

INTERNATIONAL TRADE AND FINANCE

IE University

Academic year: 20-21

Degree course: THIRD

Semester: 2º

Category: COMPULSORY

Number of credits: 6.0

Language: English

SUBJECT DESCRIPTION

This course aims to introduce students to major theoretical and empirical issues in the field of international trade. It will particularly focus on the political economy of trade, studying the role of the interest groups and distributional issues in the making of trade policies. Examining the multilateral and preferential trade agreements along with the regimes built around those, the course will discuss the multifarious interactions between international and regional organizations, and the individual states. The course will also explore and discuss some of the prevalent controversies about the international trade flows as well as the trade regime.

This subject fits into the dual degree profile mostly for its contribution to the understanding of world affairs (proper to studying international relations), but also for aiding in the knowledge of the global trade regulation within which businesses operate (as for business studies). This being a late course in the dual degree, it builds upon some of the contents of Introduction to Economics, Microeconomics, and Macroeconomics. But it mostly complements other simultaneous or subsequent courses, on international economic relations and the global political economy, and on other approaches to finance

SUBJECT DESCRIPTION

OBJECTIVES AND SKILLS

The course is meant to provide the students with the following specific skills:

- An understanding of basic international trade concepts and theories.
- Knowledge and understanding of the main figures and indicators frequently used to measure international trade performance.
- The ability to use concepts, theories, and indicators in order to analyze a particular trade policy.
- The ability to use concepts, theories, and indicators in order to understand trade negotiations and international agreements.

Also, it is mean to provide the students with the following cross-disciplinary skills:

1. The ability to pose questions about the real world and to begin to tackle them with logical theoretical thinking.
2. The ability to search for and interpret both qualitative and quantitative information.
3. Communication of results orally and in writing.
4. Critical thinking on complex social systems.

OBJECTIVES AND SKILLS

METHODOLOGY

The teacher will make presentations, usually with Power Point. Sessions will require the participation of the students, via structured discussion or exercises based on the teacher's presentation. Students therefore are expected to be an active participant in this course. Therefore, it is essential that they come to class prepared to discuss the readings for each meeting. We will have class/group discussions and individual/group presentations in designated times. It is highly recommended to keep up-to-date about ongoing real-world developments.

In addition to everyday discussions, there will be practical sessions (in-class debates and presentations), reading questions, a research paper, and presentation, discussion and exchanges of information via the on-line campus. Lastly, a final exam whose weights in your course grade are listed below.

Practical sessions (in-class debates and presentations): The group will be divided into six working teams. In each practical session one group will be in charge of presenting the corresponding analysis; other groups will have to answer several questions about the reading and send it to the teacher previously to the session, and pose comments and questions to the presenting group during the session. The organization of groups and dates will be set together with the students. The precise instructions on how to prepare for the practical classes and on in-class dynamics will be posted in the virtual campus.

Research paper and presentation: The group work will pick a study case to understand the WTO's dispute settlement mechanism: issues, arguments, methods, and actors involved in them. The papers will be max 3000 words in length. Students will present their research project in class. The use of visual material (power point slides, videos, photos, etc.) is highly encouraged. Presentations of the WTO cases will be scheduled before the final exam.

Discussion and exchanges of information via the on-line campus: There will be a space in the online campus, open to students' participation throughout the course. Participation should be in the form of short posts, and with whatever interests students regarding units/practical sessions/readings: questions or comments, reflections on recent news, links to academic or opinion pieces, reflections on how the practical sessions relate to other subjects... Posts should never be summaries of readings assigned. Posts should not exceed 500 words, and they can be published till the end of the unit. They may be isolated or preferably in response to what was previously published by a colleague. Students are expected to participate in this on-line forum.

METHODOLOGY

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	33.33 %	50 hours
Discussions	26.67 %	40 hours
Exercises	20.0 %	30 hours
Group work	13.33 %	20 hours

Other individual studying	6.67 %	10 hours
TOTAL	100.0 %	150 hours

PROGRAM

SESSION 1 (FACE TO FACE)

Presentation: Course requirements, readings, and program

SESSION 2 (FACE TO FACE)

Trade Trends and Trade Theories

International trade from a short and long term perspective

Specialization and Comparative Advantage

R.A.: Altering the pattern of trade in the Wealth of Nations: Adam Smith and the historiography of International Trade Theory. History of Economic Thought (s-c)

SESSION 3 (NON-CLASS LEARNING)

Trade Theories

Reading and Questions.

B.C.: The Globalization Paradox. Chapter 3 (Book)

SESSION 4 (VIDEOCONFERENCE)

Trade Theories

Presentation (reading session 3)

Trade, endowments, and distribution

R.A.: The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry. Comparative Political Studies, 1996, 29: 689-717 (s-c)

SESSION 5 (FACE TO FACE)

Trade Theories

The Political Economy of Trade: social motives for protectionism

And alternatives sources of the gains from Trade

R.A.: The Political Economy of International Trade. Annual Review of Political Science 2, 1999, 91-114 (s-c)

R.A.: Alternative sources of the gains from international trade (s-c)

SESSION 6 (FACE TO FACE)

Trade Theories

In-class Debate: America first?

