

P0329: The Politics of Trade

Wilfrid Laurier University

Fall 2016

Instructor: P. Goff, PhD

Lecture: T Th 8:30am-9:50pm

Classroom: Arts 2C16

Email: pgoff@wlu.ca

Office Hours: T 10:00am-noon; Th 10:00am-11:00am (or by appointment)

Office: DAWB 4-119

*Wilfrid Laurier University uses software that can check for **plagiarism**. Students may be required to submit their written work in electronic form and have it checked for plagiarism.*

*Students with disabilities or special needs are advised to contact Laurier's **Accessible Learning Office** (<https://www.wlu.ca/accessible-learning/index.html>) for information regarding its services and resources. Students are encouraged to review the Academic Calendar for information regarding all services available on campus.*

Additional information on Foot Patrol, Counselling Services the WLUSU Food Bank can be found on the last page out this outline.

Course Description

This course looks at the key concepts and basic theory underlying trade policy with an eye to understanding the contours of contemporary international trade politics. We will examine the evolution in trade policy from the removal of tariffs on goods to efforts both to integrate services, investment, and intellectual property into the trading system and to harmonize domestic regulatory practices to facilitate trade. We will consider multilateral and preferential trade, including recent “new generation” initiatives like the Trans-Pacific Partnership and the

Trans-Atlantic Trade and Investment Partnership. The goal is to equip students to intervene in debates about an important, yet sometimes technical, area of government policy.

Course Objectives

By the end of the course students should:

1. be able to demonstrate detailed knowledge of core institutions and processes, as well as core ideas, theories, and concepts related to the international trading system
2. be able to comprehend and evaluate different conceptual and theoretical approaches to the study of international trade and apply them to contemporary issues
3. be able to demonstrate detailed knowledge of the evolution of international trade in the post-WWII period
4. be able to accurately summarize and evaluate arguments and debates from a variety of sources
5. have developed a perspective on the relationship between trade policy and other areas of public policy
6. have further developed critical thinking skills associated with the evaluation and development of arguments

Required Reading

Course readings are available in electronic format through the Laurier library website or from other online sources. Specific directions for obtaining readings will be provided in class. Some materials will be available via our My Learning Space page.

Course Evaluation

Assignment	Due Date	% of course grade
“Capture the argument”	Ongoing – see below	10%
My Learning Space Quizzes	Ongoing – see below	20%
Writing Assignment #1	Oct. 2, 2016 (midnight)	10%
Midterm test	Oct. 27, 2016 (in class)	20%
Writing Assignment #2	Nov. 13, 2016 (midnight)	10%
Writing Assignment #3	Dec. 6, 2016 (midnight)	15%
In-Class “Take a Stand” exercises	Ongoing – see below	15%

Capture the Argument

Choose three articles from among the following on the course outline (Frieden; Irwin (chapter in Free Trade under Fire); Prestowitz; Driskill; Neuwelt, Gleeson, and Mannering; Leblond; and Schwanen, Ciurak, and Kronick). Please “capture the argument” of the article in no more than a few sentences or a paragraph. What is the main argument of the article, in your own words? Each must be submitted before the beginning of class on the date that the article is listed on the syllabus. So, for example, Frieden is listed on the course outline for Tuesday, September 13th. You must submit your synopsis of his argument to me **no later than the beginning of class on that day**, either in hard copy or electronically. No late assignments will be accepted. Tips will be provided in class on how to capture an author’s argument effectively. You must **do a minimum of three**, but you can do more, if you wish, and I will take your best three.

My Learning Space Quizzes

My Learning Space quizzes are **online quizzes** on the content of course readings and, in some instances, video resources. There is a short window during which you can complete each quiz. The schedule for quiz completion will be posted on the course MyLS page. Approximately twenty quizzes will be made available to you. I will count **your best fourteen**. Basically, this is my gift to you for doing the readings! You're welcome!

