Instructor: James Gerber  
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Office hours: Tuesday 1-3pm; Wednesday 2-4pm; and by appointment.

Prerequisites: Economics 320 (Intermediate Macroeconomics) AND Economics 321 (Intermediate Microeconomics).

Who should take this class: Anyone with the prerequisites and an interest in trade and globalization.

Who should NOT take this class: This is a 500-level class—it moves fast and there is a lot of reading. Most exams are essay and I expect you to explain your ideas rather than offer a list of bullet points. It isn’t for everyone. Specifically, those who should avoid this class are undergraduates with less than a 3.0 in their Economics courses; students who have a hard time coming to class and hope to just read the books; students who work more than 20 hours and are taking more than 15 units.

Course objectives. This is a course about international trade and economic globalization. It will focus on trade theory, trade policy, and worries and fears related to increased economic integration.

After taking this course, you will be able to:
- Use the Heckscher-Ohlin Theorem to explain (some) trade patterns;
- Use intra-industry trade theory to explain (some) trade patterns;
- Explain a gravity model of trade;
- Analyze tariffs and quotas and their affects on trade, efficiency and welfare;
- Discuss the CAGE model of trade;
- Analyze some of the more common fears and worries about globalization;
- Provide a political-economy analysis of globalization;
- Access and use authoritative data sources for trade statistics.

Grades:
Your final grade is a weighted average of the following:  
Quizzes on the readings and other assignments: 30%.  
Short papers (2): 20%. (First paper due February 23).  
Midterm: 20% (March 6).  
Final: 30%. (Thursday, May 10, 3:30-5:30).

Details about grades: There is a quiz nearly every class. Your grade is based on your highest 80%. (For example, if there are 20 quizzes, your grade is based on the top 16 scores.)
There are 3 papers assigned; everyone does the first paper (due February 23) and then can choose which of the following 2 they prefer to do. The second papers have different due dates. The assignments are on Blackboard, along with a file (“Writing Guidelines.docx”) containing the grading rubric, format instructions, and key details about the assignments. Please read the file “Writing Guidelines.”

For both the midterm and final, I post questions on Blackboard during the semester and the exams are drawn from those questions.

The grading scale is: 85-100 is A range; 75-84 is B range; 60-74 is C range; 50-59 is D range. Pluses and minuses are awarded within those ranges.

Key dates and late papers: I will accept papers late but with a loss of points. After the due date for the final paper, no more late papers will be accepted.

2/23: Paper 1—CAGE analysis and trade statistics.
3/6: MIDTERM
4/3: Paper 2—Tariffs and quotas
4/24: Paper 3—Preferential trade agreements
5/10: Final Exam—3:30-5:30

Plagiarism: Plagiarism on assignments or exams earns an F in the class.

Readings
- Stephen Husted and Michael Melvin, *International Economics, Chapters 1-10.* (2010). Note that this is a custom print of chapters 1-10 of the text; the cover says “Pearson Custom: Economics.

**Course Outline**

**Week 1: January 19**
- Introduction to the course.

**Week 2: January 24/26**
- Husted/Melvin, Chapter 1, pp. 1-26.
- Ghemawat, Part 1 (Chapters 1-4), pp. 3-86.

**Week 3: January 31 and February 2**
- Ghemawat, Part 2 (Chapters 5-11), pp. 89-251.

**Week 4: February 7/9**
- Husted/Melvin, Chapter 2, pp. 27-52.
• Ghemawat, Part 3 (Chapters 12-15), pp. 251-336.

**Week 5: February 14/16**
• I will be in Singapore this week. Work on your paper and the study questions posted online.

**PAPER 1—DUE FEBRUARY 23—CAGE ANALYSIS AND TRADE PATTERNS**

**Week 6: February 21/23**
• Husted/Melvin, Chapter 3, pp 53-84.
• Irwin, Introduction and Chapters 1-2, pp. 1-69.

**Week 7: February 28 and March 1**
• Husted/Melvin, Chapter 4, pp. 85-118.

**MIDTERM: MARCH 6.**

**Week 8: March 8**
• Husted/Melvin, Chapter 5, pp. 119-146.

**Week 9: March 13/15**
• Husted/Melvin, Chapter 6, pp. 147-180.
• Irwin, Chapter 3, pp. 70-104.

**Week 10: March 20/22**
• Husted/Melvin, Chapter 7, pp. 181-216.
• Irwin, Chapter 4, pp. 105-145.

**SPRING BREAK: MARCH 26-30**

**PAPER 2—DUE APRIL 3—TARIFFS AND QUOTAS**

**Week 11: April 3/5**
• Husted/Melvin, Chapter 8, pp. 217-250.
• Irwin, Chapter 5, pp. 146-175.

**Week 12: April 10/12**
• Husted/Melvin, Chapter 9, pp. 251-274.
• Irwin, Chapter 6, pp. 176-218.

**Week 13: April 17/19**
• Husted/Melvin, Chapter 10, pp. 275-307.
• Irwin, Chapter 7 and Conclusion, pp. 219-278.

**PAPER 3—DUE APRIL 24—PREFERENTIAL TRADE AGREEMENTS**
**Week 14: April 24/26**
- Rodrik, Chapters 1-6, pp. 1-134.

**Week 15: May 1/3**
- Rodrik, Chapters 7-11, pp. 135-250.

**Last class, May 8**
- Rodrik, Chapter 12 and Afterword, pp. 251-284.