Course Description
This course offers a survey of the modern world trading regime and explores the implications for global development. After a brief background in the economic theory of trade, students discover key policy tools that nations have employed to promote economic growth and development. We then develop skills to read and understand the bilateral and multilateral agreements that make up the global trade regime. The last half of the course is spent demonstrating specific ways that these trade and investment agreements affect development. We discuss a wide variety of trade topics, including investment protection, recognition of intellectual property rights, and environmental and human rights concerns. Students are expected to draw connections between policies aimed at development and the rules laid out in modern trade treaties. Each week, we spend Monday learning new material and Wednesday putting our new information and skills to practice by analyzing treaties in small groups and as a class. We ask two main questions throughout the course: (1) How does the modern global trade regime impact global development, and (2) What recommendations can we make to developing country negotiators and policy makers today?

Requirements for the course are class participation (10%), a midterm exam (20%), a 1,000 word literature review (20%) on a topic relevant to a modern treaty currently, a 2,500 word brief (30%) on the same topic as the literature review, and a final exam (20%). Topics will be chosen in consultation with the instructor. Specific instructions for both the literature review and research brief will be distributed separately.

Cell phones are not permitted except in the case of emergencies.

Students are expected to maintain high standards of academic honesty and integrity. You must provide citations MLA style (https://www.library.cornell.edu/research/citation/mla) in papers for all quotations, paraphrases, and ideas taken from any source other than your own original thoughts. Boston University’s standards for intellectual integrity can be found at the CAS Academic Conduct Code, http://www.bu.edu/academics/resources/academic-conduct-code/ or the GRS Academic Conduct Code, http://www.bu.edu/cas/students/graduate/forms-policies-procedures/academic-discipline-procedures/

Office Hours:
Mondays: 9:30-10:30
Wednesday: 10:00-12:00
Location: 156 Bay State Road, Rm 202
Required textbooks


Legal texts available here:
WTO legal texts: [http://wto.org/english/docs_e/legal_e/legal_e.htm](http://wto.org/english/docs_e/legal_e/legal_e.htm)

Course Overview

**January 23, 25.** What is trade theory?


Discussion Questions:
1. Describe Leonard Read’s principle argument in “I, Pencil”.
2. Define “free trade”. What are its strengths and weaknesses?
3. What is Henry Martyn’s argument from technological progress?

**January 30, February 1.** What is development? What is policy space?

Trebilcock, Howse and Eliason, Chapter 16, pp.605-607, 620-642

Rodrik, Chapters 7, 8

Taylor, Chapter 33

Discussion Questions:
1. What are some reasons why developing countries should be treated specially or differentially?
2. According to Rodrik, what is the fundamental cause of poverty?
3. What is “protectionism”?
4. What are some examples of a “market failure”?

**February 6, 8.** How do we read trade and investment agreements?

Vienna Convention, Articles 31 & 32 (p. 340) on interpreting treaties (blackboard)

Trebilcock, Howse and Eliason, Chapter 2, pp. 60-80 (Most Favored Nation)

Discussion Questions:
1. In your own words, what does “most favored nation treatment” mean?
2. What are the “interpretive issues” that arise in a MFN analysis? Pay careful attention to the cases discussing these issues.
3. What are the four key guiding concepts that rule treaty interpretation (Art. 31, VCLT)?
4. When should “supplementary means” be used to interpret a treaty (Art. 32)?

**February 13, 15.** How do we read, cont.?

*Review* Vienna Convention, Articles 31, 32 (blackboard)

Trebilcock, Howse and Eliason, Chapter 4, pp. 136-139, 143-171 (National Treatment)

Discussion Questions:
1. In your own words, what does “national treatment” mean?
2. List some interpretive issues surrounding GATT Articles III:2 and III:4. What issue did EC-Asbestos deal with primarily?

**February 21, 22.** What, then, shall we do?

*(Monday classes will take place on Tuesday this week)*

*** Mid-term Exam on February 21st ***

Discussion for February 22nd: Rodrik, chapters 9-12 and Afterword

Discussion Questions:
1. Rodrik asks: “How do we manage the tension between national democracy and global markets?” Which option do you prefer?
2. What are some reasons we should aim for global governance? What are some challenges to that ideal?
3. What are some principles that Rodrik lays out for a “new globalization”? What strengths and weaknesses do you see in this analysis?
4. Of the 4 suggestions that Rodrik makes for reforming the global system of governance, which seems the most likely? Which seems like the most far-fetched? Why?