Three Short Writing Assignments

The three short writing assignments give you an opportunity both to engage with current trade issues and to practice argumentation skills. Papers will range in length from 1500-4000 words. The best papers will (a) be clearly written; (b) include an introduction that articulates a clear argument, a body with claims and evidence, and a conclusion; and (c) draw on course readings. More details and guidelines will be forthcoming in class.

Midterm Test

The midterm test will give us the chance to check in on your understanding and mastery of key concepts and theories.

In-class "Take a Stand" exercises

In-class exercises will be interspersed throughout the term. They may include group activities. They will give students an opportunity to consider and discuss key trade issues in the news and from the readings.

Course Policies

Plagiarism

Plagiarism is a serious offence and may result in a failing grade for a given assignment and/or for the course, as well as disciplinary action at the departmental and/or university level. Most importantly, it is unacceptable to present someone else's work as your own. If you draw on someone else's work, either directly or indirectly, you must accord attribution. All quotations

must be cited as such and include a clear reference to the work from which they are drawn. All use of materials other than course materials must be accompanied by full citations. If you intend to submit a paper that significantly draws upon work for another class, or if you are planning to submit substantially similar papers both to my class and a class for another instructor, you must first receive explicit permission to do so from both myself and the other instructor. Failure to do so may result in disciplinary action.

Late Submission of Assignments

In the event that late assignments will be accepted, they will be penalized one-third of a letter grade for every day they are late. No assignment will be accepted more than seven days after the due date unless you have made prior arrangements with the instructor. Extensions are granted at the sole discretion of the instructor.

Attendance

Students are expected to attend class. I reserve the right to penalize students with an unreasonable number of absences throughout the semester.

Lecture Outline and Required Readings

Thursday, September 8th – Introduction

Tuesday, September 13th – Theory and Concepts in International Trade: Why engage in trade?

What is the historical argument for/against free trade?

- Jeffrey Frieden, “The Modern Capitalist World Economy: A Historical Overview,” *Oxford Handbook of Capitalism*, edited by Dennis Mueller (New York: Oxford University Press, 2012).
- Douglas A. Irwin, “How ‘Protectionist’ Became an Insult,” *Wall Street Journal* June 18, 2010
<http://www.wsj.com/articles/SB10001424052748704575304575296610452014710>

- Clyde Prestowitz, "Free Trade is Dead," *Washington Monthly* June/July/August 2016
<http://washingtonmonthly.com/magazine/junejulyaug-2016/free-trade-is-dead/>

Thursday, September 15th

What is the economic argument in favour of trade?

- Douglas A. Irwin, "The Case for Free Trade: Old Theories, New Evidence," Chapter 2 in *Free Trade Under Fire*, 4th edition (Princeton, NJ: Princeton University press, 2015)
- Robert Driskill, "Deconstructing the Argument for Free Trade: A Case Study of the Role of Economists in Policy Debates," *Economics and Philosophy* 28 (1) (March 2012): 1-30.

** If you have time, you might also want to read this article by Coughlin. It will likely help you with next week's short writing assignment.

- Cletus Coughlin, "The Controversy over Free Trade: The Gap between Economists and the General Public," in *Federal Reserve Bank of St. Louis Review*, January/February 2002 84 (1): 1-22.

Tuesday, September 20th

Why do some groups oppose free trade? Do all groups who are skeptical about trade oppose it for the same reasons? Do people oppose trade or trade agreements? Is there a difference?

Thursday, September 22nd

What sorts of challenges arise in regulating trade in intellectual property and services as opposed to trade in goods?

- Pat M. Neuwelt, Deborah Gleeson, and Briar Mannering, "Patently Obvious: a public health analysis of pharmaceutical industry statements on the Trans-Pacific Partnership international trade agreement," *Critical Public Health* (April 2016) 26 (2): 159-172.

