

ECON 362: The World Trading System

MWF 11:30-12:20

Instructor

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Note: Please send me an e-mail, specifying (1) an e-mail account to which you want class information to be delivered; and (2) a name you want me to call you in the class. I will send lecture notes by e-mail from time to time. The notes are MS-Word documents. So please tell me an e-mail account where you can receive a message with attachment documents.

Office Hours: Fridays 1:00 to 3:00 pm, and by appointment

Introduction

This course examines the international cooperation in the context of the world trading system. It covers the role of the World Trade Organization (WTO). The WTO agreements span trade in goods, trade in services, and intellectual property rights. We will also consider future challenges to the world trading system including the environment, labor standards, and competition policies.

Prerequisites

Econ 120, 130, or 131

Readings

Required Textbook:

The Political Economy of the World Trading System, 2nd edition, by Bernard Hoekman and Michel Kosteci. Oxford University Press, 2001.

Optional Textbook:

United States Trade Policy: A Work in Progress, by Charles S. Pearson. John Wiley & Sons, Inc., 2003.

Suggested Readings:

- Chapter 8 (The Trading System), Global Political Economy, by Robert Gilpin. Princeton University Press, 2001
- The Multilateral Trading System in a Globalizing World, by Lee-Jay Cho and Yoon Hyung Kim (eds). Korea Development Institute, 2000.
- The WTO after Seattle, by Jeffrey J. Schott. Institute for International Economics, 2000. Chapters in the book can be viewed at:
http://www.iie.com/publications/publication.cfm?pub_id=317&source=pub
- Reshaping the World Trading System: A History of the Uruguay Round, by John Croome. The Hague: Kluwer Law International, 1999.
(Detailed analysis of negotiations during the Uruguay Round)

- Trade Politics: International, Domestic and Regional Perspectives, by Brian Hocking and Steven McGuire (eds). Routledge, 1999
- Has Globalization Gone Too Far? by Dani Rodrik. Institute for International Economics, 1997

You can review basic economics of trade policies in introductory and intermediate microeconomics textbooks such as:

- Chapter 18 (Trade Policy), Principles of Microeconomics, 3rd edition, by Joseph Stiglitz and Carl Walsh. W.W. Norton and Co., 2002

Useful links:

Official Websites:

- World Trade Organization
<http://www.wto.org/>
- World Bank Research Group on Trade
<http://www1.worldbank.org/wbiep/trade/>
- Trade and Development Center (joint project by WTO and World Bank)
<http://www.itd.org/index1.htm>

NGO Websites:

- Global Policy Forum on WTO
<http://www.globalpolicy.org/socecon/bwi-wto/indexwto.htm>
- Friends of the Earth on WTO
<http://www.foe.org/camps/intl/greentrade/index.html>

“Top 10”

- Top 10 Reasons to Oppose the World Trade Organization (by Global Exchange)
<http://www.globalexchange.org/economy/rulemakers/topTenReasons.html>
- 10 Common Misunderstandings about the WTO (by WTO)
http://www.wto.org/english/thewto_e/whatis_e/10mis_e/10m00_e.htm
- 10 Benefits of the WTO Trading System (by WTO)
http://www.wto.org/english/thewto_e/whatis_e/10ben_e/10b00_e.htm

Attendance and Conduct

Students are expected to attend all classes and read all assigned readings prior to class. Students are also expected to conduct themselves with academic honesty. Cheating or plagiarism will result in an automatic failure of the course.

Course Evaluation

Course grading is based on the following factors and proportion:

Two mid-term exams	(20% each)
One final exam	(20%)
One writing assignment	(20%)
Participation and presentation	(20%)

There will be no make-up exams for missed exams. Late submission of the writing assignment will cause a penalty: one letter grade reduction per day.

Writing Assignment

Each student submits a research paper. One can choose a topic under the research agenda of “an issue of trade policies in the United States and/or in other countries”. You can identify a topic in classroom discussions or in textbooks. It is encouraged that the paper reflects Q&A and discussion at the class presentation. The paper is typed and double-spaced, up to 8 pages including tables, charts, and/or graphs. The due date of the writing assignment is **December 5**.

Prior to working on the research, each student submits a research proposal of one paragraph by **September 19**. The research proposal should include the following elements:

- What is the issue?
- Why the topic is important?
- How you are going to research?
- What are possible conclusion or recommendations?

