

## **INTERNATIONAL TRADE**

**IE University**

Professor: **IRENE MENÉNDEZ GONZÁLEZ**

E-mail: imenendez@faculty.ie.edu

Academic year: 23-24

Degree course: FOURTH

Semester: 1º

Category: COMPULSORY

Number of credits: 6.0

Language: English

### **PREREQUISITES**

### **SUBJECT DESCRIPTION**

This one-semester course introduces BA students to some of the major topics related to the study of international trade. A large literature in international economics and political science suggests that international trade shapes – and is shaped by – domestic politics. The course examines the causes and consequences of trade. Following a brief overview of trade patterns, the semester begins by presenting standard and recent models of international trade. The course then extends these frameworks by exploring political economy explanations of trade policy. It focuses on the role of individual interests and political and economic institutions. The course then turns to the role of international economic regimes in shaping trade. It next explores the sources of political backlash against international economic integration. It concludes by looking at the links between trade, foreign direct investment, foreign aid, migration and remittances.

### **OBJECTIVES AND SKILLS**

The course has two main aims. First, it seeks to introduce BA students to key debates in the study of international trade. Second, through reading and writing of short reviews and a research design, students will develop the relevant analytical skills to understand the relationships affecting individual preferences, political and economic institutions and policy outcomes.

### **METHODOLOGY**

The course is structured around 30 sessions that include lectures, discussion of texts, presentations and essay writing. Some of these sessions will be taught asynchronously. Most lectures, for example, will be recorded (and may be completed at different times). These asynchronous sessions introduce different topics covered in the course, and provide content on such topics. They lay the basis for the analysis of research articles undertaken in class. Most sessions will take place in real time. For these sessions, you will be expected to have gone through the assigned readings before each class, to the point of being called upon to discuss or critique a text. The list of required readings is limited to one paper per week, and it should be read carefully and efficiently. One way to do this is to think about what the key questions are for the session and about how they relate to previous readings before reading each text. Then, read the introduction and conclusion to get a glimpse of the big picture. Ask yourself the following: are the claims in the paper surprising? Are they plausible? Are there examples you can think of that do not fit with the logic of the argument? Next, read the text carefully. Make sure you understand the main theoretical arguments: what assumptions are the authors making to build their argument? What is the mechanism linking the explanatory and outcome variables? Does the evidence support the argument?

**Critical review (50%).** You are required to choose one week for which you will provide a critical review for the class readings (starting from session 4). You will send me by email your preferred week in order of preference early in the course, before a set date (to be confirmed in the first day of class). I will try to accommodate your preference. Late arrivals will be assigned leftover readings. Those who choose the first session will be given a bonus point.

For each paper, your reviews must discuss the following:

- Research question, theoretical argument and empirical findings
- Main weaknesses of the papers. You may raise questions about theory, research design, the links between theory and method, emphasise or develop links with earlier readings.
- A discussion of how to improve the research.
- Policy implications of the findings.

Length: critical reviews should be about 1500 words. Students will shortly present (in maximum 10-15 minutes) the main points of their review at the beginning of each class, and discussion will follow. Please upload the critical reviews on BLACKBOARD ULTRA on the day before class by 17h. Each paper should be uploaded as a .pdf file as follows: "Review.Name.pdf". Critical reviews that do not follow this format will be penalised (minus 1 point), as will those submitted after the deadline will be penalised (minus 1 point).

The review is considered your final paper. The best reviews identify unresolved theoretical or empirical questions and address issues that relate theory and method, and – for those interested in working for international organizations and national administrations, or in research – are extremely useful for identifying what policy should look like. They will also lay the foundation for your research design.

**Research design (50%).** In addition to the critical review, you will write a research design bearing on one of the themes of the course. This will constitute group work: you will be asked to sort yourselves into groups of approximately 3-4 students. The research design has two components: a written component (35% of the grade) and a presentation (15%). The research design will identify a research question and provide a theoretical argument, hypotheses and a discussion of the data you will use to test your hypotheses. You are encouraged to talk to me mid-course about topics before starting. You will present your ideas for the research design in the last day of class and then submit your research design by the end of the semester (date to be confirmed). The idea here is to give you the chance to lay out the core of your research design in a concise and structured way in order to pave the way for the written work.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	16.67 %	25 hours

Discussions	30.0 %	45 hours
Exercises	26.67 %	40 hours
Group work	26.67 %	40 hours
Other individual studying	0.0 %	0 hours
TOTAL	100.0 %	150 hours