Tuesday, September 27th

- Patrick Leblond, “CETA and Financial Services: What to Expect?” CIGI Papers No. 91 (February 2016)
https://www.cigionline.org/sites/default/files/cigi_paper_no.91_web.pdf ~OR~
- Daniel Schwanen, Dan Ciuriak and Jeremy Kronick, “Opening up New Trade Routes for Financial Services: Canada’s Priorities,” C.D. Howe Institute Commentary NO. 442 (December 2015)
https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary_442_0.pdf

Thursday, September 29th

What are the primary tools of trade policy? Are regulatory differences impediments to trade?

Short writing assignment on groups who oppose free trade, due to the My Learning Space Dropbox on Sunday, October 2, by midnight. Why has a formerly settled issue now become a debate again? Detailed guidelines will be distributed in class.

Tuesday, October 4th – The Multilateral Trading System

What are the origins and objectives of the multilateral trading system? What is the role of the World Trade Organization in promoting multilateral trade?

- Gil Winham, “Canadian Trade Multilateralism: The GATT, the WTO and Beyond,” *Canadian Foreign Policy* (Spring 2010) 16 (2): 125-141.
- Richard Baldwin, “The World Trade Organization and the Future of Multilateralism,” *Journal of Economic Perspectives* (Winter 2016) 30 (1): 95-116.

Thursday, October 6th

How does the WTO work? What does it do? What should it do? What can it do?

- Joost Pauwelyn, “New Trade Politics for the 21st Century,” *Journal of International Economic Law* (2008) 11 (3): 559-573.

Tuesday, October 11th and Thursday, October 13th – Fall break – No class

Tuesday, October 18th

- Craig VanGrasstek, “Chapter 7: Dispute Settlement,” in *The History and Future of the World Trade Organization* (WTO publications, 2013). Available online at http://www.wto.org/english/res_e/publications_e/historyandfuturewto_e.htm

Thursday, October 20th – The Shift to Preferential Trade Agreements

What explains the shift? Are preferential trade agreements good and/or bad? For whom?

- Heribert Dieter, “The Multilateral Trading System and Preferential Trade Agreements: Can the Negative Effects be Minimized?” *Global Governance* 15 (2009): 393-408.

Tuesday, October 25th

What are global value chains? How does globalization of the production process affect trade policy?

- OECD video on global value chains <https://www.youtube.com/watch?v=RZKX-OSK41U> (roughly 3 minutes)
- WTO video on ‘trade in value-added’ https://www.youtube.com/watch?v=l2xF1H-f_Vc (roughly 4 and ½ minutes)
- WTO video on values chains in East Asia <https://www.youtube.com/watch?v=9-1ht2OrG2Y> (roughly 6 minutes)

- “The Global Value Chain Revolution and Trade Policy,” Richard Baldwin
<https://piie.com/events/global-value-chain-revolution-and-trade-policy> (much longer, but worth the investment of time, if you have it!)

Thursday, October 27th

Midterm test, in-class

Tuesday, November 1st – New Generation Trade Agreements

From the North American Free Trade Agreement...

- James McBride and Mohammed Aly Sergie, “NAFTA’s Economic Impact,” Council on Foreign Relations Backgrounders (updated July 2016). <http://www.cfr.org/trade/naftas-economic-impact/p15790>
- Carla A. Hills, “NAFTA's Economic Upsides: The View from the United States,” *Foreign Affairs* 93.1 (Jan/Feb 2014) 93 (1): 122-8.
- Michael Wilson, “NAFTA's Unfinished Business: The View from Canada,” *Foreign Affairs* (Jan/Feb 2014) 93 (1): 128-133.
- Jorge G. Castañeda, “NAFTA's Mixed Record: The View from Mexico,” *Foreign Affairs* (Jan/Feb 2014) 93 (1): 134-141.
- Bruce Campbell, “FTA at 25, NAFTA at 20,” Canadian Centre for Policy Alternatives Commentary (December 31, 2013)
<https://www.policyalternatives.ca/publications/commentary/fta-25-nafta-20>

Thursday, November 3rd

...to the Canada-EU Comprehensive Economic and Trade Agreement (CETA)...

- Scan some recent newspaper articles about CETA, especially from Canadian and European news sources. What perspectives do you find there?

