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PUAF 699Y: Globalization of Trade, Development and Competitiveness
Version: January 6, 2015 DRAFT

Spring Semester 2015
Room XXXX VMH
Thursdays: 9:15 – 11:45 a.m.

Instructors: Amb. Susan Schwab Tel: 301-405-6347 (office)
            410-280-5259 (home)
            Email: sschwab@umd.edu
            Office: 4105 Van Munching Hall
            School of Public Policy

William Reinsch Tel: 202-887-0278 (office)
                  301-530-0329 (home)
                  Email: breinsch@nftc.org

Support: (front desk) Tel: 301-405-6330
          Email: smithj@umd.edu

GA: Tom Babington Email: tbabington1@gmail.com

Office hours: Always by appointment; email ahead. Often Wednesdays; usually Thursday
afternoons; other days or evenings as necessary; occasionally in Washington, DC,
if more convenient.

Scheduling issues: If a conflict or weather-related cancellation arises, we will conduct a poll to
find an alternate class meeting date.

I. Introduction

II. Course Requirements

III. Readings

IV. Weekly Topics and Reading/Writing Assignments

V. University Policies
I. Introduction

“Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

Globalization is not new, though….” The Levin Institute.

This seminar is designed to address many of the contemporary debates and questions surrounding globalization, with particular focus on economic development, international trade and competition/competitiveness. Among the issues to be explored:

- Competitiveness and the economic/commercial challenges in the global economy; implications for trade policy, business, and the multilateral trading system.
- Evolution of the trading system; global value chains and their implications for the future.
- Development and the impact of globalization on the world’s poor; the role of the emerging economies, particularly China, India and other growth economies facing the so-called Middle Income Trap; the implications of inequality.
- Governance of multinational economic institutions in a multipolar world; the G-20 and the WTO, IMF, the World Bank, and others.
- The impact of technology – particularly information technology – on trends in globalization, including on trade, competitiveness and development.
- Implications of global integration on issues that may be of interest to individual students, such as cyber-security, global supply chains, global health, natural resources, the environment, immigration and food security, etc.

Among the themes focused on throughout the semester will be the appropriate role of government responding to global/market influences, and the issues, challenges and policy choices faced by institutions (governments, businesses, NGOs, multinationals, etc.) and the policymakers who lead them. Although the class will generally focus on U.S. policy perspectives and choices, there will also be heavy emphasis on other G-20 nations, as well as other emerging and developing economies, including the least developed countries (LDCs).

The class has no formal prerequisites, however, basic competency in micro- and macro-economics is expected of students. The farther along a student is with the MSPP core and
ISEP/IDeV requirements in particular, the more he or she is likely to get out of this class. In addition, if the class is oversubscribed, some priority will be given to students who have already taken international trade and other classes relevant to this course.

_The Economist_ is required reading for every class, and each class will include a discussion of recent articles and current events relevant to the course. Students are also expected to stay current with policy issues and developments during the semester through publications like _The Financial Times_ and _The Wall Street Journal_, and are encouraged to bring in timely articles they consider relevant to the class. Examples of anticipated Spring 2015 developments include:

- Ongoing negotiations, and potential conclusion of regional negotiations on the 12 nation Trans-Pacific Partnership (TPP) agreement and TransAtlantic Trade and Investment Promotion (TTIP) agreement.
- Progress on various other regional and bilateral trade agreements (for example, RCEP, Pacific Alliance, EU-Japan, EU-China, free trade agreements, etc.).
- Congressional consideration of Trade Promotion Authority (TPA), renewal of the Generalized System of Preferences (GSP), Trade Adjustment Assistance (TAA) and the Africa Growth and Opportunity Act (AGOA)
- Any relevant developments in the 2016 US presidential contest.
- Progress toward December 2015 WTO Ministerial and efforts to resume progress on Doha multilateral trade agenda.

II. Course Requirements

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Significant reading. Students are expected to come to class having read all required materials and should use class discussion to show they have both read and thought about the readings. (See III)

Class Participation: Class participation should reflect assigned reading and student “value-added” based on the readings. This will be a significant part of your grade and requires regular, thoughtful contributions that show you have completed and understand the readings. Fellow students – not just the professors – should be the beneficiaries of student engagement in class. You are encouraged, for example, to share articles and observations about events from the previous week that are relevant to course topics and recommended readings.

