

IR 789: Globalization, Development, and Governance

Fall 2007

Meets Mondays 10 a.m. to 1 p.m.

IRC 220

Kevin P. Gallagher

Assistant Professor

Department of International Relations

Office Hours:

Mondays: 2:30 – 4:30 or by appointment

Overview

This course will cover the latest thinking and policy for three aspects of international trade and development policy. First, the class will examine the extent to which economic globalization, or the liberalization of trade and investment regimes, has affected levels of economic growth, inequality and poverty, job creation and wages, and environmental quality. Second, the course will discuss the possible impacts that World Trade Organization (WTO) and regional trading rules have on the ability of nation states to establish effective development policies. Finally, the course will focus on how these issues are currently being considered in ongoing global and regional trade negotiations.

Readings

The following books are required and available at the university bookstore:

Hoekman, Bernard and Michel Kostecki (2001). *The Political Economy of the World Trading System: The WTO and Beyond*. Oxford University Press.

Newfarmer, Richard (2005). *Trade, Doha, and Development: A Window into the Issues*. Washington: World Bank.

UNDP et al (2003). *Making Global Trade Work for People*. Earthscan: London.

International Centre for Trade and Sustainable Development (2005). Doha Round Briefing Series. Geneva: ICTSD (free and downloadable).

http://www.ictsd.org/pubs/dohabriefings/Doha_Hong_Kong_Update.pdf

Students are also required to subscribe to:

International Centre for Trade and Sustainable Development, Bridges Weekly Trade Digest: <http://www.ictsd.org/weekly/index.htm>

Course Outline:

1. **September 10: What Is Globalization? What is Development?** Introduction to course, discussion of the global economy by the numbers, and the Doha Development Round.

Homework:

- 1) go to www.worldbank.org
- 2) click the third drop down from the left, "data and research,"
- 3) click the drop down on the far right, "DATA"
- 4) click "data by country"
- 5) go to the drop down menu at "country profiles" tables and print out "world," "United States," and one other country of your choice.
- 6) How big is the world economy? How much is exported? Study these pages

2. September 17: The WTO and Regional Trade in Context

UNDP, Chapter 2

Hoekman and Kostecki, Chapters 1, 4

Newfarmer, Ch 2

Bhagwati, Jagdish (2005). "From Seattle to Hong Kong," *Foreign Affairs*, December 2005 -- WTO Special Edition.

<http://fullaccess.foreignaffairs.org/20051201faessay84701/jagdish-bhagwati/from-seattle-to-hong-kong.html>

3. September 24: The Political Economy of International Trade and Investment I: Theory

UNDP, Chapter 1

Leslie Elliott Armijo and John Echeverri-Gent, (2005) "The Politics of Global Markets: Mental Models of Trade and Finance in an Unequal World" APSA Task Force on Difference and Inequality in the Developing World.

<http://www.apsanet.org/imgtest/TaskForceDiffIneqDevEcheverriGentArmigo.pdf>

4. **October 1: The Political Economy of Regional Trade Agreements**

Hoekman and Kostecki, Chapter 10

Newfarmer, Chapter 20

Panagariya, Arvind, "The Regionalism Debate: An Overview." *World Economy*, June 1999, 477-511

[http://www.columbia.edu/~ap2231/Policy%20Papers/overview-we\(1\).pdf](http://www.columbia.edu/~ap2231/Policy%20Papers/overview-we(1).pdf)

Shadlen, Kenneth (2005) "Exchanging development for market access? Deep integration and industrial policy under multilateral and regional-bilateral trade agreements". *Review of International Political Economy*, Volume 12, Number 5, December 2005, pp. 750-775(26).

5. **October 9: International Trade, Growth and Development: Evidence (guest speaker: Kamal Malhotra)**

Birdsall, Nancy, Dani Rodrik, and Arvind Subramanian (2005). "How to Help Poor Countries," *Foreign Affairs*, July/August.

<http://www.cgdev.org/doc/commentary/FAhelp.pdf#search=%22How%20to%20Help%20Poor%20Countries%22>

Rodrik, Dani (2002). *Global Governance as if Development Really Mattered*. United Nations Development Program.

http://www.undp.org/mainundp/propoor/docs/pov_globalgovernancetrade_pub.pdf

Wade, Robert (1993), "Managing Trade: Taiwan and South Korea as Challenges to Economics and Political Science." *Comparative Politics*, V 25, N 2, 147-167.

6. **October 15: Economic Projections of the Doha Round Benefits**

Bouet, Antoine (2006). How Much Will Trade Liberalization Help the Poor? Comparing Global Trade Models. International Food Policy Research Institute.

<http://www.ifpri.org/pubs/ib/rb05.pdf>

Newfarmer, Ch 3

Ackerman, Frank (2005). ["The Shrinking Gains from Trade: A Critical Assessment of Doha Round Projections,"](#) *GDAE Working Paper No. 05-01*, October 2005.

<http://www.ase.tufts.edu/gdae/Pubs/wp/05-01ShrinkingGains.pdf>

Polaski, Sandra (2006). *Winners and Losers: The Impact of the Doha Round on Developing Countries*.

<http://www.carnegieendowment.org/files/WinnersLosers3-15-06.ppt>

7. October 22: Agriculture and Commodities (guest speaker: Michael Conroy) (PSETS DUE)

UNDP, Chapters 5, 6

Panagariya, Arvind (2004). *The Tide of Free Trade Will not Lift all Boats (and correspondences)*. *Foreign Policy*.

http://www.columbia.edu/~ap2231/ET/FT_OPed%20&%20Other%20Correspondence_August_04.htm

Hoekman and Kostecki, 6.1

Newfarmer, 5

8. October 29: Trade in Goods

Hoekman and Kostecki, Chapter 5

Newfarmer, Ch 11

UNDP, Chapters 7 and 8

Akyuz, Yilmaz (2005). *The WTO Negotiations on Industrial Tariffs: What is at Stake for Developing Countries?* Third World Network

http://www.twinside.org.sg/title2/akyuz_papers>NamaIndFin.pdf

9. November 5: Intellectual Property Rights I: TRIPS and Public Health (Guest lecture: Brook Baker)

Newfarmer, Ch 15

World Trade Organization (2001). *Doha Declaration on TRIPS and Public Health*.

