

INST 371 – International Trade and Globalization

University of Mississippi

Spring 2017 - M,W,F 11am-11.50am, Croft 204

Syllabus

Instructor Information

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Office Hours: check course's Blackboard page for updated information.

Course Overview and Goals

We often hear that we live in a globalized world, meaning that people across the globe are more interconnected and interdependent than ever through economic processes like trade and offshoring of production, migration or foreign investment, but also through deeper cultural, political and, increasingly, environmental relations. Several of these processes, with trade, migration and the environment at the forefront, are today subject to great discussion.

How did we get to the current level of globalization? What have been its engines? What are the economics of globalization? Who gains and loses with the advancement of globalization? How do winners and losers change over time? What is the contribution of globalization to inequality across and within nations? What has the role of policy been in the path followed by globalization? Is globalization compatible with national determination and democracy? Is it compatible with deep inequality and restrictions on migration? How can we expect globalization to change in the future?

These are the questions that we will pursue in this course. Our goals are to understand that: a) the processes of globalization create winners and losers; b) gains and losses are dynamic and change over time; c) the calculus of whether the gains outweigh the losses is sometimes clear, but sometimes morally complicated; d) globalization has different effects in different countries; e) we ought to avoid generalized statements about the processes of globalization and instead rely on careful, logical analysis, empirical data, and the recognition of the fact that no two countries are the same.

The fundamental tool in this course will be economic theory, complemented by empirical studies and history.

Course Materials

Textbook (Required): Krugman, Paul, Maurice Obstfeld, & Marc Melitz (2015). *International Trade, Theory and Policy* (10th ed.). Boston, MA. Pearson. [NOTE: feel free to buy a cheaper, earlier edition of the textbook; if you do so, and since page numbers may not match, it will be your responsibility to ensure that you read the correct content]

Other Readings: Additional readings like academic papers, news articles, and book excerpts will be added to Blackboard as the semester progresses.

Blackboard: An updated syllabus, paper assignments, slides, a course schedule, grades, and other information will be posted on <https://blackboard.olemiss.edu/>

Evaluation

Element	Weight	Date	Details and Policy
Paper portfolio	40%	Small assignments due throughout the semester.	<ul style="list-style-type: none">- At the start of the semester each of you will be asked to choose a country to analyze other than the US. I will ensure that no country is selected twice (requests will therefore be handled in the order of arrival).- Some assignments will consist of collection of data for your country of choice, while other assignments will be concerned with the application of concepts learned in class to that country.- Some assignments will build upon previous ones and may have to include them.
Participation	10%	Every lecture.	<ul style="list-style-type: none">- You will be graded on your attendance record, and frequency and quality of interventions (questions, comments, answers).
Midterm	25%	Friday, March 10.	<ul style="list-style-type: none">- If you have a valid excuse to miss a test, I will administer a make-up test

Final Exam	25%	Monday, May 8, noon	at the earliest convenient date. - The final is non-cumulative.
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Grades

- The assignments in your grade portfolio will each be given a possible score reflective of their difficulty and required effort. The baseline value is 10 points, with harder/longer assignments worth more. At the end of the semester, your portfolio grade will be your points scored/points possible.
- The tests will be curved if the average score is initially lower than 80%. The curve will be set as to raise the average to 80%.
- At the end of the semester, I will compute your final numerical grade and round it to the nearest integer. For example, a score of 89.5% will be rounded up to 90%. A score of 89.4% will be rounded down to 89%. I will use the + – system with the standard conversion:

▪ 93-100%	A
▪ 90-92%	A-
▪ 87-89%	B+
▪ 83-86%	B
▪ 80-82%	B-
▪ 77-79%	C+
▪ 73-77%	C
▪ 70-72%	C-
▪ 60-69%	D
▪ <60%	F

Academic Integrity

You are expected to comply with the University's Academic Discipline Policy. For details about your rights and responsibilities as a student consult the University's [M Book](#).

Plagiarism and other forms of cheating will result in a score of 0 for the assignment, and will be reported to the University.

Students with Disabilities

If you have a documented disability and wish to benefit from the accommodations granted to you by the university (different testing environment or extra time), please bring me the form

issued by the University at least one week before the first test. If you wish to continue to use those accommodations in subsequent tests, send me an email at least one week before those tests.

Attendance and Participation

This is a small class. A small class size is a benefit, but also a responsibility: I expect you to contribute by participating with questions and discussion. You will be allowed up to three unexcused absences in this class. Each additional absence will result in the deduction of three (3) points from your final numerical grade.

Use of technology

Unless you have a documented disability requiring the use of a laptop in class or I explicitly ask you to bring one for a class activity, you will not be allowed to use one. The use of cellphones is strictly prohibited.

Course Outline (tentative; textbook chapters noted when applicable by KOM #)

Part 1 - Introduction

Section 0 – Questions and Goals

Section 1 – World Trade – an overview (KOM 2)

Section 2 – The History of Globalization (based on Baldwin and Rodrik)

Part 2 – International Trade as the engine of Globalization

Section 3 – Comparative Advantage models (KOM 3, 4, 5, 6)

Section 4 – Economies of Scale (KOM 7)

Section 5 – Offshoring (KOM 8)

Part 3 – The Economics of Migration and Milanovic's Trilemma

Section 6 – Short and Long Run Effects of Migration, Theory and practice (KOM 4, 5)

Part 4 – Trade Policy

Section 7 – The instruments of policy (KOM 9)

Section 8 – The Political Economy of Trade Policy (KOM 10)

Section 9 – Policy in Developing Countries (KOM 11)

Section 10 – Controversies in Trade Policy (KOM 12)

Part 5 – Conclusion

Section 11 – The future of globalization and Rodrik's trilemma

Part 6 – The Economics of Cultural Globalization (if time allows)