“[T]he U.S. economy would be poorer and less productive if we turned our back on world markets. Furthermore, if the United States were to turn protectionist, other countries would follow. The result would be a less hopeful, more dangerous world… U.S. employment is at least four million short of where it should be. Imports and outsourcing didn't cause that shortfall, but if the job gap doesn't start closing soon, protectionist pressures will become irresistible.”


Course Description
This course introduces the fundamental principles and policy debates of the world trading system. The lecture series is divided into two parts. The first part provides analytical tools to understand the functioning of the world trading system. It covers fundamental trade theories such as the Ricardian comparative advantage model and the Heckscher-Ohlin Model, and trade policies such as import quotas, export subsidies, bilateral and multilateral trade agreements. The second part introduces the functions of the World Trade Organization (WTO) and discusses major current issues and debates on trade policy and globalization such as child labor, income disparity, and environmental standard.

Required books:

Other materials
Articles and other materials will be identified in class.

Grading
- Midterm examination 25%
- Problem sets 40%
- Term paper and presentation 25%
- Class participation 10%
**Midterm Examination**
The midterm exam is in-class and closed book. It will be a combo of multiple choice, short answer, and essay. Please note that there will be no make-up exams except under truly extraordinary circumstances.

**Problem sets**
I will assign problem sets every week. I will announce the due date of each problem set in class. The problem sets must be turned in no later than the end of the class on the due date. I will not accept emailed, faxed, or late problem sets.

**Term paper and presentation**
In lieu of final examination, each student is required to write a term paper of about 7-10 pages (double-spaced, font 12). The paper topic is a case study of your choice on international trade. You have to give a 15-20 min presentation on your paper in the final week of the course and submit a hard copy of your paper on the day of the last class. The grading will be based on the paper itself (15%), and the presentation and response to questions and criticisms of the paper (10%).

**Special Notes**
I will be utilizing the plus/minus grading system. Classes will be conducted in a lecture/discussion format. You are expected to attend all class sessions, complete reading assignments prior to the class, and participate in class discussions. I take the matter of academic honesty very seriously. Academic irregularities or dishonesty, such as plagiarism and cheating will result in an automatic failure of the course.

**Course Schedule** (subject to change)
Week 1 - Introduction
  - Overview of trade and globalization: DVD ‘Life and Debt’
  - International Trade theories: the Ricardian comparative advantage model, the Heckscher-Ohlin Mode, the gravity model, etc.

Week 2 - International Trade Policies: import quotas, tariffs, export subsidies, bilateral trade, and multilateral trade agreements, etc.

Week 3 - the World Trade Organization (WTO): scope, functions, and structure
  - the WTO dispute settlement procedures and some case studies

Week 4 - Midterm exam (Tue 12th June, in class)
  - Globalization: Now and Then
  - Current issues and debates on trade policy and globalization: outsourcing and offshoring, China’s trade with the US and the world, US-EU trade

Week 5 - Current issues and debates on trade policy and globalization: trade and poverty, trade and environment, trade and social policies and labor standard, trade and appropriate governance

Week 6 - Term paper presentations and discussions