B.C.: Oatley, T., 5th edition, 2012, New York: Pearson Longman.. International Political Economy, Interests and Institutions in the Global Economy (Book)

SESSION 7 (NON-CLASS LEARNING)

Trade and Development

Reading and Questions.

R.A.: The Political Economy of the Resource Curse. World Politics, 1999, 51: 297-322 (s-c)

SESSION 8 (VIDEOCONFERENCE)

Trade and Development

Presentation (reading session 7)

Infant industry, Terms of Trade, Dutch Disease

B.C.: Oatley, T., 5th edition, 2012, New York: Pearson Longman.. International Political Economy, Interests and Institutions in the Global Economy (Book)

SESSION 9 (FACE TO FACE)

Trade and Development

Returns to scale and cumulative causation, and other economic arguments for protectionism.

R.A.: The political economy of resource-driven growth, European Economic Review 45 (2001) 839-846 (s-c)

B.C.: Krugman, P., 1991: Geography and Trade

SESSION 10 (FACE TO FACE)

Trade and Development

In-class Debate: Is free trade good for developing countries?

SESSION 11 (NON-CLASS LEARNING)

Trade and Strategies

Reading and Questions.

Video: Secrets of Economic Growth

B.C.: Rodrik, D., 2011: The Globalization Paradox. Chapter 8 (Book)

SESSION 12 (VIDEOCONFERENCE)

Trade and Strategies

Presentation (readings and video session 11)

Trade and strategies for growth and structural change

SESSION 13 (FACE TO FACE)

Trade and Strategies

Import-substituting industrialization

Export-oriented industrialization

B.C.: Oatley, T., 5th edition, 2012, New York: Pearson Longman. International Political Economy, Interests and Institutions in the Global Economy (Book)

R.A.: Getting interventions right. Growth Policy, 1994. (s-c)

SESSION 14 (FACE TO FACE)

Trade and Strategies

The Washington and Post-Washington Consensus

Trade, technology, crisis, and new competitors

B.C.: Friedman, T.: The World is Flat. Chapter 8 (Book)

SESSION 15 (VIDEOCONFERENCE)

Mid-Term Exam

SESSION 16 (FACE TO FACE)

Trade, Foreign Investment, and Global Value Chains

FDI and Global Value Chains

GVC and trade implications

B.C.: Baldwin, R., 1996, Harvard University Press: The Great Convergence, Chapter 9 (Book)

SESSION 17 (FACE TO FACE)

Trade and GVC

In-class Debate: GVC for development?

SESSION 18 (NON-CLASS LEARNING)

Trade and international institutions

Reading and Questions

B.C.: Oatley, T., 5th edition, 2012, New York: Pearson Longman: The Globalization Paradox. Chapter 4 (Book)

SESSION 19 (VIDEOCONFERENCE)

Trade and Institutions

Presentation (reading session 18)

From GATT to WTO

SESSION 20 (FACE TO FACE)

Trade and International Institutions: Rise and Fall of the WTO

The emergence of the liberal order. The complexity of deepening of the trade regime.

The Doha Round: Who matters?

The making and politics of a quasi-judicial trade regime.

B.C.: 2008, Princeton, N.J.: Princeton University Press: The Evolution of the Trade Regime: Politics, Law, and Economics of the GATT and the WTO. Chapter 1 (Book)

SESSION 21 (FACE TO FACE)

Trade and International Institutions

In-class Debate: Trade and democracy. The political trilemma of the world economy.

B.C.: Oatley, T., 5th edition, 2012, New York: Pearson Longman: The Globalization Paradox, Chapters 9 & 10 (Book)

SESSION 22 (NON-CLASS LEARNING)

Free Trade Areas, and Regionalism

Reading and Questions.

R.A.: Ming, D. Explaining China's Tripartite Strategy toward TPPA. Journal of International Economic Law, 2015

SESSION 23 (VIDEOCONFERENCE)

Free Trade Areas, and Regionalism

Presentation (reading session 22)

Regionalism: one step beyond WTO

W.P.: Salvaging the Trans-Pacific Partnership: building blocks for regional and multilateral trade opening? Asia European Journal, 2017

SESSION 24 (FACE TO FACE)

Free Trade Areas, and Regionalism

Are PTA and FTA trade-liberalizing or protectionist? Regional integration, bilateral negotiations, and multilateral commitments

R.A.: Are Preferential Trading Agreements Trade-Liberalizing or Protectionist? Journal of Economic Perspectives, 1999, 13 (4). (s-c)

SESSION 25 (FACE TO FACE)

Trade, multilateralism, and sustainability

Labour rights, food and environmental standards, and trade emissions

R.A.: Promoting labour rights in the global economy: Could the United States' new model trade and investment frameworks advance international labour standards in Bangladesh? International Labour Review v155 n3 (Sep 2016) 383-406 (s-c)