## PROGRAM

### SESSION 1 (LIVE IN-PERSON)

#### Introduction to the topic and course organization

*Book Chapters: Global Capitalism: Its Fall and Rise in the Twentieth Century (New York: W.W. Norton) (IE Library)*

### SESSION 2 (ASYNCHRONOUS)

#### Trade models. Why do countries trade? Does trade benefit everyone?

*Book Chapters: World Politics. Interests, Interactions, Institutions (Chapter 7: including "Special Topic" at end of Chapter) (See Bibliography)*

*Book Chapters: State Power and World Markets: The International Political Economy (Chapter 2) (CED)*

### SESSION 3 (LIVE IN-PERSON)

#### Individual preferences: factor endowments & specific factors models

### SESSION 4 (LIVE IN-PERSON)

#### Individual preferences: material self-interest and trade preferences

*Article: Why are some people (and countries) more protectionist than others? (European Economic Review 49: 1393–1430) (CED)*

### SESSION 5 (LIVE IN-PERSON)

#### Individual preferences: non-material considerations

*Article: Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety (International Organization 63(3): 425-457) (CED)*

### SESSION 6 (ASYNCHRONOUS)

#### Recent developments in trade theory

*Article: Firms in Trade and Trade Politics (Annual Review of Political Science 22 (1): 399-417) (CED)*

### SESSION 7 (LIVE IN-PERSON)

#### Globalisation, New new trade theory and policy preferences (1)

*Article: Globalization and the Demand-Side of Politics. How globalization shapes labor market risk perceptions and policy preferences (Political Science Research and Methods 5(1): 55–80) (CED)*

## **SESSION 8 (LIVE IN-PERSON)**

### **Globalisation, New new trade theory and policy preferences (2)**

*Article: Occupation and the Political Economy of Trade: Job Routineness, Offshorability, and Protectionist Sentiment (International Organization, 71(4), 665- 699) (CED)*

## **SESSION 9 (ASYNCHRONOUS)**

### **Institutions: political and economic**

*Article: The Political Economy of International Trade (American Review of Political Science (2): 91-114) (CED)*

## **SESSION 10 (LIVE IN-PERSON)**

### **Political institutions (1): regime type and trade**

*Article: Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries (International Organization 59(1): 107-144) (CED)*

## **SESSION 11 (LIVE IN-PERSON)**

### **Economic institutions**

*Article: The Gilded Wage: Profit-Sharing Institutions and the Political Economy of Trade (International Studies Quarterly 59: 316–329) (CED)*

## **SESSION 12 (LIVE IN-PERSON)**

### **Political institutions (2): Trade and Democracy**

*Article: A Non-Tariff Protectionist Bias in Majoritarian Politics: Government Subsidies and Electoral Institutions (International Studies Quarterly 56: 777-786) (CED)*

## **SESSION 13 (LIVE IN-PERSON)**

### **Feedback on critical reviews**

## **SESSION 14 (ASYNCHRONOUS)**

### **Origins and functioning of IEOs**

*Article: International Organizations and International Institutions (The Sage Handbook of International Relations, 2nd edition (London, Sage Publications), pp. 326-51) (CED)*  
*Book Chapters: World Politics. Interests, Interactions, Institutions (pp. 313-325) (See Bibliography)*

## **SESSION 15 (LIVE IN-PERSON)**

### **Origins of IEOs: Why do countries resort to international economic institutions (IEOs)?**

*Article: International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization (American Political Science Review, 98(1): 153-169) (CED)*

## **SESSION 16 (LIVE IN-PERSON)**

### **How do IEOs function (1)?**

*Article: Master or Servant? Common Agency and the Political Economy of IMF Lending (International Studies Quarterly 54(1): 49-77) (CED)*

## **SESSION 17 (LIVE IN-PERSON)**

### **How do IEOs function (2)?**

*Article: Life, Death, or Zombie? The Vitality of International Organizations (International Studies Quarterly 62: 1–13) (CED)*

## **SESSION 18 (ASYNCHRONOUS)**

### **Globalization and political backlash**

*Article: The backlash against globalization (Annual Review of Political Science) (CED)*

## **SESSION 19 (LIVE IN-PERSON)**

### **Globalisation and conflict**

*Article: Foreign Direct Investment, Regime Type, and Labor Protest in Developing Countries (American Journal of Political Science 55(3): 665–667) (CED)*

## **SESSION 20 (LIVE IN-PERSON)**

### **Globalization and inequality**

*Article: Globalization, Government Ideology, and Income Inequality in Developing Countries (The Journal of Politics 74(2): 541-557) (CED)*