To promote student engagement in class discussions, the professors reserve the right to ban the use of laptops and other personal computing devices during the class. This may impact how students take notes or refer to readings during class.

Written Assignments. There will be three written products, in addition to those associated with oral presentations (see below):
1) *A take-home final exam/paper.* The memo-style final exam/paper should be absolutely no longer than 1500-1600 words in length (5-6 pages double spaced; use 12 point type). Longer papers will be penalized.

2) *A 2 page memo with talking points* (maximum 750 words) that will tell a senior government official how to comment on a specific controversial policy issue.

3) *A mid-term exam.*

All written submissions will be judged on content, but also on form and quality of writing. Substance is critical, but how you present it can mean the difference between convincing and persuading a decision-maker or leaving them bored or indifferent.

Oral Assignments. In addition to class participation, there will be two oral assignments:

1) *The Commanding Heights (TCH) Country Updates.* Each student will be assigned a country discussed in TCH and asked to update developments in that country, starting with and then building on the template described below in the assignments for February 5. Students may supplement their oral presentations with not more than one page of bullet points and/or not more than two slides.

2) *A “briefing”* of your instructors on the subject matter addressed by your memo in written assignment #2 above. This requires delivering a lot of information in a relatively short amount of time, along with anticipating and fielding questions. Students may also be asked to debate opposing perspectives on issues. Again, presentation style will be judged in addition to content.

Tracking key terms and concepts. Students are strongly encouraged over the course of the semester to track (perhaps even keep a journal of) key terms and concepts related to globalization. These will be discussed during class, and students are expected to be able to articulate their meaning. The professors reserve the right to hold an unannounced written “concept quiz” around the midpoint of the semester to enable students to show they are mastering the definitions and thinking behind such key terms and concepts.

Guest speakers. We look forward to welcoming one or two guest speakers this semester. Past guest speakers have included David Sanger, Chief Washington Correspondent of the *New York Times*; Ed Gresser, Director, Progressive Economy Project of the GlobalWorks Foundation, Andy Olson, Senate Foreign Relations Committee Staff; Dr. Bill Nolte, former NSA/CIA, current MSPP Professor; and others.

University Policies. Attached to this syllabus and available on ELMS are several brief paragraphs on University policies, required by the University to be included in all syllabi on the following topics: Academic Integrity and the Honor Pledge, Students with Disabilities, Attendance Policies, Inclement Weather, and Course Evaluation information. Please make sure you have reviewed this material.
Grading. Final grades will be computed as follows:

- Class Participation: 20%
- Mid-term exam: 20%
- Memo with talking points: 10%
- Oral briefing on Memo: 10%
- TCH update: 15%
- Final Paper: 25%

III. Readings

**Required Books/Publications/Videos:**


*The Economist:* You will be expected to identify, read and discuss the 5-6 articles from the magazine each week that are most relevant to globalization. A student rate subscription is highly recommended, but it is also available through McKeldin Library, CISSM Library or on newsstands. (The weekly edition appears online each Thursday and in print a few days later.) You will NOT be able to come into class and read the article online during class, so we will generally be referring to the “previous” Thursday’s online edition. Note: Historical publications of *The Economist* since 1843 are available at lib.umd.edu.


**Note:** You are expected to watch the video before you attend the first class and it is best to watch before you start to read the book.

- Episode 1, “The Battle of Ideas”: [http://goo.gl/hh0wDB](http://goo.gl/hh0wDB)
- Episode 2, “The Agony of Reform”: [http://goo.gl/my0rC0](http://goo.gl/my0rC0)
ELMS Reserve   The readings listed in the syllabus, other than the required reading/books noted above, will be available on ELMS.umd.edu. **Check your email and the syllabus every Sunday night to see if the reading assignment for the coming Thursday class has been updated with any additional articles that may have appeared during the week.**

**Recommended Reading:**

*Financial Times, The Wall Street Journal, The New York Times, The Washington Post,* [www.realclearpolitics.com](http://www.realclearpolitics.com) and other widely acknowledged authoritative publications and websites: You are encouraged to review these publications regularly for articles relevant to globalization topics being addressed by the class. These publications are available in the MSPP student lounge, in McKeldin Library, by subscription and/or on line.

