

# **Politics of International Trade**

Professor Nate Jensen

Unique: 38230

GOV 360N/BGS 370

TTH 9:30-11:00 pm, Par 1

## **COURSE DESCRIPTION**

In this course we will study the relationship between international trade and domestic politics. We'll cover the basic models of international trade, the distributional consequences of trade, the relationship between trade and economic development, trade protectionism (causes and consequences) and an analysis of international organizations related to international trade (special focus on the World Trade Organization).

## **PROFESSOR AND COURSE COMMUNICATION**

Nate Jensen

Professor of Government

Office: Batts 4.132

Office hours: Tue 12:30-2, Thur 12:30-2:00 or by appointment

Email: natemjensen@austin.utexas.edu

Students will be expected to check their email regularly for any important course announcements. Professor Jensen is available during his office hours or by appointment. Send an email to schedule an appointment.

## **USE OF CANVAS**

I will use our Canvas course page to post materials in the Syllabus section. Any changes to the syllabus, including newspaper articles and details on guest speakers will be made on this page.

## **COURSE EXPECTATIONS AND REQUIREMENTS**

This is an advanced class that requires students to review the course materials prior to class. There are no formal prerequisites to this course, but the readings will draw on literature from political science, management and economics. As a student you should:

- Be on time!
- Turn off your phones.
- Use your laptops only for class purposes.
- Do the reading before class.
- Be ready to discuss the readings.
- Treat your professor and fellow students with respect.

## **GRADING POLICY**

**Grade Scale** (final grades rounded up):

93 and above A

90-92 A -

87-89 B+  
83-86 B  
80-82 B-  
77-79 C+  
73-76 C  
70-72 C-  
67-69 D+  
63-66 D  
60-62 D-  
59 and below F

## **Course Assignments**

Class Participation Assignments	10%
Participation Assignments: There are 10 total participation assignments in this class. These participation assignments are easy points if you do them. They are due on Thursday before class. These participation assignments will be all submitted online via Canvas.	
Quizzes (4)	15% each (60%)
The quizzes will consist of short answer and essay questions. The short answer questions will test knowledge of specific details from the readings and lectures. Students are expected to know the authors from the readings, the theoretical arguments, and the evidence. The essay questions will be much broader questions. Students can answer these questions in a number of ways, but it is essential that the essays consist of material from the lectures and readings (citing specific authors).	
Op-Ed on International Trade (1,000 words)	15%
Students will be assigned to write an op-ed on the politics of international trade. Your op-ed will consist of two parts. The first part is a two-page justification for the newspaper that you selected, if the newspapers had run similar op-eds in the past, why you think your topic of interest to the readers, and what is your ultimate goal for the op-ed.	
The second part will consist of a 1,000 word op-ed piece. This op-ed is due on the last day of class.	
Final Exam (Cumulative)	15%
The final exam is cumulative exam essay based exam covering broad themes in the class.	

## Late Paper Policy

It is common for students to ask for a deadline extension. Only rare exceptions a deadline will be extended, but students will be penalized one half a letter grade for each day the paper is late. Papers more than three days late will not be accepted.

## COURSE READINGS

Required Book (Available at the UT Coop)

Douglas Irwin. Free Trade Under Fire. (4<sup>th</sup> Edition)  
Pietra Rivoli, The Travels of a T-Shirt in a Global Economy  
Alexandra Guisinger, American Opinion on Trade

I will also include a number of newspaper articles, videos, and postcasts. All of these materials can be accessed via Canvas.

### **SUMMARY OF IMPORTANT DATES**

### **OTHER UNIVERSITY OF TEXAS POLICIES**

**Academic Integrity:** The UT Honor Code (or statement of ethics) and an explanation or example of what constitutes plagiarism can be found here:  
<http://catalog.utexas.edu/general-information/the-university/>

Don't cheat. Ever.

**Access:** The University of Texas at Austin is committed to providing a working and learning atmosphere that reasonably accommodates qualified persons with disabilities. If you have any disability which may impair your ability to complete this course successfully, please contact the Division of Diversity and Community Engagement, Services for Students with Disabilities, 471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.

**Religious Holidays:** By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holiday, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

**Emergencies:** Please also see the following recommendations regarding emergency evacuation from the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety/>.

