**International Trade Seminar2**

**Global Value Chains: Impacts, Implications, and Trade Policy Research**

Course Syllabus

Graduate School of International Studies

Seoul National University

Fall, 2021

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| Instructor: | Class:  |
| Jooyoung Yang | Fridays 9:30 am-12:30 am (via zoom)  |
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| Phone: +82-44-287-3123 |  |
| Office hours: By appointment |  |

**Course overview**

This course aims to help graduate students of international studies to understand global value chains and develop their knowledge on research and quantitative research skills. The course covers the development of global value chains over two decades and related issues including production fragmentation, foreign investments, servicification of manufacturing, enhanced role of SMEs, and trade policies. Further, the course addresses changes in recent international trade environment including COVID-19 and trade disputes, and their impacts on global value chains.

The course also reviews recent empirical work that presents basic estimation and assessments of methodologies and theories on global value chains. Students are advised to have in-class presentations by reading recent research papers on global value chains and assignments using software programs (e.g. Stata) to learn methodologies to calculate value added trade using various sets of published data.

**Course methods**

The course will be conducted in an online format through zoom, and details will be discussed with students. It will consist of a combination of lectures, presentations and discussions, and practical exercises. Students are expected to have read relevant articles for class discussion and their presentations.

**Course materials**

There is no comprehensive textbook for the analysis of GVCs. Basic knowledge on international trade is preferred, however, students will be provided the list of relevant papers and articles for each class. The following materials are examples and more will be added.

**References**

Books:

* Krugman, P., Obstfeld, M., and Melitz, M. International Economics: Theory and Policy (11th edition, Pearson, 2018)
* Colin Cameron and Pravin K. Trivedi, Microeconometrics Using Stata, (Revised edition, Stata Press, 2010)

## Articles:

* WTO (2017), Global Value Chain Development Report 2019: Technological Innovation, Supply Chain Trade, and Workers in a Globalized World, WTO, Geneva, <https://doi.org/10.30875/6b9727ab-en>.
* Koopman, R., W. Powers, Z. Wang, and S. Wei (2010) “Give credit where credit is due: tracing value added in gloabal production chais”, *NBER Working paper 16426*, <http://www.nber.org/papers/w16426>
* Koopman, R., Z. Wang and S.-J. Wei (2014), “Tracing value-added and double counting in gross exports”, *American Economic Review*, Vol. 104/2, pp. 459-494. <http://dx.doi.org/10.1257/aer.104.2.459>
* Johnson, R. and G. Noguera (2017) “A Portrait of Trade in Value-Added over Four Decades”, *The Review of Economics and Statistics, Vol.99, Issue 5,* 896-911
* Andrenelli, A. et al. (2019-04-25), “Micro-Evidence on Corporate Relationships in Global Value Chains: The Role of Trade, FDI and Strategic Partnerships”, OECD Trade Policy Papers, No. 227, OECD Publishing, Paris. http://dx.doi.org/10.1787/f6225ffb-en
* Blanchard, E., C. Bown and R. Johnson (2016), “Global supply chains and trade policy”, World Bank Policy Research Paper, No. 7536, The World Bank. <http://documents.worldbank.org/curated/en/2016/01/25801220/global-supply-chains-trade-policy>
* Miroudot, S. and C. Cadestin (2017), “Services in Global Value Chains: From Inputs to Value-Creating Activities”, OECD Trade Policy Papers, No. 197, OECD Publishing.
* Urata, S. and Y. Baek (2021) “Does GVC participation improve firm productivity? A study of three developing Asian coutires”, ADB Working paper series, ADB Institute.
* Asian Development Bank Institute. *Integrating SMEs into Global Value Chains: Challenges and Policy Actions in Asia*. Brookings Institution Press, 2015. *JSTOR*, [www.jstor.org/stable/10.7864/j.ctt1dgn5z1](http://www.jstor.org/stable/10.7864/j.ctt1dgn5z1)
* De Backer, K. and D. Flaig (2017), "The future of global value chains: Business as usual or “a new normal”?", *OECD Science, Technology and Industry Policy Papers, No. 41*, OECD Publishing, Paris, <https://doi.org/10.1787/d8da8760-en>.

**Course evaluations**

There will be one final exam and a minimum of in-class presentations. In addition, students will have three homework assignments due within one week. Assignments are designed to help students learn statistical software, analyze the outputs, and report the findings in a typical academic writing style. Datasets and details for the assignments will be provided in the class. Composition of evaluation is as follows:

* Assignments 30% (Data management and analysis using Stata)
* In-class presentations 30%
* Final exam 30%
* Attendance and participation 10%

**Class schedule**

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| **Week** | **Date** | **Topics** | **Assignments** |
| 1 | 9. 3 | Global Value Chains: background and developments |  |
| 2 | 9. 10 | Trade in value-added |  |
| 3 | 9. 17 | Production fragmentation and foreign investments |  |
| 4 | 9. 24 | GVCs related trade policy and trade agreements |  |
| 5 | 10. 1 | Estimating GVCs using input-output data: WIOD, OECD TiVA data, MRIO data, etc. | Assignment1 |
| 6 | 10. 8 | Estimating GVCs using trade data: UN Comtrade, BEC codes |  |
| 7 | 10. 15 | Firm’s participation in GVCs and productivity |  |
| 8 | 10. 22 | Presentations and discussions | Assignment2 |
|  | 10. 29 | No class |  |
| 9 | 11.5 | Servicification of manufacturing |  |
| 10 | 11. 12 | GVCs and development (participation of developing economies and SMEs in GVCs) |  |
| 11 | 11. 19 | Employment and skills in GVCs |  |
| 12 | 11. 26 | Recent changes in international trade environments (trade disputes, digitalization, and COVID-19) and impacts on GVCs | Assignment3 |
| 13 | 12. 3 | Presentations and discussions |  |
| 14 | 12. 10 | Presentations and discussions |  |
| 15 | 12. 17 | Final exam |  |

* **This schedule provides only an overview of the course and is subject to change.**

**Detailed information on in-class presentation and participation**

You will be asked to have in-class presentations twice during the course: one as a presenter, and the another as a commentator. The list of papers for the presentation which are related to class topics will be provided on the first day of class so that you can chose which paper you will present. For each paper, there will be a summarizer whose role is to summarize the paper in detail, and a commentator, whose role is to criticize and discuss limitations and future research. Both presenter and commentator are expected to prepare powerpoint slides for their presentations.