

## **International Political Economy: Trade**

### **POLI 441**

McGill University

Winter 2024

**[Preliminary and subject to change]**

**Instructor:** Dr. Colin Chia

**Office:** Leacock 423

**Office hours:** Tuesdays, 10:30-11:30am

- Priority given to students signed up via <https://calendly.com/colinchia>

This course studies theories and applications of the political economy of international trade. It covers the World Trade Organization and the contemporary problems it faces, and how trade interacts with political issues such as the environment, economic development, inequality, gender, economic coercion, and tensions in domestic politics. By the end of this course, students should be familiar with current debates at an advanced level in the field of the political economy of international trade.

### **Assessment**

- Participation: 10%
- Midterm exam (Feb 29): 15%
- Paper outline (due Mar 8): 5%
- Research paper (due Apr 10): 40%
- Final exam (take-home): 30%

### **Grading rubric**

The key criteria for assessment of written work are how well the submission:

- addresses the question set and/or requirements of the assignment
- shows a strong understanding and knowledge of the subject matter
- develops a logical and effective pattern of argument
- supports arguments with relevant examples or empirical research
- uses substantial and appropriate references
- is clear and well-written

### **Late penalty**

Assignments are due via myCourses at 11:59pm on the due date. A penalty of 10% may be imposed for any work submitted late, followed by an additional 5% per 24 hours.

McGill University is on land which has long served as a site of meeting and exchange amongst Indigenous peoples, including the Haudenosaunee and Anishinabeg nations. We acknowledge and thank the diverse Indigenous people whose footsteps have marked this territory on which peoples of the world now gather.

## Schedule and readings

Some weeks have optional supplementary readings. Students are not required to have read these before class. They are intended to provide starting points for students to pursue their specific interests and research on particular topics, in particular for the research paper assignment.

Journal articles are accessible through the university library. You will usually need to be connected to the university network or use the library's proxy/VPN. Please inform the instructor if you cannot access a reading so I can try to find it or assign an alternative.

### Background material

There is no textbook for this course, however for students without a background in international political economy, I recommend skimming either of the following books for an overview of core issues and controversies in trade politics.

- Joseph E. Stiglitz. 2007. *Making Globalization Work*. Norton (especially chp. 3).
- Dani Rodrik. 2011. *The Globalization Paradox: Democracy and the Future of the World Economy*. Oxford University Press (Online version on library website).

### Week 1: Introduction/The idea of trade (Jan 4, 9)

Paul Krugman. 1993. "The Narrow and Broad Arguments for Free Trade." *American Economic Review*, 83(2): 362-366. <https://www.jstor.org/stable/2117691>

Douglas Irwin. 1996. *Against the Tide: An Intellectual History of Free Trade*. Princeton University Press (introduction).

Lars Magnusson. 2015. *The Political Economy of Mercantilism*. Routledge (chp. 4).

*Further reading*

Adam Smith. 1776. *The Wealth of Nations* (Book IV).

### Week 2: Domestic politics and interest groups (Jan 11, 16)

Thomas Oatley. 2017. "Open economy politics and trade policy", *Review of International Political Economy*, 24(4): 699-717. <https://doi.org/10.1080/09692290.2017.1325766>

Sungmin Rho & Michael Tomz. 2017. "Why don't trade preferences reflect economic self-interest?" *International Organization*, 71(S1): S85-S108.  
<https://doi.org/10.1017/S0020818316000394>

Tom Pepinsky. 2015. "Trade Competition and American Decolonization," *World Politics*, 67(3), 387-422. <https://doi.org/10.1017/S004388711500012X>

Anne van Aaken and Jürgen Kurtz. 2019. "Beyond Rational Choice: International Trade Law and the Behavioural Political Economy of Protectionism" *Journal of International Economic Law*, 22(4): 601-628. <https://doi.org/10.1093/jiel/jgz034>

*Supplementary*

Ronald Rogowski. 1989. *Commerce and Coalitions: How Trade Affects Domestic Political Alignments*. Princeton University Press.

Diana C. Mutz. 2021. *Winners and Losers: The Psychology of Foreign Trade*. Princeton University Press.