## **SCHEDULE**

- January 10      Introduction  
I will introduce myself, set expectations for the class and discuss the structure of the class. Short class!
- January 12      Introduction to International Trade  
Read: Irwin, Chapter 1 before class  
  
Listen: TradeTalks Podcast on how the shipping container revolutionized global trade.  
<https://www.tradetalkspodcast.com/podcast/133-how-one-man-and-some-metal-boxes-revolutionized-global-trade/>  
Watch: How do you export a product? Video from the U.S. International Trade Administration. Ok, it is a little boring, but it's more complicated than you think. What if you come up with a great product idea and it is popular here? How do you sell it abroad? And where can you get help?  
[https://www.youtube.com/watch?time\\_continue=20&v=ExMvzRkTKqg&feature=emb\\_logo](https://www.youtube.com/watch?time_continue=20&v=ExMvzRkTKqg&feature=emb_logo)  
  
This class will give a basic overview of international trade.
- Participation Assignment 1: Fill out the class survey (assignments Tab of Canvas) before class on Thursday Jan 12th.
- January 17      Texas and the World Economy and Op-Eds  
  
Read: Texas' International Trade. Again, not the most exciting info. But it is a great way for Texans to think about trade as starting from home. Texas is a major important and exporter. But who do we trade with? And what do we trade?  
<https://comptroller.texas.gov/economy/fiscal-notes/2020/july/trade.php>  
  
Read: Texas Trade and Foreign Direct Investment  
[https://gov.texas.gov/uploads/files/business/fdi\\_report.pdf](https://gov.texas.gov/uploads/files/business/fdi_report.pdf)  
  
Read: Trade in Texas  
<https://comptroller.texas.gov/economy/fiscal-notes/2017/february/ports.php>  
  
Skim: Texas Policy Project asked questions about Texans views on trade.  
<https://news.utexas.edu/2018/06/28/uttt-poll-family-separations-guns-and-elections-2>  
  
Listen: Texas Standard (<https://www.texasstandard.org/stories/amid-trade-talks-texas-farmers-hope-to-avoid-tariffs-on-exports-to-china/>)

Watch: The Texas Trade Tour  
<https://www.youtube.com/watch?v=eIZfyh-3WQ0&feature=youtu.be>

In this class we will examine the impact of trade on the Texas economy and how trade impacts the lives of Texans. These readings are all pretty short.

The second half of the class we will talk about op-ed assignments.

January 19      The Economics of International Trade  
Read: Irwin, Chapter 2

Optional Video: Comparative Advantage:  
<https://www.mruniversity.com/courses/international-trade/comparative-advantage>

We'll cover the basic economics concepts of the gains from trade. If you do not have an economics background I recommend watching the comparative advantage optional video.

Participation Assignment 2: What does your hometown make? What are the major products or services from your home town? Are they tradeable?

January 24      Trade Protectionism  
Read: Irwin, Chapter 3  
Watch: The Chicken Tax  
(<https://www.npr.org/sections/money/2017/01/25/511663527/episode-632-the-chicken-tax>)

In this class we will discuss the ways in which governments try to protect domestic businesses and workers through different forms of trade protection. The world of changing every week and their certainly will be a number of current events that I will discuss in class.

Jan 26      Models of Trade Protection  
Read: Ronald Rogowski. Commerce and Coalitions. Chapter 1 of Frieden, Lake and Broz (Posted on Canvas)  
  
Listen: Trade Podcast (Posted on Canvas)

How does a government decide who to protect from international trade? The reading discusses one model of trade protection and I will introduce other theories in class.

Participation Assignment 3: Participate in online trade simulation. Details to follow!

Jan 31      **Quiz 1**  
Feb 2      The Impact of Trade on Workers Part 1

Read: Irwin, Chapter 4

How does trade affect workers in the US? Are the impacts the same on workers in the developing world?

- Feb 7      Trade and Workers Part 2 and talk about Op-Eds  
Read: I'm going to assign a bunch of op-eds mostly on trade and workers.  
This is both for class content and for you to think about what makes an effective op-ed.

Listen: Trade Podcast (Posted on Canvas)

- Feb 9      Anti-dumping and Escape Clauses  
Read: Irwin, Chapter 5

Listen: Did China Eat American's Jobs:  
<http://freakonomics.com/podcast/china-eat-americas-jobs/>

This class is a bit technical, but international trade agreements, which lower levels of trade protection, do allow some forms of trade protection.

Participation Assignment 4: Talk to some family members or friends currently working full time. Ask them how they think trade has affected their country and their immediate community. How trade impacted their job in any way?

- Feb 14      Trade and the Developing World  
Irwin, Chapter 6

Does trade have different implications for developing countries?

- Feb 16      In-Class Trade Negotiation Simulation

Read: Read: Two newspaper articles assigned based on recent developments (Posted on Canvas)

Listen: Trade Podcast (Posted on Canvas)

We'll have trade negotiations during class!

