

Theory and Practice of Global Trade Governance

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Professor Wook Chae

Contact Information

Office Location: Room 319, International Studies Building

Office Phone: +82-31-201-2344

E-mail Address: wkchae53@gmail.com

Class Hours: T Th 10:30-11:45

Office Hours: T Th 14:00-15:30

Course Description

‘Theory and Practice of Global Trade Governance’ is a topical and theoretical course on international trade regime, focusing mainly on institutions and practices of the multilateral trade system from the GATT to the WTO. It also examines the types, trends and politics of regional trade initiatives evolving in various regions of the world. Incorporating relevant theories and viewpoints from multiple disciplines – from political science to economics, it aims to provide students with well-rounded views on the current international trade regime.

It is hoped that, after the course, students are able to create their own views on economic and political aspects of the current global trade governance as well as on the interplay of multilateralism and regionalism.

This is strictly a class of participation. So, students will be asked to actively participate in discussions during the course.

Reading Materials

- Mankiw, N. G., *Principles of Economics*, Harcourt College Publishers(GM)
(not required to purchase)
- *Understanding the WTO*

(https://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf)

- *The Future of the World Trading System: Asian Perspectives*, 2013, ADBI
(<http://www.voxeu.org/content/future-world-trading-system-asian-perspectives>)
- *World Trade Report 2011*, WTO
(http://www.wto.org/english/res_e/booksp_e/anrep_e/world_trade_report11_e.pdf)

*Additional or updated readings will be given in due course.

Course Evaluation:

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

1) Attendance and Discussion (30%)

Students are expected to attend all classes, do all required readings and as much of the recommended readings as possible in advance.

While students are always encouraged to participate in class discussions, a special discussion session is designed in particular to promote discussion on the issues covered throughout the course.

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

Class Schedule:

Weeks 1-3: Basic Theory of International Trade

Topics

- Market forces of Demand and Supply
- International Trade; Gains from Trade
- Arguments on (for, against) Free Trade

Readings

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

Weeks 4-5: Legal Structures and Principles of the World Trade Organization (WTO)

Topics

- Legal Structures and Principles
- Tariff and Non-Tariff Measures
- Dispute Settlement Mechanism

Readings

- Understanding the WTO
(https://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf)

Week 6: Prospects for the WTO

Topics

- Challenges to the WTO System
- Plurilateral vs. Multilateral Trade Agreements

Readings

- WTO websites: *The Doha Round*
(https://www.wto.org/english/tratop_e/dda_e/dda_e.htm)
- Hufbauer, G. C. and Schott J. J., *Will the World Trade Organization Enjoy a Bright Future?*, Policy Brief, Peterson Institute for International Economics, May, 2012
(<https://piie.com/publications/pb/pb12-11.pdf>)
- Nakatomi M., “Plurilateral agreements: A viable alternative to the WTO?,” *The Future of the World Trading System: Asian Perspectives*, 2013, ADBI (pp. 133-149)

Week 7: Special Discussion

Topics

- Prospects for the Global Trade Governance

Readings

- Readings from week 6

Week 8: Midterm Exam

Weeks 9-11: Regional Trade Arrangements:

Topics

- Types (Major Regional Trade Initiatives)
- Legal Basis
- Motives and Economic Effects
- Rules of Origin
- Evolution of RTAs

Readings:

- Patrick, L, *Preferentialism in Trade Relations: Challenges for the World Trade Organization*, ADBI Working Paper Series, No. 478, May 2014, ADBI (pp. 3-11)
(<http://www.adbi.org/files/2014.05.07.wp478.preferentialism.trade.relations.wto.pdf>)
- World Trade Report 2011, WTO (pp.54-63)

Week 12: Practical Analysis for Trend of RTAs

Topics

- Trends and Stylized Facts of RTAs

Readings:

- *World Trade Report 2011*, WTO (pp.54-63)

Weeks 13: Special Discussion

Topics

- Regionalism vs. Multilateralism

Readings:

- Patrick, L, *Preferentialism in Trade Relations: Challenges for the World Trade Organization*, ADBI Working Paper Series, No. 478, May 2014, ADBI (pp. 11-15)
(<http://www.adbi.org/files/2014.05.07.wp478.preferentialism.trade.relations.wto.pdf>)

- Lejárraga, I., *Deep Provisions in Regional Trade Agreements: How Multilateral-friendly?: An Overview of OECD Findings*, OECD Trade Policy Papers, No. 168, OECD Publishing. (2014)
(<http://dx.doi.org/10.1787/5jxvgn4bjf0-en>)
- Acharya, R., “Multilateralisation of regional trade agreements,” *The Future of the World Trading System: Asian Perspectives*, 2013, ADBI (pp.157-162)

Week 14: Overall Review

Week 15: Final Exam