### **Week 3: Preferential trade agreements/Global value chains (Jan 18, 23)**

- John Ravenhill. 2017. "The political economy of the Trans-Pacific Partnership: A '21st century' trade agreement?" *New Political Economy*, 22(5): 573-594. Gender and globalization
- L.A. Winters. 2017. "The WTO and regional trading agreements: Is it all over for multilateralism?" in *Assessing the WTO: Fit for Purpose?*, Joost Pauwelyn (ed.), 344-75. Cambridge University Press.
- Gary Gereffi. 2014. "Global value chains in a post-Washington Consensus world", *Review of International Political Economy*, 21(1): 9-37.
- Paul Blustein. 2016. "Why we need a moratorium on trade deals like the TPP," *Politico Magazine*. June 19. <https://www.politico.com/magazine/story/2016/06/trade-deals-tpp-moratorium-213975/>

#### *Supplementary*

- Melissa K. Griffith, Richard H. Steinberg, & John Zysman. 2017. "From great power politics to a strategic vacuum: Origins and consequences of the TPP and TTIP" *Business & Politics*, 19(4), 573-592. <https://doi.org/10.1017/bap.2017.16>
- Leonardo Baccini. 2019. "The Economics and Politics of Preferential Trade Agreements," *Annual Review of Political Science*, 22: 75-92. <https://doi.org/10.1146/annurev-polisci-050317-070708>
- Todd Allee and Manfred Elsig. 2017. "Veto players and the design of preferential trade agreements." *Review of International Political Economy*, 24(3): 538-567. <https://doi.org/10.1080/09692290.2017.1316298>
- Dani Rodrik. 2018. "New Technologies, Global Value Chains, and Developing Economies" [https://www.nber.org/system/files/working\\_papers/w25164/w25164.pdf](https://www.nber.org/system/files/working_papers/w25164/w25164.pdf)

### **Week 4: Services and intangibles (Jan 25, 30)**

- Mira Burri. "Trade versus Culture: The Policy of Cultural Exception and the WTO." In *The Palgrave Handbook of European Media Policy*, 479-492.
- Susan K. Sell. 2015. "Revenge of the 'Nerds': Collective Action against Intellectual Property Maximalism in the Global Information Age", *International Studies Review*, 15(1): 67-85.
- Kenneth C. Shadlen. 2007. "Intellectual Property, Trade, and Development: Can Foes be Friends?" *Global Governance*, 13(2): 171-177.

#### *Supplementary*

- Patricia Goff. 2007. *Limits to Liberalization: Local Culture in a Global Marketplace*. Cornell University Press.
- Howard F. Chang. 1997. "Liberalized immigration as free trade." *University of Pennsylvania Law Review*. 145(5): 1147-1244.
- Rory Horner. 2014. "The Impact of Patents on Innovation, Technology Transfer and Health: A Pre- and Post-TRIPs Analysis of India's Pharmaceutical Industry," *New Political Economy*, 19(3): 384-406. <https://doi.org/10.1080/13563467.2013.796446>
- Kerry A. Chase. 2008. "Moving Hollywood abroad: Divided labor markets and the new politics of trade in services." *International Organization*, 62(4).

David Khoudour-Castéras. 2010. "Unexpected Effects of the Washington Consensus: Trade Liberalization and Migration Flows in Latin America," *The International Trade Journal*, 24(4), 440-476, <https://doi.org/10.1080/08853908.2010.513643>

**Week 5: Beef, bananas, and national autonomy** (Feb 1, 6)

William A. Kerr and Jill E. Hobbs. 2002. "The North American-European Union dispute over beef produced using growth hormones: A major test for the new international trade regime." *World Economy*, 25(2): 283-296. <https://doi.org/10.1111/1467-9701.00431>

Elisa Vecchione. 2012. "Is it possible to provide evidence of insufficient evidence? The precautionary principle at the WTO". *Chicago Journal of International Law*.

Karen J. Alter and Sophie Meunier. 2007. "Nested and overlapping regimes in the transatlantic banana trade dispute." *Journal of European Public Policy*, 13(3): 362-382.

Colin Hay. 2014. "What's Globalization Got to Do with It? Economic Interdependence and the Future of European Welfare States," *Government & Opposition*, 41(1): 1-22.

*Supplementary*

Marc L. Busch & Krzysztof J. Pelc. 2010. "The Politics of Judicial Economy at the World Trade Organization." *International Organization*, 64(2): 257-279.

Olivier Cadot and Douglas Webber. 2002. "Banana Splits", *Business & Politics*, 4(1): 102-109.

Emma Aisbett & Magdalene Silberberger. 2020. "Tariff liberalization and product standards: Regulatory chill and race to the bottom?" *Regulation & Governance*, 15(3): 987-1006. <https://doi.org/10.1111/rego.12306>

**Week 6: Dispute settlement** (Feb 8, 13)

WTO Dispute Settlement Understanding.

[https://www.wto.org/english/tratop\\_e/dispu\\_e/dsu\\_e.htm](https://www.wto.org/english/tratop_e/dispu_e/dsu_e.htm)

Marc L. Busch and Krzysztof J. Pelc. 2015. "Dispute Settlement in the WTO", in *Oxford Handbook of the Political Economy of International Trade*, Lisa L. Martin (ed.). Oxford University Press.