SESSION 26 (VIDEOCONFERENCE)

Presentations (I)

T.N.: What the WTO is and what its functions are

T.N.: How the Dispute Settlement Body operates

T.N.: Dispute issues

SESSION 27 (VIDEOCONFERENCE)

Presentations (II)

T.N.: What the WTO is and what its functions are

T.N.: How the Dispute Settlement Body operates

T.N.: Dispute issues

SESSION 28 (FACE TO FACE)

Recap and Perspectives

Deglobalization and trade after COVID

T.N.: Some economists predictions

SESSION 29 (FACE TO FACE)

Final Exam

SESSION 30 (FACE TO FACE)

Final Exam

BIBLIOGRAPHY

Compulsory

- Thomas Oatley. (2012). *International Political Economy, Interests and Institutions in the Global Economy*. 5th edition. Longham. ISBN 9780205060634 (Electronic)

- Dani Rodrik. (2011). *The globalization paradox : why global markets, states, and democracy can't coexist*. Oxford University Press. ISBN 9780199603336 (Electronic)

- John H Barton, Judith L Goldstein, Timothy E Josling, Richard H Steinberg. (2008). *The Evolution of the Trade Regime : Politics, Law, and Economics of the GATT and the WTO.*. Princeton University Press. ISBN 9781400837892 (Electronic)

- Richard Baldwin. *The great convergence : information technology and the new globalization*. Belknap Press. ISBN 9780674660489 (Printed)

- Thomas Oatley. *International Political Economy, Interests and Institutions in the Global Economy*. 5th. Pearson Longman. ISBN 9780205060634 (Electronic)

- Thomas Friedmann. *The World Is Flat*. Picador / Farrar, Straus and Giroux. ISBN 9780312425074 (Electronic)

EVALUATION CRITERIA

GRADING CRITERIA

1 and 2. Midterm and Final exams (50%):

- A minimum grade of 5 out of 10 as an average is required to pass the course.
- If the grade for the midterm exam is below 3.5 you must re-take it together with the final exam.
- 3 and 4.** Workgroups: Research presentation (15%); Practical sessions (presentations and debates) (20%); and Individual work: participation in the on-line campus, and reading an questions (15%):
- Showing an ability to use concepts, theories, and data in order to analyze monetary and financial events.
- Proving an ability to pose questions about the real world and to begin to tackle them with logical theoretical thinking.
- Showing the ability to search for and interpret both qualitative and quantitative information.
- Quality of communication of results orally / in writing.
- Showing critical thinking on complex social systems.

5. In-class participation to improve your final grade:

- Three main criteria will be used in reaching judgment about your class participation: quality of contribution, pertinence, and frequency.

Criteria	Percentage	Comments
Final Exam	30 %	
Intermediate Tests	20 %	
Workgroups	15 %	
Individual Work	35 %	

GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course. 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 should contact the professor during the first two weeks of the course.

ATTENDANCE

Attendance is mandatory at IE University, as it is an essential factor of IE's learning methodology, a continuous process of learning through participation in class, other students' contributions and presentations, among others. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments. 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. Having established the rule, we strongly discourage to use this buffer as granted, we highly recommend to attend 100% of the classes as it will improve your learning outcomes, it will increase the class performance and it might improve your participation grade.

Extreme cases involving emergencies such as: extended hospitalizations, accidents, serious illnesses and other contexts involving force majeure, are to be consulted with the Program Management team for assessment of the situation and corresponding documentation, so that Program Management can support and guide each student optimally. For the synchronous sessions, either Face-to-Face or Virtual (Hybrid) attendance is required. If students miss more than 30% (unexcused) of synchronous courses, they fail with no possibility for June extraordinary exam. If students miss more than 15% (unexcused) of synchronous sessions, their maximum grade is 8 out of 10. Absences can be justified (excused) for health or personal emergency with the BIR office.

FLEXIBILITY

Flexibility: Course structure will be adaptable to the public health situation. If social distancing is no longer necessary, the split Face-to-Face sessions will be re-combined. If Covid returns, we will be fully prepared to effectively transfer Face-to-Face sessions to Videoconferences

TECHNOLOGY

Cell-phones will not be allowed in synchronous class. Faculty should formally ask students to put them away at the beginning of any synchronous session. Hybrid participants must maintain their video feeds on.

ETHICS

Disruptive behavior in class (chatting out of turn, repeatedly leaving the classroom, etc.) should lead to a student being counted absent and asked to leave the classroom, and in excessive cases should be regulated with Ethics Committees. All faculty will include standardized slides regarding plagiarism and paraphrasing for the first session of their course.

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. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- The exam 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.
- Dates and location of the retakes will be posted in advance and will not be changed.

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. The professor will advise the student on how to present said material. All written assignments have to be submitted through Turnitin, 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. 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 Academic Ethics Committee. Very high similarity scores will be automatically flagged and forwarded to the Academic Ethics Committee. 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.