

Globalization, Trade and Development

Spring, 2017

Professor Wook Chae

Contact Information

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Class Hours: Wednesday 12:00-2:45 pm.

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Course Description

This course is designed to provide students with the knowledge of globalization and its relations with international trade and economic development. Assuming that many students have not taken any rigorous economics courses, the first 3 weeks of this course will go over basic theories or concepts of international trade and development, and then we will move on to more practical trade issues, focusing on the WTO-centered multilateral trading system and proliferation of regional trade arrangements, both of which contribute to promotion of globalization. The course will also deal with the issues of economic development and development cooperation in relation to trade which may be crucial to the economic growth of many developing countries. It is hoped that, after the course, the students can better understand the current status and progress of globalization and international economic cooperation through various trade and aid initiatives. More importantly, the students are expected to be able to create their own views on the economic issues regarding globalization, trade and development.

This is strictly a class of participation. Students will be asked to actively participate in class discussions in the course on topics under the subjects given in the syllabus.

Basic Reading Materials

- Principles of Economics, N. Gregory Mankiw (GM)
 - Economic Development, Michael P. Todaro and Stephen C. Smith, 11th ed., 2011, Addison-Wesley (TS)
 - The Future of the World Trading System: Asian Perspectives, 2013, ADBI (FW)
(<http://www.voxeu.org/content/future-world-trading-system-asian-perspectives>)
 - Multilateral Aid Report, 2012, OECD (MA)
([http://www.oecd.org/dac/aid-architecture/DCD_DAC_\(2012\)_33_FINAL.pdf](http://www.oecd.org/dac/aid-architecture/DCD_DAC_(2012)_33_FINAL.pdf))
 - Aid for Trade at a Glance 2013: Connecting to Value Chains, OECD/WTO (AT)
(http://www.wto.org/english/res_e/booksp_e/aid4trade13_e.pdf)
- *Additional readings will be given in due course.

Course Evaluation

- Grading for the course will be based on the following three elements:

1) Attendance and participation in class discussion (30%)

Students are expected to attend all classes, do all required readings and as much of the recommended readings as possible in advance, and participate actively in class discussion and make valuable contribution. Some reading materials will be given for special discussions.

Active participation in discussions by all the students will be strongly encouraged throughout the course and will be highly reflected in the final grade.

2) Mid-Term (30%), Final-Exam (40%)

Class Schedule:

Weeks 1-3 (Mar. 8, 15, 22): Basic Economic Concepts

Topics

- Market forces of Demand and Supply
- International Trade; Gains from Trade
- Production and Growth
- National Income Accounts

Readings

- Chapter 9 of GM (Chapters 4, 6, 7 of GM)
- Chapters 25, 26 of GM(Chapter 23 of GM)

Week 4 (Mar. 29): Multilateral Trade System

Topics

- Legal Structures and Principles
- Prospects for the WTO

Readings

- Understanding the WTO
(https://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf)
- WTO websites: The Doha Round
(https://www.wto.org/english/tratop_e/dda_e/dda_e.htm)

Week 5 (Apr. 5): Regional Trade Arrangements

Topics

- Forms of Economic Integration
- Legal Basis for RTAs
- Preference Utilization
- Motives and Economic Effects

Readings:

- Preferentialism in Trade Relations: Challenges for the World Trade Organization (ADBI Working Paper): Patrick Low

Week 6 (Apr. 12): Special Discussion

Topics

- Relationship between Multilateralism and Regionalism

Week 7 (Apr. 19): International Production Networks: Global Value Chain

Topics

- Trade in Value-Added
- Supply-Chain Trade

Readings:

- Inomata, S., "Trade in value-added: An East Asian perspective," pp.29-37 of FW
- Baldwin, R., "WTO 2.0: Thinking ahead on global trade", pp.23-28 of FW

Week 8 (Apr. 26): Mid-term Exam

- ✧ No class on Week 9 (May 3): Buddha's Birthday

Weeks 10-11 (May 10, 17): Economic Development: Problems & Policies

Topics

- Definition and Characteristics of the Developing World
- Poverty, Inequality and Development
- Foreign Finance, Investment and Aid

Readings

- Chapters 2, 5, 13, 14 of TS

Weeks 12-13 (May 24, 31): International Development Cooperation

Topics

- Development Financial Flows
- Bilateral and Multilateral Aids
- Country Programmable Aid
- Aid for Trade

Readings

- OECD/DAC Home Pages

- Chapter 1 of MA
- Chapters 1, 2 of AT

Week 14 (June 7): Special Discussion

Topics

- Industrial (Trade) Policy for Development
- Korea's Trade Policy and Economic Development

Week 15 (June 14): Final Exam