

U6017 International Trade and Development

Professor Eliza Patterson

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Office Hours: TBA

Required Text: Trebilcock and Howse, *The Regulation of International Trade*, 2nd edition, Routledge Press.

Recommended Text: Caves, Frankel, Jones, *World Trade and Payments*, 9th edition, Addison Wesley.

Xeroxed materials will also be distributed.

Weeks 1-3 The Economics of Trade

These sessions will cover the basic economic principles relating to international trade. The following topics will be covered: 1. Mercantilism; 2. Comparative advantage and gains from trade; 3. Factor endowments and trade patterns. 4. Qualifications to the case for free trade: reciprocity, the optimal tariff, infant industries, strategic trade theory, revenue-raising considerations, national security considerations. 4. Objections to free trade: job displacement and wage depression; race-to-the-bottom/lowest common denominator effects on domestic social policies; cultural homogenization; loss of domestic political sovereignty.

Readings: Trebilcock and Howse, pp1-17;

Xeroxed materials to be distributed (Jackson, Davey, Sykes, *International Economic Relations*, 4th edition, West Group pp.7-21)

Recommended: Caves, Frankel , Jones, Chapter 7

Week 4. The Evolution of the International Trading System.

These sessions will cover (1) The formation and evolution of the GATT from the initial 1947 concept through eight negotiating rounds and the creation of the WTO. (2) The rise of regional trading blocks and free trade areas (FTAs)- the EU, NAFTA, the proliferation of bilateral free trade areas.

Readings: Trebilock and Howse, pp21-24; Xerox materials from Jackson, Davey; pp 208-216, 226-231.

Week 5 The US Constitution and US Regulation of International Economic Affairs.

This sessions will discuss the inherent and delegated powers of the president and the Congress in the conduct of international economic relations; the domestic legal effect of international agreements, and the respective roles of the States and the Federal Government.

Readings: Xeroxed materials from Jackson, Davey pp.56-62; 72-78, 96-102, 116-119; 123-127

Week 6 The US Trade Policy Formation Process

This class will discuss the complex process by which the US government's trade policies and laws are developed. We will examine , with the use of case studies, the roles played by the various executive branch agencies; the US trade representative, NGOs, the private sector and the Congress in crafting US policy.

Readings: Xeroxed materials. Jackson,Davey, pp. 88-90; 137-139

Week 7-9. Fundamentals of the GATT and the WTO

These sessions will cover the following topics:

- Non-discrimination: MFN and National Treatment
- Tariffs
- Unfair trade laws (a concrete case will be examined)
- Safeguards (a concrete case will be examined)
- Developing countries (discussion will cover the evolution of theory and policy stances relating to the relationship between trade and development and the related evolution of the multilateral rules governing trade with developing nations
- Article XX
- Dispute settlement.(a concrete case will be examined)

Readings: Trebilcock and Howse pp. 25-38, 51-80, 167-172,190-198,205-214, 226-239, 245-254, 367-379, 386-394.

Week 9 US Trade Law

This session will examine key US trade laws and the policies behind them. Concrete cases will be examined. Topics covered will include: Dumping and Countervailing Duties, Safeguards, and Section 301.

Readings: Trebilcock, Howse: p. 166-217; 226-245 Xeroxed materials from Jackson, Davey, pp. 317-319; 332-335.

Weeks 10-12 Current Issues confronting the US and the multilateral trading system.

Topics covered include:

- The evolution of US relations with Africa and Caribbean nations
- The escalating use of trade embargoes for foreign policy purposes
eg. Cuba, Burma, Iraq
- The China debate
- International regulation of “behind the border” measures/the “trade and-“ issue:
environment, labor rights, intellectual property protection, domestic regulation-
esp. to protect health and safety,
- Investment- the focus will be on the current debate over investor rights
and investor vs. state legal cases.

Readings: Trebilcock and Howse pp. 134-147, 152-165, 395-463. and Xeroxed materials.

Week 13: The Future of the Global Trading System

This session will discuss several of the challenges facing the world trading system today. The focus will be on: (1) managing the interface between trade liberalization and the domestic regulatory state; (2) strengthening the legal and institutional foundations of open markets in developing countries; and (3) addressing the dangers that regionalism poses to the sustainability of the global trading system.

Readings: Trebilcock and Howse: pp. 500-522.

Week 14: Review