[http://progressive-economy.org/](http://progressive-economy.org/) (Check out this guest speaker’s web site. We strongly encourage you to sign up for their “weekly trade facts” email. It is almost always full of great data points.)


**IV. Weekly Topics and Reading/Writing Assignments**

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**January 29: Introduction to the Course.**

**Required reading/viewing:**

PBS video: “The Commanding Heights: The Battle for the World Economy,” (David Ogden Stiers, narrator). **View all three two-hour episodes (six hours total) of the PBS documentary based on the book by Daniel Yergin and Joseph Stanislaw, 2002, before coming to class.** The videos are available in several places on YouTube as Episodes 1, 2 and 3.

Episode 1, “The Battle of Ideas”: [http://goo.gl/hh0wDB](http://goo.gl/hh0wDB)
Episode 2, “The Agony of Reform”: http://goo.gl/my0rC0

Descriptions and interesting background reading on the program (optional) are available on: http://www.pbs.org/wgbh/commandingheights/lo/story/index.html

_The Economist_

**Assignment (class discussion):**

- Self introductions.
- What is globalization?
- What is this course about?
- A walk through the syllabus.
- Expectations and assignments.

Research sources and issues: What is an “authoritative source?” Hint: Wikipedia is not an acceptable citation.
Warning: Professorial idiosyncrasies (proof reading, typos, numbered pages, 12-point type, white space, robust class participation ….)

Cross-cutting areas of particular focus: The role of government in the marketplace and interconnectedness: Many of the fundamental shifts in policies described in The Commanding Heights were considered irreversible as late as the mid-2000s. Since then, they have been challenged and to some degree reversed. In some instances, the pendulum has already swung back.
Instead of a general consensus on economic and regulatory policies, we now see a range or continuum of interventionist activities and results. Meanwhile, in some sectors and as a result of some technologies, governments today have far less choice over how open to global market influences their economies will be.
How might we observe and measure such trends? Are there identifiable indicators and milestones?
What are the implications for development?
What are the implications for institutions of governance?
How have the trends and their volatility impacted businesses and business decisions?
Are there winners and losers, and if so, who and where are they in the world, within individual countries, and how might policymakers address them?

**February 5: Governments & Markets: Historical Context**

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**Assignment:**
• For today: We will create a template to update The Commanding Heights (TCH) to reflect events since 2002 in each of the economies described in the book. Be prepared to contribute suggestions to a list of issues, events, developments, governmental actions, etc.:
  o That were the main/most profound crosscutting ones (that impacted all or virtually all countries between 2002 and today) or
  o That would characterize any given (i.e. generic) government’s actions that can be observed, tracked, measured or otherwise assessed.

• Each of you will be assigned one of the countries discussed in TCH, and you will be asked to present the specific post-TCH time line and trend analysis for your country. Key questions will revolve around whether the trends that characterized the country in TCH and similar economies up to 2002 have continued or have reversed in whole or in part, to what extent, and with what result.

Required reading/viewing:


Explore and familiarize yourself with the various databases, indices (indexes) and rankings below that can be used to assess and compare countries -- their economies; certain governmental policies; and the impact those policies may have had in terms of their economies, the environment for doing business, competitiveness, etc. The data, measures/metrics, or indicators offer differing degrees of specificity. Some are longitudinal; some require you to find previous year assessments and do the comparisons yourself. Some provide single snapshots. (Some, such as those ranking “competitiveness” and “ease of doing business” have key policy sub-components that are important to understand.) Much of the data are basic outcome data with only limited information about the policies that contributed to the outcomes – policies or broader country policymaking contexts that you will need to develop and present later. (You will need to be able to draw on these kinds of data for your country assessments and throughout the semester. You may also find other data bases useful and are welcome to bring them to the attention of the class.)


http://data.worldbank.org/region/WLD

http://www.imf.org/external/data.htm


*Index of Economic Freedom (Heritage Foundation/The Wall Street Journal)*
[http://www.heritage.org/index/ranking](http://www.heritage.org/index/ranking)

Transparency International: *Corruption Perceptions*


World Economic Forum: *The Global Information Technology Report 2014*

World Economic Forum: *Enabling Trade Report 2014*

*The Economist*

**Recommended reading:**

[VIDEO] BBC Four. *Hans Rosling's 200 Countries, 200 Years, 4 Minutes.*
[www.youtube.com/watch?v=jbkSRLYSojo](http://www.youtube.com/watch?v=jbkSRLYSojo) [Also to be viewed and discussed in class.]

