DESCRIPTION: This course examines the politics of several major issues in international trade and investment. It is aimed at exploring why and how governments regulate the flow of goods and capital across national borders, and analyzes the distributional impact of globalization in two of its forms: the flow of goods and services, and the flow of investment capital.

The course is divided into three blocs that look at the distributive consequences of trade, the political economy of trade politics, and the political economy of investment, respectively. In each section we will review briefly the theoretical and empirical explanations of trade and investment.

The course presumes some familiarity with international economics. Economic theory will help us identify the welfare and distributional implications of alternative policies toward the world economy. We will make extensive use of the insights from economic theory to analyze how political actors (voters, interest groups, political parties, and politicians) interact within political institutions to shape policy outcomes.

REQUIREMENTS: Formal requirements include:

- RESEARCH PAPER: students are expected to write an original research paper on any of the themes of the course, worth forty five percent of the final grade. A proposal defining the topic of your research, method, and sources is due at the October 7th meeting of the course. In the final meeting students will present their research in progress to get feedback from the class. Research papers are due by 12pm on Monday December 16th, 2013.

- REVIEW ESSAYS: throughout the semester each student will write two short (3-5 pages) papers critically reviewing one of the themes of the weekly reading assignments. By the end of the first week I will distribute the assignments for the weekly review papers, based on student choice to the extent possible. Review papers are due in hard copy at the beginning of the class when the readings will be discussed, and should be posted on Courseworks by 10am on the day of the corresponding session. Students writing a review essay each week will present an introductory summary of the assigned themed for the week. The two essays are jointly worth twenty five percent of the final grade.

- PARTICIPATION: students are required to attend class, to do all the required readings for each week, and to take an active role in discussing the readings. I will evaluate participation as preparedness and input to discussion. Required readings for each week are marked with a bullet (●) on the reading list. You are also encouraged to look into the recommended readings, which are listed under each section with a star (★). Each week students will be
grouped randomly, two or three to each reading, and asked to prepare a brief presentation of the assigned reading. A student who misses a class should submit by 10am on the next day a one-page long critical summary of the reading he or she has been assigned to prepare for that week. Class participation is worth thirty percent of the final grade.

**Readings:** All the readings are on reserve at Lehman Library, except for Journal articles which are available electronically through CLIO. The syllabus provides the URL links to articles that are only available online. Several of the books are also available for purchase at Book Culture (536 W 112th Street, New York).

**Announcements:** You should check Courseworks periodically for announcements regarding this seminar.

**Outline and Weekly Reading List:**

**I. Economics of Trade**  
**Week 1: September 9, 2013**  
A. Explaining Trade Patterns - Theory

**Week 2: September 16, 2013**  
B. Explaining Trade Patterns - Increasing returns to scale


I.C. EXPLAINING TRADE PATTERNS - EVIDENCE


WEEK 3: SEPTEMBER 23, 2013 – NO CLASS

WEEK 4: SEPTEMBER 30, 2013

D. DISTRIBUTIVE EFFECTS OF TRADE


**Week 5: October 7, 2013 – Submit research paper outline**
**E. Class or Industry Cleavages?**
- Stolper, Wolfgang F. and Paul A. Samuelson (1941). “Protection and Real Wages.”


**Week 6: October 14, 2013**

F. Deriving Actors’ Preferences

• Mayda, Anna Maria and Dani Rodrik (2005), Why Are Some People (and Countries) More Protectionist Than Others? *European Economic Review*, 49(6), pages 1393-1430 .


• Hiscox, Michael J. (2006). Through a Glass and Darkly: Framing Effects and Individuals'


G. PARTISANSHIP, IDEOLOGY AND TRADE POLICIES


II. POLITICAL ECONOMY OF TRADE

WEEK 7: OCTOBER 21, 2013
A. MODELS OF TRADE POLITICS

Vol. III, New York: Elsevier


**Week 8: October 28, 2013**

**B. Patterns of Protection Across Countries and Industries**

- Kurth, James (1979). The Political Consequences of the Product Cycle: Industrial History

**Week 9: November 4, 2013 – No class (University Holiday)**

**Week 10: November 11, 2013**

II.C. Models with Domestic Institutions

D. Models with International Institutions


II.E. The Effects of International Institutions


III. Multinational Corporations and FDI

**Week 12: November 25, 2013**

A. FDI & MNCs - Theory and Models


**WEEK 13: DECEMBER 2, 2013**

**IV.B. FDI AND POLITICS**

* Li, Quan (2009). “Democracy, Autocracy, and Expropriation of Foreign Direct Investment.” Comparative Political Studies, 42, No. 8, pp. 1098-1127.


**Week 14: December 9, 2013 – Presentation of research paper drafts**

**Week 15: December 16, 2013 – Final papers due**