Chad P. Bown and Soumaya Keynes. 2020. "Why Trump Shot the Sheriffs: The End of WTO Dispute Settlement 1.0". Peterson Institute for International Economics. <https://www.piie.com/sites/default/files/documents/wp20-4.pdf>

Joost Pauwelyn. 2019. "WTO Dispute Settlement Post 2019: What to Expect?" *Journal of International Economic Law*, 22(3): 297-321.

*Supplementary*

Ryan Brutger and Julia C. Morse. 2015. "Balancing law and politics: Judicial incentives in WTO dispute settlement", *Review of International Organizations*, 10: 179-205. <https://doi.org/10.1007/s11558-015-9216-x>

Marc L. Busch and Krzysztof J. Pelc. 2019. "Words Matter: How WTO Rulings Handle Controversy", *International Studies Quarterly*, 63(3): 464-476.

Robert McDougall. 2018. "Crisis in the WTO: Restoring the WTO Dispute Settlement Function." *CIGI Papers*, 194. <https://www.cigionline.org/sites/default/files/documents/Paper%20no.194.pdf>

### **Week 7: Global development** (Feb 15, 20)

Eric Helleiner. 2014. *Forgotten Foundations of Bretton Woods: International Development and the Making of the Postwar Order*. Cornell University Press (pp. 1-28).

Robert H. Wade. 2018. "The developmental state: Dead or alive?" *Development & Change*, 49(2): 518-546.

Amrita Narlikar. 2020. *Poverty Narratives and Power Paradoxes in International Trade Negotiations and Beyond*. Cambridge University Press (pp. 72-124).

Matthew Eagleton-Pierce. 2014. *Symbolic Power in the WTO*. Oxford University Press (chp. 4).

#### *Supplementary*

Kevin P. Gallagher. 2007. "Understanding developing country resistance to the Doha Round." *Review of International Political Economy*, 15(1): 62-85.

<https://doi.org/10.1080/09692290701751308>

Gavin Fridell. 2014. "Coffee Statecraft: Rethinking the global coffee crisis, 1998-2002", *New Political Economy*, 19(3), 407-426. <https://doi.org/10.1080/13563467.2013.796448>

Manolo Abella. 2006. "Global competition for skilled workers and consequences." in *Competing for Global Talent*. Christiane Kuptsch and Pang Eng Fong, eds., 11-32. International Institute for Labour Studies.

### **Week 8: Labour/Gender** (Feb 22, 27)

Layna Mosley. 2017. "Workers' rights in global value chains: possibilities for protection and for peril", *New Political Economy*, 22(2): 153-168. doi:[10.1080/13563467.2016.1273339](https://doi.org/10.1080/13563467.2016.1273339)

Damien Raess, Andreas Dür & Dora Sari. 2018. "Protecting labor rights in preferential trade agreements: The role of trade unions, left governments, and skilled labor", *The Review of International Organizations*, 13:143-162.

Juanita Elias. 2013. "Davos Woman to the Rescue of Global Capitalism: Postfeminist Politics and Competitiveness Promotion at the World Economic Forum" *International Political Sociology*, 7(2): 152-169. <https://doi.org/10.1111/ips.12015>

Erin Hannah, Adrienne Roberts & Silke Trommer. 2021. "Towards a feminist global trade politics," *Globalizations*, 18(1): 70-85. <https://doi.org/10.1080/14747731.2020.1779966>

#### *Supplementary*

Catherine Hoskyns and Shirin M. Rai. 2007. "Recasting the Global Political Economy: Counting Women's Unpaid Work." *New Political Economy*.

<https://doi.org/10.1080/13563460701485268>

Edward D. Mansfield, Diana C. Mutz & Laura R. Silver. 2015. "Men, Women, Trade, and Free Markets," *International Studies Quarterly*, 59(2): 303-315.

David Singer. 2010. "Migrant Remittances and Exchange Rate Regimes in the Developing World". *American Political Science Review*, 104(2), 307-323. doi:10.1017/S0003055410000110

### **February 29: Mid-term exam (in class)**

### **Week 9: Institutional reforms?** (Mar 12, 14)

Paul Blustein. 2008. *Misadventures of the Most Favoured Nations*. Centre for International Governance Innovation (pp. 277-295).

Robert Wolfe. 2015. "First Diagnose, Then Treat: What Ails the Doha Round?" *World Trade Review*, 14(1): 7-28. <https://doi.org/10.1017/S1474745614000342>

Eric Helleiner. 2019. "The life and times of embedded liberalism: legacies and innovations since Bretton Woods." *Review of International Political Economy*, 26(6):1112-1135.