Night view of the Korean peninsula.

[http://goo.gl/5HJ88J](http://goo.gl/5HJ88J)

**February 12: Governments & Markets: Historical Context, Cont.**

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Continue discussion of TCH.

**Assignment Prep:**

*Brief presentations on February 19 and 26 updating the country economic policies and outcomes since the conclusion of TCH in 2002. Among the countries/economies to be assigned today for updating and presentation on February 19: China, Hong Kong, India, Japan, Malaysia, Singapore, South Korea, and Taiwan, and possibly Indonesia.*

**Required reading:**

_The Economist._

**Recommended Reading:** TBD.

**February 19: Governments & Markets: Historical Context, Cont.**

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**Assignment:**

*Country Presentations, as assigned on Feb. 12. Each presentation not to exceed 5 minutes, plus 3-5 minutes of Q&A.*

**Assignment prep:**

*Among the countries/economies to be assigned today for updating and presentation on February 26: Argentina, Brazil, Chile, France, Germany, Mexico, Peru, Poland, the former Soviet Union, the UK and the US.*

**Required reading:**


_The Economist._

**Recommended reading:** TBD

**February 26: Governments & Markets: Historical Context, Cont.**

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**Assignment:**

*Country Presentations, as assigned on Feb. 19. Each presentation not to exceed 5 minutes, plus 3-5 minutes of Q&A.*

**Required reading:**

Recommended reading: TBD


Assignment prep: topics for the short written memo will be assigned.

Required reading:

http://fpc.state.gov/documents/organization/202465.pdf

(Pages 1- 25)


Susan Schwab, ‘After Doha: Why the Negotiations are Doomed and What We Should Do About It’ in Foreign Affairs (May/June 2011). (9 pages)
http://www.foreignaffairs.com/articles/67719/susan-e-schwab/after-doha

New WTO Director-General Roberto Azevedo (Brazil) inaugural speech before the WTO 9 September 2013. (Text and video available)

Ian Bremmer, “State Capitalism Comes of Age: The End of the Free Market?,” in Foreign Affairs (May/June 2009). (9 pages)


The Economist online, “The middle-income trap”. March 27, 2012.
http://www.economist.com/blogs/graphicdetail/2012/03/focus-3
http://www.businessweek.com/articles/2013-06-13/correlations-the-middle-income-trap


Familiarize yourself with (browse) the following sources:

Global Trade Alert  http://globaltradealert.org

USTR 2014 National Trade Estimate Report on Foreign Trade Barriers  

USTR 2014 Special 301 Report  
http://www.ustr.gov/sites/default/files/USTR%202014%20Special%20301%20Report%20to%20Congress%20FINAL.pdf

RTAs notified to the GATT/WTO (1948-2014), including inactive RTAs, by year of entry into force.  
http://www.wto.org/english/tratop_e/region_e/regfac_e.htm

*The Economist.*

**Recommended reading:**


Growth Slowdowns Redux: New Evidence on the Middle-Income Trap  
**Barry Eichengreen, Donghyun Park, Kwanho Shin**  


Frederic Bastiat, ‘The Candlemakers Petition’ from *Sophismes Économiques* (1845),  
Not “recommended,” since this site fabricates or misrepresents many of its “facts,” but it is a longstanding anti-trade site, so you probably should be aware of it:


Required Reading:


Kenneth L. Kraemer, Greg Linden, and Jason Dedrick, “Capturing Value in Global Networks: Apple’s iPad and iPhone.” University of California Irvine, University of California, Berkeley and Syracuse University. July 2011.
http://econ.sciences-po.fr/sites/default/files/file/Value_iPad_iPhone.pdf


WTO Press Release (with links), “Global value chains offer opportunity for growth and progress, says joint report to G-20”
http://www.wto.org/english/news_e/news13_e/miwi_06sep13_e.htm


Skim/Familiarize yourself with:

“Measuring Trade in Value-Added: A WTO-OECD Joint Initiative”.
http://www.wto.org/english/res_e/statis_e/miwi_e/miwi_e.htm

Recommended reading:


Global Value Chains: Challenges, Opportunities, and Implications for Policy

Pramod Gupta, Aakash Gupta, Hector Gutierrez, Patrick Van den Bossche, “Solving the Re-shoring Dilemma,”


Recommended reading:

**March 19:** Spring Break (no class)

**March 26:** Globalization/Interconnectedness and Prosperity, Cont.

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Assignment: All short memos due. First group of memo-related briefings to be conducted.

