**International Trade Issues in Comparative Perspective**

**Instructor: Kim, Chong Sup**

**Course Objective**

    The objective of the course is to study current trade issues related to the emergence of China. The reason the course is dealing mainly with issues related with China is because their impact is not just domestic or regional, but global. The analysis will be mostly economic, so basic knowledge of microeconomics is required.

**Teaching Methods**

a. Lectures by the professor

b. Presentations by the students

c. Discussions

**Evaluation**

a. Final exam: 70%

b. Assignments: 20%

c. Attendance and class participation: 10%

**1.  World Trade Environment and Developing Countries**

Overview, Assignments, Class Structure, Evaluation Method, etc.

**2.  Globalization and FDI**

UNCTAD, (2004), "The Growth of FDI in Services and its Implications" [World Investment Report 2004](http://www.unctad.org/en/docs/wir2004_en.pdf), Chapter 3.

UNCTAD, (2006), "FDI from Developing and Transition Economies: Implications for Development" [World Investment Report 2006](http://www.unctad.org/en/docs/wir2006_en.pdf), Chapter 4.

**3.  The Emergence of Chindia and World Trade**

UNCTAD, (2005), "Income Growth and Shifting Trade Patterns in Asia," and "Evolution in the Terms of Trade and Its Impact on Developing Countries" [Trade and Development Report 2005](http://www.unctad.org/en/docs/tdr2005_en.pdf), Ch. 2 & 3.

UNCTAD, (2002), "Export Dynamism and Industrialization in Developing Countries," and "Competition and the Fallacy of Composition," [Trade and Development Report 2002](http://www.unctad.org/en/docs/tdr2002_en.pdf), Ch. 3 & 4.

**4.  Characteristics of China’s Export Growth**

Amiti, Mary, and Caroline Freund, (2008), “The Anatomy of China’s Export Growth,” World Bank, Policy Research Working Paper 4628.

**5.  China, India and Commodity Prices**

Cheung, Calista and Sylvie Morin, (2007), “The Impact of Emerging Asia on Commodity Prices,” Bank of Canada, Working Paper 2007-55.

**6 & 7. The Emergence of Chindia and its impact on regional economies**

Eichengreen, Barry, Yeongseop Rhee, Hui Tong (2004), “The Impact of China on the Exports of Other Asian Countries” NBER Working Paper Series No. 10768

Lederman, Daniel, Marcelo Olarreaga, and Isidro Soloaga, (2007), “The Growth of China and India in World Trade: Opportunity or Threat for Latin America and the Caribbean?” World Bank, Policy Research Working Paper 4320

Alicia García-Herrero, Daniel Santabárbara, (2004), “Does China Have an Impact on Foreign Direct Investment to Latin America?” Banco de España, Documentos de Trabajo N.º 0517.

Castro, Lucio, Marcelo Olarreaga, and Daniel Saslavsky, (2006) “The impact of trade with China and India on Argentina’s manufacturing employment” MPRA Paper No. 538,

Jorge Blázquez-Lidoy, Javier Rodríguez and Javier Santiso, (2006), “Angel Or Devil? China’s Trade Impact on Latin American Emerging Markets” OECD Development Centre, Working Paper No. 252

Avendaño, Rolando, Helmut Reisen and Javier Santiso, (2008), “The Macro Management of Commodity Booms: Africa and Latin America’s Response to Asian Demand”, OECD Development Centre, Working Paper No. 270.

**8. Group Presentation**

**9. Chindia and Natural Resource boom**

Lederman, Daniel, Marcelo Olarreaga, and Eliana Rubiano (2007), “Specialization and Adjustment during the Growth of China and India: The Latin American Experience”, World Bank, Policy Research Working PapeR 4318.

**10. Natural resource boom and Dutch Disease**

Coxhead, Ian (2004), “International Trade and the Natural Resource ‘Curse’ in Southeast Asia: Does China’s Growth Threaten Regional Development” University of Wisconsin-Madison, Department of Agricultural & Applied Economics, Staff Paper No. 480.

Coxhead, Ian (2007), “A New Resource Curse? Impacts of China’s Boom on Comparative Advantage and Resource Dependence in Southeast Asia” World Development Vol. 35, No. 7, pp. 1099–1119.

Mayer, Jörg and Pilar Fajarnes (2004), “Tripling Africa’S Primary Exports: What? How? Where?” United Nations Conference on Trade and Development, Discussion Papers No. 180.

**11. Natural resource abundance and Growth**

Mehlum, Halvor, Karl Moene and Ragnar Torvik. 2006. “Institutions and the resource curse,” The Economic Journal 116, January: 1–20. Royal Economic Society.

Korhonen, Iikka (2004), “Does democracy cure a resource curse?” BOFIT Discussion Papers No. 18.

**12. Natural resource boom and Expropriation Risk**

Kobrin, Stephen J. (1980), “Foreign Enterprise and Forced Divestment in LDCs,” International Organization 34(1): 65-88.

Kobrin, Stephen J. (1984), “Expropriations as an Attempt to Control Foreign Firms in LDCs: Trends from 1960 to 1979,” International Studies Quarterly 28(3): 329-348.

Gurievy, Sergei, Anton Kolotilin, and Konstantin Sonin, (2008) “Determinants of Expropriation in the Oil Sector: A Theory and Evidence from Panel Data” Centre for Economic and Financial Research at New Economic School, CEFIR / NES Working Paper series, Working Paper No 115.

**13. Production sharing**

Jones, R. W. and Kierzkowski, H. (2001), A framework for fragmentation, in S. W.Arndt and H. Kierzkowski, eds, ‘Fragmentation: New Production Patterns in the World Economy’, Oxford University Press, USA, chapter 2, pp. 17–34.

**14. Production sharing in East Asia and Latin America**

Gaulier, Guillaume, Françoise Lemoine, and Deniz Ünal-Kesenci, (2005), “China’s Integration in East Asia: Production Sharing, FDI & High-Tech Trade,” CEPII, Working Paper No 2005-09

Athukorala, Prema-chandra, and Nobuaki Yamashita (2006), “Production fragmentation and trade integration: East Asia in a global context,” North American Journal of Economics and Finance 17 (2006) 233–256

Kimura, F., Takahashi, Y. and Hayakawa, K. (2007), ‘Fragmentation and parts and components trade: Comparison between East Asia and Europe’, The North American Journal of Economics and Finance 18(1), 23–40.

Lall, S., Albaladejo, M. and Zhang, J. (2004), ‘Mapping fragmentation: Electronics and automobiles in East Asia and Latin America’, Oxford Development Studies 32(3), 407–432.

**15. Final Exam**