### **Week 10: Anti-globalization / Sanctions** (Mar 19, 21)

Alasdair R. Young. 2016. "Not your parents' trade politics: The Transatlantic Trade and Investment Partnership Negotiations." *Review of International Political Economy*, 23(3): 345-378. doi:10.1080/09692290.2016.1150316

Yotam Margalit. 2019. "Economic Insecurity and the Causes of Populism, Reconsidered", *Journal of Economic Perspectives*. 33(4). doi.org/10.1257/jep.33.4.152

Brian R. Early. 2015. *Busted Sanctions: Explaining Why Economic Sanctions Fail*. Stanford University Press (chp. 5).

#### *Supplementary*

Ibrahim J. Gassama. 2002. "Confronting globalization: lessons from the banana wars and the Seattle protests." *Oregon Law Review*, 81.

Italo Colantone and Piero Stanig. 2018. "Global Competition and Brexit", *American Political Science Review*, 112(2). doi:10.1017/S0003055417000685

Jacques Poot & Anna Strutt. 2010. "International Trade Agreements and International Migration." *The World Economy*. <https://doi.org/10.1111/j.1467-9701.2010.01299.x>

Martina Piewitt. 2010. "Participatory Governance in the WTO: How inclusive is civil society?" *Journal of World Trade*, 44(2): 467-488.

Reed M. Wood. 2008. "A Hand upon the Throat of the Nation': Economic Sanctions and State Repression, 1976-2001," *International Studies Quarterly*, 52(3): 489-513. <https://doi.org/10.1111/j.1468-2478.2008.00512.x>

### **Week 11: Economic nationalism and rivalry** (Mar 26, 28)

Stephen D. Krasner. 1976. "State Power and the Structure of International Trade", *World Politics*, 28(3): 317-47.

John Quiggin. 2016. "Keeping the sea lanes open: A cost-benefit analysis" *Inside Story*. 17 March. <https://insidestory.org.au/keeping-the-sea-lanes-open-a-cost-benefit-analysis/>

Eric Helleiner. 2021. *The Neomercantilists*.

Kristen Hopewell. 2020. *Clash of Powers: US-China Rivalry in Global Trade Governance*. Cambridge University Press (pp. 30-59).

Mariya Grinberg. 2021. "Wartime Commercial Policy and Trade between Enemies," *International Security*, 46(1): 9-52.

#### *Supplementary*

Jennifer Lind & Daryl G. Press. 2018. "Markets or Mercantilism? How China secures its energy supplies." *International Security*, 42(4), 170-204.

## **Week 12: Export controls / Environment (Apr 2, 4)**

Simon J. Evenett. 2021. "Export controls on Covid-19 vaccines: Has the EU opened Pandora's Box?" *Journal of World Trade*, 55(3): 397-408.

Chad P. Bown. 2020. "How the United States Marched the Semiconductor Industry into Its Trade War with China." *East Asian Economic Review*, 24(4): 349-388.

Matthew C. Porterfield. 2019. "Border Adjustments for Carbon Taxes, PPMs, and the WTO." *University of Pennsylvania Journal of International Law*.

Diana Stuart, Ryan Gunderson & Brian Petersen. 2019. "Climate Change and the Polanyian Counter-Movement: Carbon Markets or Degrowth?" *New Political Economy*, 24(1).

### *Supplementary*

Andrew B. Kennedy and Darren J. Lim. 2018. "The innovation imperative: technology and US-China rivalry in the twenty-first century," *International Affairs*, 94(3): 553-572.

Milton L. Mueller and Karim Farhat. 2022. "Regulation of platform market access by the United States and China: Neo-mercantilism in digital services," *Policy & Internet*, 14(2): 348-367.  
<https://doi.org/10.1002/poi3.305>

Kate Ervine. 2018. "How Low Can It Go? Analysing the political economy of carbon market design and low carbon prices." *New Political Economy*.

Thijs Van de Graaf, Indra Overland, Daniel Scholten, and Kirsten Westphal. 2020. "The New Oil? The geopolitics and international governance of hydrogen," *Energy Research & Social Science*, 70: 101677. <https://doi.org/10.1016/j.erss.2020.101667>

Jonas Meckling and Jonas Nahm. 2019. "The politics of technology bans: Industrial policy competition and green goals for the auto industry." *Energy Policy*, 126: 470-479.  
<https://doi.org/10.1016/j.enpol.2018.11.031>

## **Conclusion and review (Apr 9)**

Kristen Hopewell. 2020. *Clash of Powers: US-China Rivalry in Global Trade Governance*. Cambridge University Press (conclusion).

Deepak Nayyar. 2016. "BRICS, developing countries, and global governance," *Third World Quarterly*, 37(4): 575-591.