change two of your no credit scores to full credit.

INSTRUCTOR AND PEER EVALUATIONS (10%)

The second half of your participation grade is based on your participation in Friday discussions, as determined by me and your peers. I will circulate a survey at the end of the semester where you will be given an opportunity to reflect on your participation and evaluate your peers.

To maintain a productive classroom environment, I reserve the right to deduct participation points for engaging in classroom behavior that I deem disruptive to other students.

Schedule

(Readings for each class are posted to Sakai)

WEEK 1 AND 2

INTRODUCTION AND A BRIEF HISTORY OF TRADE

January 5th, 10th, 12th, and 19th

Problem set 1 due 5pm January 24th

WEEK 3 AND 4

WELFARE I: SIZING AND SPLITTING THE PIE

January 24th, 26th, and 31st; February 2nd

- Why do countries trade? Insights from two key models
- Who gain from trade? How do economies adjust to changing trade exposure, and how does it affect politics?
- Why are some groups shielded from trade exposure?

Problem set 2 due 5pm February 7th

WEEK 5

TOOLS OF (THE) TRADE

February 7th and 9th

- How do we measure bilateral trade flows? What do these measures tell us about illicit trade flows, specialization, and bilateral alliances?
- How can countries intervene to restrict trade, and how do these measures affect the economy?

Problem set 3 due 5pm February 14th

WEEK 6

WELFARE II: TRADE & ECONOMIC DEVELOPMENT

February 14th and 16th

- Why have some poor countries gained from economic openness while others have been harmed by it? Will countries be able to use trade as a growth strategy in the future?
- When does trade entrench incumbent leaders, and when does it promote political pluralism and accountability?

Problem set 4 due 5pm February 21st

WEEK 7

SECURITY I: ALLIANCES AND DEEP INTEGRATION

February 28th and March 2nd

- What countries trade on preferential terms with one another and why?
- Does economic openness require political harmonization, and does it cause a “democratic deficit?”
- Does economic openness make domestic economies more resilient or vulnerable?

WEEK 8

SECURITY II: TRADE (AND) CONFLICTS

March 14th and 16th

- How do countries resolve trade disputes?
- What are trade wars and what are their consequences?

Problem set 5 due 5pm March 21st

WEEK 9 AND 10

APPLICATIONS AND REVIEW

March 21st and 23rd

- What have we learned so far?
- What should we know for the midterm?

In-class midterm: March 28th

March 30th: Guest speaker (to be announced)

WEEK 11

STANDARDS I: LABOR AND THE ENVIRONMENT

April 4th and 6th

- Does trade improve or threaten labor conditions?
- Does trade harm the environment?
- More broadly, does trade lead to a regulatory “race to the top” or a “race to the bottom?”

WEEK 12

STANDARDS II: NTBS AND IP

April 11th and 13th

- Does international trade undermine intellectual property rights? Does it force poor countries to abide by overly onerous regulations?
- When are non-tariff barriers legitimate, and when are they used to illegitimately restrict trade

WEEK 13

BACK TO THE BIG PICTURE

April 18th and 20th

- What have we learned this semester?
- What does the future hold?

Resources

CITING SOURCES

Correct and complete citations are essential for avoiding plagiarism charges. You may use any author–date system such as the Chicago Manual of Style author–date system, or APA’s or APSA’s citation styles (but not e.g., the Chicago Notes–Bibliography or MLA system). I recommend generating references using Zotero, a free and powerful reference manager. Please email me (before the assignment is due) if you are unsure whether or how to reference a source.

CAMPUS RESOURCES

WRITING AND LEARNING

- [TWP Writing Studio](#)
- [Duke’s Academic Resource Center](#)

DISABILITIES

- [Duke’s Disability Management System](#)
- [Trinity College policies on academic accommodations](#)

MENTAL HEALTH

- [Counselling and Psychological Services](#)

ADDITIONAL TEXTS

FOUNDATIONAL TEXTS

- McLaren: International Trade
- Helpman: Understanding Global Trade

TEMPORAL AND SPATIAL CONTEXT

- Davies: Extreme Economies: What Life at the World's Margins Can Teach Us About Our Own Future
- Bernstein: A Splendid Exchange: How Trade Shaped the World Paperback

POLICY TEXTS

- Irwin: Free Trade Under Fire
- Rodrik: Straight Talk on Trade
- Stiglitz: Globalization and Its Discontents
- Clausing: Open

ADVANCED TEXTS

- Krugman, Obstfeld, and Melitz: International Economics: Theory and Policy
- Feenstra: Advanced International Trade: Theory and Evidence

SAMPLE READING QUIZ

2A		Reading quiz				
NetID		First name		Last name		
Answers	1	2	3	4	5	
Q1. Here is a sample question. Blah blah blah. a) Answer. b) Answer. c) Answer. d) Answer. e) Answer.						
Q2. Here is a sample question. Blah blah blah. a) Answer. b) Answer. c) Answer. d) Answer. e) Answer.						
Q3. Here is a sample question. Blah blah blah. a) Answer. b) Answer. c) Answer. d) Answer. e) Answer.						
Q4. Here is a sample question. Blah blah blah. a) Answer. b) Answer. c) Answer. d) Answer. e) Answer.						
Q5. Here is a sample question. Blah blah blah. a) Answer. b) Answer. c) Answer. d) Answer. e) Answer.						
Write the letter left of your answer in the gray boxes. Remember to add your NetID and name (if it is long, write the first five characters of each). Good luck!						

The above quiz covers your Class 2 readings. Use it to test yourself!