In the next two week's precepts, we will have discussions on trade policies. We will look at current trade policy practices of various countries and attempt to analyze them with the tools learned throughout the course. Economic theories invariably make simplifying assumptions and usually focus on one or a few aspect of the economic activities. Real world policy making involve many more aspects than mere economic analysis. Therefore we are seeing a wide variety of practices and there are heated debates on what the best policies are. You are encouraged to bring your own opinion, however, we will try to guide our discussion on the models we have learned.

In week 11, we will focus on US trade policy. We will relate the discussion to Question 2 of Problem Set 5 and discuss whether “free trade” is hurting American and there is a need for higher tariffs. We will also discuss the current hot topic of Chinese currency as it relates to US-China trade and the US economy in general. It will be useful to take a brief look at the following:
United States Trade Representative Ron Kirk on President Obama's 2010 Trade Policy Agenda
WTO Director-General Pascal Lamy debunking some myths of international trade
http://www.egovmonitor.com/node/35465
China revaluation would hurt US jobs - study
http://www.reuters.com/article/idUSLDE63E1S120100415

In week 12, we will discussion trade policy practices of various countries. It will be really helpful if you have given some though about the essay you will be writing for Problem Set 6. We can share our ideas and help each other formulate the actual writing.