<http://www.who.int/medicines/areas/policy/tripshealth.pdf>

Correa, Carlos (2002). *Implications of the Doha Declaration on the TRIPS agreement and public health*. Geneva: World Health Organization.

http://www.who.int/medicines/areas/policy/WHO_EDM_PAR_2002.3.pdf

Shadlen, Kenneth C. 'Patents and Pills, Power and Procedure: The North-South Politics of Public Health in the WTO.' *Studies in Comparative International Development* 39, no. 3 (2004), pp. 76-108.

10. November 19: Intellectual Property Rights II: TRIPS, Innovation, and Development

UNDP, Chapter 11

Newfarmer, 24

Shadlen, Kenneth (2005). ["Policy Space for Development in the WTO and Beyond: The Case of Intellectual Property Rights,"](http://www.ase.tufts.edu/gdae/policy_research/Shadlen.htm) GDAE Working Paper No. 05-06, November 2005.

http://www.ase.tufts.edu/gdae/policy_research/Shadlen.htm

11. November 26: Foreign Direct Investment

UNDP, Chapter 12

World Bank (2004). From Singapore to Cancun: Investment

<http://siteresources.worldbank.org/INTRANETTRADE/Resources/TradeNote2.pdf>

Kumar, Nagesh (2003). Investment in the WTO: A Developing Country Perspective. RIS, New Dehli.

http://www.unctad.org/en/docs//td398_en.pdf

12. December 3: Environment

UNDP Chapter 18

ICTSD, Trade and Environment

Boyce, James K, "Green and Brown? Globalization and the Environment." *Oxford Economic Papers*.

<http://www.umass.edu/peri/pdfs/WP78.pdf>

Conroy, Michael (2005). *Certification Systems as Tools for Natural Asset Building*. Political Economy Research Institute, UMASS-Amherst.

http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_51-100/WP100.pdf

13. December 10

Paper presentations—class starts at 9!

Attendance

Great importance will be placed on attendance and timely submission of assignments. There will be a penalty for late submissions of assignments and for irregular attendance. However, individual emergencies will be accommodated as far as possible. In such cases, students should make every effort to talk with the instructor in advance. Student participation will be an important part of the class and students should come prepared to be called upon.

Any of the following will adversely affect student grades:

- Being irregular in attendance (including arriving late or leaving early).
- Failing to have read all assigned readings **before** the class for which they are listed.
- Late submission of assignments
- Lack of participation in class discussions.

Grading and Assignments:

Course Grades will comprise of the following:

Attendance and Participation	15%
Problem Set	20%
Paper Proposal	
Book review	10%
Final Paper	40%
Class Presentations	15%

Attendance and Participation: Regular attendance will be taken and students will be expected to contribute to general discussions during class periods.

Problem Set: A quantitative problem set will be due. Students will be asked to download and manipulate data on economic growth rates, pollution intensity, poverty, and inequality over different time periods. The aim of this exercise is for each student to have a good understanding of the key economic trends in the global economy and a good understanding of (very) basic data gathering and presentation skills.

Paper Proposal: Students should propose a research question and agenda for a paper that will be due during the end of class.

Book Review: Students will be required to write a 1000 word critical book review of one of the books listed at the end of the syllabus.

Paper: 2500-3000 word (15-18 double spaced pages) policy brief is required of each student in the class.

Class Presentation: As a group the class will be tracking ongoing negotiations at the global, regional, and bi-lateral levels. In the beginning of each class, students will give short presentations on the structure and politics of these negotiations. Students will also be asked to give a presentation on a particular reading. In addition, the last day of the semester is reserved for student presentations of their papers.

Prerequisites:

Introductory-level microeconomics and macroeconomics required, or instructor's consent. Familiarity with theories of international political economy are also a plus.

Academic Honesty

The *American College Dictionary* defines plagiarism as "Copying or imitating the language, ideas, or thoughts of another author and passing off the same as one's original work." Plagiarism is intellectual theft and violates the student honor code. Exact quotations must have quotation marks and the appropriate citation. Paraphrases, *even if not exact quotes*, must nonetheless have the appropriate citation. Submitting a paper written by someone else, whether 'borrowed' from a friend or purchased from a 'service', even if updated, constitutes plagiarism. Using the Internet for research is encouraged but plagiarizing its resources is not allowed. Cheating of any sort, submitting the same work for more than one course, deliberately impeding the academic performance of others, and other forms of academic misconduct are serious offenses. As a general rule, if you have *any* doubts, give credit to the source; if you have any questions, talk to the instructor. Refer to the Academic Conduct Code for further information. The university rules and the academic code will be followed in every case.

This Year's Book Reviews:

The White Man's Burden, William Easterly

The Bottom Billion, Paul Collier

The End of Poverty, Jeffrey Sachs

Making Globalization Work, Joseph Stiglitz

Bad Samaritans, Ha-Joon Chang

How Rich Countries Got Rich ... and Why Poor Countries Stay Poor, Erik Reinert

Good Capitalism, Bad Capitalism, William Baumol et al.

Escape from Empire, Alice Amsden

Branded, Mike Conroy

One Economics, Many Recipes: Globalization, Institutions, and Economic Growth, Dani Rodrik