The proposal is for the purpose of research guidance, and not going to be graded. There is no specific format for the proposal. Don't hesitate to ask the instructor if you are not clear about what you are going to research. Well-begun is half-done!

Class Presentation

Each student presents the research in the class on a designated day. It is highly recommended that the topic of the presentation is the same as the writing assignment. The presentation is for about 10 minutes, followed by Q&A and discussion. Depending on the class size, a joint presentation may be allowed. Format of the class presentation will be announced later.

Guest Lecturers

Several guest lecturers will be invited for the class. Tentative candidates include:

- **Dr. Seiji Naya**, Senior Visiting Fellow, East-West Center; former Director, Department of Business, Economic Development and Tourism; former Chief Economist, Asian Development Bank. (Trade policies and development)
- **Dr. Sumner La Croix**, Department chair, Economics Department. (Intellectual property rights)
- **Dr. Theresa Greaney**, Professor, Economics Department. (Trade theory and policy)
- **Dr. Tianshu Chu**, Fellow, East-West Center. (Chinese economy)

Course Outline and Readings (tentative; subject to change)

Week 1: Introduction to the International Trading System

Mon	8/25	Course Overview
Wed	8/27	Economic Globalization
Fri	8/29	Past and Present System of International Trade

Week 2: Movements Against Globalization

<i>Mon</i>	<i>9/1</i>	<i>HOLIDAY</i>
Wed	9/3	Video: "Protest in Seattle"
Fri	9/5	Views of NGOs on the WTO

Week 3: Institution of Global Trade (HK Chapters 2-4)

Mon	9/8	WTO
Wed	9/10	WTO
Fri	9/12	Trade Policy Review

Week 4: Institution of Global Trade (HK Chapters 2-4)

Mon	9/15	Dispute Settlement
Wed	9/17	Cases: Banana, Kodak vs Fuji
Fri	9/19	WTO as Negotiating Forum
	(9/19)	Research proposal due

Week 5: Institution of Global Trade (HK Chapters 2-4)

Mon	9/22	WTO as Negotiating Forum
Wed	9/24	Review
Fri	9/26	1st Mid-term Exam

Week 6: Multilateral Trade Agreements (HK Chapters 5-8)

Mon	9/29	Trade in Goods
Wed	10/1	Trade in Goods
Fri	10/3	Trade in Goods

Week 7: Multilateral Trade Agreements (HK Chapters 5-8)

Mon	10/6	Sector-specific multilateral trade agreements
Wed	10/8	Sector-specific multilateral trade agreements
Fri	10/10	Trade in Services

Week 8: Multilateral Trade Agreements (HK Chapters 5-8)

Mon	10/13	Trade in Services
Wed	10/15	Protection of Intellectual Property
Fri	10/17	Protection of Intellectual Property

Week 9: Holes and Loopholes (HK Chapters 9-11)

Mon 10/20 Safeguards and Exceptions
 Wed 10/22 Regional Integration
 Fri 10/24 Regional Integration

Week 10: Holes and Loopholes (HK Chapters 9-11)

Mon 10/27 Plurilateral Agreements
 Wed 10/29 **Review**
 Fri 10/31 **2nd Mid-term Exam**

Week 11: Challenges for the Trading System (HK Chapters 12-14)

Mon 11/3 Integration of Developing Countries and Economies in Transition
 Wed 11/5 Integration of Developing Countries and Economies in Transition
 Fri 11/7 The 'Trade and' Agenda

Week 12: Challenges for the Trading System (HK Chapters 12-14)

Mon 11/10 The 'Trade and' Agenda
 Wed 11/12 Governance
 Fri 11/14 Governance

Week 13: Classroom Presentations

Mon 11/17
 Wed 11/19
 Fri 11/21

Week 14: Classroom Presentations

Mon 11/24
 Wed 11/26
 Fri 11/28 *HOLIDAY*

Week 15: Classroom Presentations

Mon 12/1
 Wed 12/3
 Fri 12/5
 (12/5 **Writing Assignment due**)

Week 16: Review week

Mon 12/8 **Review**
 Wed 12/10 **Review**
 Fri 12/19 **Final Exam (12:00 – 2:00)**