Participation Assignment 5: Your class participation is your assignment. Make sure to attend this class!

- Feb 21      Trade and Investment, and Immigration  
Read: Timothy Hatton and Jeffrey Williamson. 2005. A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labor-Scarce Economies? (Posted on Canvas)

Listen: Trade Podcast (Posted on Canvas)

How does trade fit with other aspects of “globalization”. In what ways do the movement of goods and services (trade), workers (migration), and capital (foreign investment) all have similar effects? In what ways are they different?

**Feb 23      Quiz 2**

March 2      The World Trade Organization and Regional Agreements

Read: Irwin, Chapter 7

Read: The US at the WTO

<https://www.trademonitoronline.com/us-at-the-wto>

This class will focus on the nuts and bolts of the World Trade Organization. What is it, and how does it work?

Participation Assignment 6: Participate in online trade simulation.

March 7      The Case of NAFTA

Read: Nearly 25 years of NAFTA

<https://www.trademonitoronline.com/nafta-basics>

Listen: Trade Podcast (Posted on Canvas)

In this class we will discuss WTO disputes and then pivot to a discussion of free trade agreements including NAFTA.

March 9      Company Supply Chains

Read: Travels of a T-Shirt (Chapter 1-7)

Watch: International Trade and Supply Chains

[https://www.youtube.com/watch?v=Bblo8\\_B32Co](https://www.youtube.com/watch?v=Bblo8_B32Co)

How doe company supply chains affect our view of international trade. Is an iPhone a US product or made abroad?

Participation Assignment 7: What are you wearing and where was it made? See if you can figure out where everything was made? Is this what you expected?

March 14      Spring Break

March 16      Spring Break

March 21      Company Supply Chains

Read: Travels of a T-Shirt (Chapter 8-15)

Listen: Reused T-shirts

(<https://www.npr.org/sections/money/2015/08/26/434988401/episode-502-the-afterlife-of-a-t-shirt>)

How do supply chains change the impact of trade protection on workers and businesses?

- March 23     What do people know about trade?  
Read: Guisinger, Chapter 2  
Listen: Trade Podcast (Posted on Canvas)

How important is trade for individual vote choices? Do citizens care about trade? What do they know about trade?

Participation Assignment 8: Interview a friend or roommate on their views on trade. Do they have strong opinions? What is their position? Now ask them to guess the trade policy position of their parents. Are their views similar or different?

**March 28     Quiz 3**

- March 30     Who opposes trade?  
Read: Guisinger, Chapter 3

How does public opinion on trade fit into our theories of trade preferences?  
How important is your occupation? How important is partisanship?

Participation Assignment 9: Participate in online trade simulation.

- April 4        Trade and self-interested politics  
Read: Guisinger, Chapter 4  
Listen: Trade Podcast (Posted on Canvas)

- April 6        Trade and community values  
Read: Guisinger, Chapter 5

To what extent is trade, and other policy views, affected by how you see your community? Are you voting on trade issues because of how trade affects members of your community?

Participation Assignment 10: Pick a politician holding office. What are their views on trade? Are there views different from their challenger?

- April 11       Race, Gender and Trade Views  
Read: Guisinger, Chapter 6

Surveys on trade views find strong gender differences on trade. Why?

- April 13       Education and International Trade  
Read: Hainmueller, Jens and Michael Hiscox. 2006. Learning to Love Globalization: Education and Individual Attitudes Toward International Trade. (Posted on Canvas)  
Listen: Trade Podcast (Posted on Canvas)

Education is one of the strongest predictors of pro-trade views. Why?

Participation assignment 11 (Make-up assignment if you missed one): Complete the survey on education and trade.

April 18      Fair Trade

Read: Hiscox and Smyth. Is There Consumer Demand for Improved Labor Standards? (Posted on Canvas)

Watch: (The Case for Fair Trade)

<https://www.youtube.com/watch?v=o6pcJxFen8Y>

Watch: (Criticism of Fair Trade)

<https://www.youtube.com/watch?v=ui5ruDbppy0>

What is fair trade? Does it really help workers in the developing world? Or is it another name for trade protection?

Participation Assignment 12 (Make-up if you missed one): Pick a fair trade product on the shelves of the supermarket that claims to be fair trade?. Can you find a competitor that isn't fair trade? What is the price difference? Are there any other differences you see?

**April 20:**      Quiz 4

**April 24:**      Op-ed assignment due via Canvas by 11:59 pm.

**Final Exam:** The final exam date will be set by the registrar sometimes later in the semester.