

Politics of International Trade

Professor Nate Jensen
Unique: 38325
GOV 360i
TTH 11-12:30 Wag 201

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). We'll do a lot of current events too!

PROFESSOR AND COURSE COMMUNICATION

Nate Jensen
Professor of Government
Office: Batts 4.132
Office hours: Tue 11-12:30, Thur 9:30-11:00 or by appointment
Email: natemjensen@austin.utexas.edu

Teaching Assistant: Joseph Amoah
Email: ja.amoah7@gmail.com
Office Hours: Will be announced second week of class.

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, TA, 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 Wed at 11:59 pm. These participation assignments will be all submitted online via Canvas. Assignments will only receive half credit if they are late.

I have included two extra assignments. They can be used to make-up for a missed assignment or a late assignment. There is no extra credit.

Quizzes (4)

15% each (60%)

The closed book quizzes will consist of short answer questions. 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.

This is your work. No use of AI. Your own work!

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)

1. Douglas Irwin. Free Trade Under Fire. (5th Edition). Do not sure the 4th edition!
2. Pietra Rivoli, The Travels of a T-Shirt in a Global Economy (2nd Edition)
3. Alexandra Guisinger, American Opinion on Trade

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

SUMMARY OF IMPORTANT DATES

September 12	Quiz 1
September 28	In class simulation
October 5	Quiz 2
November 2	Quiz 3
November 28 (11:59 pm)	Optional Draft of Op-ed due.
December 5	Quiz 4
December 8 (5 pm)	Op-ed Assignment Due
TBA	Final Exam

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

August 22 Introduction

I will introduce myself, set expectations for the class and discuss the structure of the class. Short class!

Participation Assignment 1: Fill out the class survey (assignments Tab of Canvas) by 11:59 pm on Wed August 23rd. (I will review the survey results in class on Thursday during class.)

August 24 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

This class will give a basic overview of international trade.

August 29 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

What are the major investors in TX? Where does TX invest?

https://gov.texas.gov/uploads/files/business/fdi_report.pdf

Read: Trade in Texas

This is a bit old but gives a nice description of Texas trade partners.

<https://comptroller.texas.gov/economy/fiscal-notes/2017/february/ports.php>

Skim: Texas Policy Project asked questions about Texans views on trade.

Just take a look. I'll talk about this a bit in class.

<https://news.utexas.edu/2018/06/28/uttt-poll-family-separations-guns-and-elections-2>

Watch: Characteristics of Supply Chains

This is a 5 min video.

<https://comptroller.texas.gov/economy/fiscalnotes/2022/may/episode3.php>

Watch: The Texas Trade Tour

This is a 1:22 min video. Seriously, it doesn't take a lot of time.

<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.

Participation Assignment 2: What does your hometown make? What are the major products or services from your home town? Are they tradeable? Due on Wed at 11:59 pm.

August 31 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.

Sept 5 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.

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

Sept 7 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.

- Sept 12 **Quiz 1 (In Class)**
- Sept 14 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?
- Sept 19 Trade and Workers Part 2 and talk about Op-Eds
Read: I'm going to assign a three 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)
- 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? Due by 11:59 pm on Wed.
- Sept 21 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.
- Sept 26 Trade and the Developing World
Irwin, Chapter 6
- Does trade have different implications for developing countries?
- Participation Assignment 5: Your class participation on Thursday Sept 28th is your assignment. Make sure to attend this class!
- Sept 28 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!

- Oct 3 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?

No Participation Assignment the week of a quiz

Oct 5 Quiz 2 (In Class)

- Oct 10 The World Trade Organization and Regional Agreements
Read: Irwin, Chapter 7

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.

- Oct 12 The Case of NAFTA
Read: Nearly 25 years of NAFTA
<https://www.trademonitoronline.com/nafta-basics>

Watch: How the USMCA differs from NAFTA
<https://www.youtube.com/watch?v=bmRqc3YwEtM>

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.

- Oct 17 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

How do 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? Due on Wed at 11:59 pm.

Oct 19 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 does supply chains change the impact of trade protection on workers and businesses?

Oct 24 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: Pick a politician in office currently running for reelection. What are their views on trade? Are there views different from their challenger?

Oct 26 News Day or Guest Speaker! Info to be added later in the course.

Oct 31 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?

Nov 2 Quiz 3 (In Class)

Nov 7 No in person class. Online simulations during class time

Participation Assignment 9: Participate in online trade simulation during class on Tue.

Nov 9 Trade, self-interested politics, and community values

Read: Guisinger, Chapter 4, 5

Listen: Trade Podcast (Posted on Canvas)

Nov 14 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: 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?

Nov 16	Race, Gender and Trade Views Read: Guisinger, Chapter 6
	Surveys on trade views find strong gender differences on trade. Why?
Nov 21	No Class (Thanksgiving Break)
Nov 23	No Class (Thanksgiving Break)
Nov 28	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?
	<u>Participation assignment 11</u> (Make-up assignment if you missed one): Complete the survey on education and trade.
Nov 30	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?

Dec 5: Quiz 4 (In Class)

Dec 8: 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.