Tuesday, November 8th

Investor-State Dispute Settlement

- Gary Clyde Hufbauer, Peterson Institute for International Economics
<https://www.youtube.com/watch?v=XYRnrgk0fDw>
- Visit the Website of the Centre for International Governance Innovation's (CIGI) series on CETA and ISDS here: <https://www.cigionline.org/series/cosmic-or-cosmetic-reform-commentaries-real-and-imagined-potential-of-cetas-investment-tribun>. Read the short commentaries by Reinisch and Stifter; Schneiderman; and Van Harten (and any others that interest you!)

Thursday, November 10th

...to the Trans-Pacific Partnership (TPP)...

- Dan Ciuriak, Ali Dadkhah, and Jingliang Xiao, "Better In than Out," CD Howe Institute E-brief (April 2016).
https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/e-brief_236_0.pdf
- Various written reports and video resources from the Centre for Policy Alternatives on the Trans-Pacific Partnership. Please choose a couple that interest you.
<https://www.policyalternatives.ca/newsroom/updates/what%E2%80%98s-big-deal-understanding-trans-pacific-partnership>

Short writing assignment on "second generation trade agreements," due to the My Learning Space Dropbox on Sunday, November 13, by midnight. Detailed guidelines will be distributed in class.

Tuesday, November 15th

Thursday, November 17th – Canadian Trade Policy in the Years Ahead

- Inu Barbee, “Canada’s Trade Policy: In Search of a Roadmap,” *American Review of Canadian Studies* (October 2015) 45 (4): 392-412.

Tuesday, November 22nd – Inter-provincial Trade in Canada

- Christopher J. Kukucha, “Internal Trade Agreements in Canada: Progress, Complexity and Challenges,” *Canadian Journal of Political Science* (Mar 2015) 48 (1): 195-218.

Thursday, November 24th

Tuesday, November 29th – Trade and Sustainable Development

Trade policy overlaps with many other policy areas. Can we simultaneously achieve trade policy goals without compromising in other policy areas, like development, the environment, and health?

- Henry Derwent, “What Has Climate to Fear from Trade?” International Centre for Trade and Sustainable Development E15 Think Piece (August 2015). Available at <http://e15initiative.org/publications/what-has-climate-to-fear-from-trade/>
- Mahesh Sugathan, “Winds of Change and Rays of Hope: How Can the Multilateral trading System Facilitate Trade in Clean Energy Technologies and Services?” International Centre for Trade and Sustainable Development E15 Overview Paper (December 2013). Available at <http://e15initiative.org/publications/winds-of-change-and-rays-of-hope-how-can-the-multilateral-trading-system-facilitate-trade-in-clean-energy-technologies-and-services/>
- Patricia Goff, “The Environmental Goods Agreement: A Piece of the Puzzle,” Centre for International Governance Innovation paper No. 72 (June 2015). Available at <https://www.cigionline.org/publications/environmental-goods-agreement-piece-of-puzzle>

Thursday, December 1st

Tuesday, December 6th

Short writing assignment due to the My Learning Space Dropbox on Tuesday, December 6, by midnight. Detailed guidelines will be distributed in class.

On behalf of WLUSU (wlusu.com)

Foot Patrol Walk Home Service:

1.519.886.FOOT x3668

Foot Patrol is a volunteer operated walk-home service, available daily during evening hours. Male-female, radio-dispatched teams trained in Emergency First Aid are available on request to escort students to and from campus as well as to off-campus destinations, either by foot or by van.

Counselling Services and Peer Help Line:

1.886.281.PEER x7337

Counselling Services are available to help students deal with emotional, psychological and social challenges of university. Counselling, consultation or referrals are available at the Student Wellness Centre. Peer Help Line, a confidential listening, referral, information and support line, is available during evening hours to provide support.

Student Food bank

All Laurier students are eligible to use the Student Food Bank. Anonymous requests can be made online at wlusu.com under the Services tab. All dietary restrictions are accommodated, and food hampers typically last up to a week.