**February 27, March 1.** Trade in Services at the WTO and beyond
Discussion Questions:
1. What is trade in “services”? Describe the 4 modes of trade in services, under the WTO rubric.
2. What is the difference between the most-favored-nation and the national treatment standards under the GATS?
3. What are the main critiques of the draft TISA annex on Financial Services? How does the text diverge from the GATS standard?

March 6, 8. No class (Spring Break)

March 13, 15. Trade and Intellectual Property. [Literature Review Due]

Discussion Questions:
1. What is intellectual property? What are some examples?
2. Describe two arguments for why developing countries should want to maintain strict intellectual property protection.
3. Pay careful attention to the cases presented in pp. 535-546 (T&H). How do each of these cases contribute to the treatment of intellectual property?

March 20, 22. Investment policy and development I: Introduction

Discussion Questions:
1. What are the two kinds of foreign investment?
2. What are some reasons (economic and non-economic) that governments favor some control over investors?
3. What are some reasons that the MAI did not come into being? And what is the difference between the proposed MAI and TRIMS?
4. Describe some policies in place today that developed and developing countries are using for industrial development?
March 27, 29. Investment policy and development II: BITs

Trebilcock, Howse and Eliason, Chapter 15 (pp. 590-604)

UNCTAD 2014 Trade and Development Report (pp. 86-91) (blackboard)

Trans Pacific Partnership, Chapter 9 (Investment) (blackboard)

Southern African Development Community Bilateral Investment Treaty (pp. 5-26 [Expropriation], 46-47 [Exceptions], 52-56 [Dispute Resolution]) (blackboard)

Discussion Questions:
1. What is a BIT? How does it differ from multilateral approaches to investment liberalization?
2. Why do countries sign BITs and FTAs with investment chapters?
3. What are some key differences between the US Model BIT and the SADC Model BIT?
4. What is the rationale behind those differences (from the perspective of the commentary)?

April 3, 5. Investment policy and development III: Capital controls

Rodrik, Chapters 5,6

Trebilcock, Howse and Eliason, Chapter 6 (pp. 230-39, 252-57)

Taylor, Chapter 35

Case summaries (tbd) (blackboard)

Discussion Questions:
1. What is a capital control?
2. Provide some examples of capital controls and what they aim to do.
3. What was the position of the IMF on capital controls in the 1990s and how did it change after the 2008 Financial Crisis?
4. What does Article XV of the GATT require of countries and their capital flows? Look at the discussion of the text as well as the case law.

April 10, 12. Trade and the Environment

Trebilcock, Howse and Eliason, Chapter 17, pp. 658-665, 670-684, 698-707


TPP chapter 20 (Environment) (blackboard) (Arts. 20.1-20.23)
North American Agreement on Environmental Cooperation (NAFTA side agreement on Environment) (blackboard)

Discussion Questions:
1. What are the main types of rationales for environmentally-based trade restrictions?
2. What domestic policies/measures that governments might design to protect the environment?
3. What are some trends in the world economy that have impacts in the intersection of trade and environment governance?
4. What frameworks are currently available for guiding trade and environmental governance?
5. What key differences do you note between the TPP chapter on environment and the NAAEC?

April 19. Trade and Labor rights
(April 17th is off due to Patriot’s Day)

Treblilcock, Howse and Eliason, Chapter 18, pp.716-23, 31-40, 47-55

Bolle, Mary Jane (2016) “Overview of Labor Enforcement Issues in Free Trade Agreements” (blackboard)

North American Agreement on Labor Cooperation (NAFTA side agreement on labor) (blackboard) (Preamble, Parts One and Two, and Annex 1)

TPP Chapter 19 (Labour) (blackboard) (Arts. 19.1-19.8)

Discussion Questions:
1. What are some policy objectives usually given for labor laws?
2. What are the four kinds of measures that tie trade to labor standards?
3. Identify key differences between the NAFTA side agreement on labor and TPP chapter 19.

April 24, 26. Trade and Human Rights


International Covenant on Civil and Political Rights (blackboard) (Arts. 1-27)

International Covenant on Economic Social and Cultural Rights (blackboard) (Arts. 1-15)
Discussion Questions:
1. Identify three “rights” in the assigned covenants that strike you as good, or right.
2. Identify three “rights” that you find more controversial.
3. What articles in these covenants stand out as conflicting with what we now know about modern trade treaties?

May 1, 3. Final Presentations, Course wrap up [Research Briefs Due]

May 8-12 *** Final Exam, Date TBD ***