## **SESSION 21 (LIVE IN-PERSON)**

### **Globalization and populism**

*Article: The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe (American Journal of Political Science 62(4):936- 953) (CED)*

## **SESSION 22 (LIVE IN-PERSON)**

### **Feedback on critical reviews**

## **SESSION 23 (LIVE IN-PERSON)**

### **Embedded liberalism in developing countries (1)**

*Article: Development, Trade and Social Insurance (International Studies Quarterly 55: 125-149) (CED)*

## **SESSION 24 (LIVE IN-PERSON)**

### **Embedded liberalism in developing countries (2)**

*Article: Are Developing Countries Really Defying the Embedded Liberalism Compact? (World*

*Politics 66 (4) pp 603 - 640) (CED)*

## **SESSION 25 (LIVE IN-PERSON)**

### **Trade and investment**

*Article: The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements? (American Journal of Political Science, 52(4): 741-762) (CED)*

## **SESSION 26 (LIVE IN-PERSON)**

### **Trade and foreign aid**

*Article: Revenue Substitution? How Foreign Aid Inflows Moderate the Effect of Bilateral Trade Pressures on Labor Rights (World Development 67: 295- 309) (CED)*

## **SESSION 27 (ASYNCHRONOUS)**

### **Globalisation, migration and remittances**

## **SESSION 28 (LIVE IN-PERSON)**

### **Trade and migration**

*Article: Open Trade, Closed Borders: Immigration in the Era of Globalization (World Politics 67 (1): 114– 154) (CED)*

## **SESSION 29 (LIVE IN-PERSON)**

### **Trade and remittances**

*Article: Remittances and Democratization (International Studies Quarterly, 59 (3): 571-586) (CED)*

## **SESSION 30 (LIVE IN-PERSON)**

### **Conclusions and wrap-up**

## **BIBLIOGRAPHY**

### **Compulsory**

- Grieco, J. M. and G. J. Ikenberry. *State power and world markets: the International Political Economy*. W. W. Norton & Company.. ISBN 0393974197 (Digital)

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- Jeffrey Frieden, David Lake, Kenneth Schultz. *World Politics. Interests, Interactions, Institutions*. W. W. Norton & Company. ISBN 9780393938098 (Digital)

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## **EVALUATION CRITERIA**

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### **GENERAL OBSERVATIONS**

Each student has four attempts over two consecutive academic years to pass this course.

For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development Goals 1 (no poverty), 8 (decent work and economic growth), 10 (reduced inequalities) and 16 (peace, justice and strong institutions). Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

### **ATTENDANCE**

In-person attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent to more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as: extended hospitalizations, accidents, serious illnesses and other cases of force majeure, are to be consulted with the Program Management (bir.biemadrid@ie.edu) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check; <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>

### **RETAKE POLICY**

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

### **PLAGIARISM / ACADEMIC HONESTY**

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

- providing faulty sources;
- copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;
- copy-pasting material from external sources even while citing them;
- using verbatim translations from sources in other languages without citing them;
- copy-pasting material from external sources without citing them;



- and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. For help with your academic writing, contact the Writing Center ([writingcenter@faculty.ie.edu](mailto:writingcenter@faculty.ie.edu)). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIR Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIR Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

Criteria	Percentage	Comments
Critical review	50 %	
Research design presentation	15 %	
Research design	35 %	

## PROFESSOR BIO

Professor: **IRENE MENÉNDEZ GONZÁLEZ**

E-mail: [imenendez@faculty.ie.edu](mailto:imenendez@faculty.ie.edu)

I am an Assistant Professor in International Political Economy at the IE School of Global and Public Affairs at IE University in Madrid. My main research interests lie at the intersection of international political economy and comparative political economy, with special emphasis on the consequences of globalisation for economic and social policy, as well as welfare states and interest representation in Europe and Latin America. I also work on projects exploring the politics of labour market segmentation, and on projects analysing the effects of electoral institutions on political representation.

## OTHER INFORMATION

Email: [imenendez@faculty.ie.edu](mailto:imenendez@faculty.ie.edu)

Office hours: by appointment

### CODE OF CONDUCT IN CLASS

1. Be on time. Students arriving more than 5 minutes late will be marked as "Absent". Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor). Students attending online must always have their cameras on during the session or risk being marked absent.
2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter

and, therefore, will be marked as "Absent". Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).

4. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".
5. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".
6. No cellular phones: IE University implements a "Phone-free Classroom" policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.
7. Escalation policy: 1/3/5. Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as "Absent." IE University implements an "escalation policy": The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.