Required reading:

_The Economist_

**Recommended reading:** TBD


**April 2:** Mid-term exam.

**April 9:** Trade and Development.

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Invite Ed Gresser, Progressive Economy, as guest speaker.

**Assignment prep:** Short written memo topics will be assigned.

**Required reading:**


Familiarize yourself with various U.S. (and other) government trade preference, trade capacity building and targeted foreign assistance programs, including:

[http://www.ustr.gov/trade-topics/trade-development/preference-programs](http://www.ustr.gov/trade-topics/trade-development/preference-programs) (U.S. trade preference programs; USTR)


http://ec.europa.eu/trade/wider-agenda/development/generalised-system-of-preferences (potential revisions to EU preference program)


Familiarize yourself (continued) with various U.S. (and other) government trade preference, trade capacity building and targeted foreign assistance programs, including:

http://www.foreignassistance.gov/ (The U.S. government’s Foreign Assistance Dashboard)

http://www.mcc.gov/pages/about (Millennium Challenge Corporation; USG)

http://www.wto.org/english/tratop_e/devel_e/d2legl_e.htm (key WTO legal provisions re: special rights of developing countries)

http://www.opic.gov/ (Overseas Private Investment Corporation)

http://tcb.eads.usaidallnet.gov/ (trade capacity building data; USAID)

The Economist.

Recommended reading: TBD


April 16: Trade and Development, Cont.
Assignment: Short written memos due beginning of class! Late papers will be penalized.

Assignment: Student “briefings” based on memos.

Required reading:

Edward Gresser, Freedom from Want: American Liberalism and the Global Economy, Part II (Pages 115 – 212).

The Economist

Recommended Reading: TBD.

April 23: The Rest of the Rest: The Bottom Billion.

Assignment: Student “briefings” based on memos.

Required Reading:

Paul Collier, The Bottom Billion, Oxford University Press, 2007. ALL


The Economist.

True Size of Africa

Read accompanying explanation from The Economist: http://www.economist.com/blogs/dailychart/2010/11/cartography

Recommended reading:


Trade Fact of the Week for December 23, 2014. (“Number of people living in absolute poverty”)
April 30: Trade Politics; Current trade issues.

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Invite Bruce Stokes, Pew Research Center.

**Required reading: TBD**


If you are not already familiar with it, spend a little time on the Realclearpolitics.com website.

Internet readings TBD
Energy readings TBD

*The Economist*.

**Recommended reading:**

**Internet and Energy readings TBD**

Glance at the trade votes on the “key vote scorecards” below.


NFTC: http://www.nftc.org/newsflash/newsflash.asp?Mode=View&id=236&articleid=3543&category=All
NAM Scorecard 112th Congress - Senate: http://www.bipac.net/vr_grid.asp?g=nam_vr&parent=NAM&vrkey=3038&vrtype=score&order=name
NAM Scorecard 112th Congress –House: http://www.bipac.net/vr_grid.asp?g=nam_vr&parent=NAM&vrkey=3039&vrtype=score&order=name
UFCW (United Food and Commercial Workers) 2011 Scorecard: http://www.ufcw.org/2012/03/05/ufcw-releases-congressional-scorecard/

May 7: Globalization Continues to Evolve: Institutional Challenges, etc.
Wrap Up: Final Thoughts on Globalization.
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Required reading:

*The Economist*


Pankaj Ghemawat, World 3.0: Global Prosperity and How to Achieve It, Harvard Business Review Press, 2011. Part III, Chapters 12, 15; it is not necessary to read Chapters 13, 14. (39 pages)

Stewart Patrick, ‘Irresponsible Stakeholders? The Difficulty of Integrating Rising Powers’ in Foreign Affairs (November/December 2010). [UMD Library Catalog or Research Port]

Robert Zoellick, ‘Why We Still Need the World Bank: Looking Beyond Aid’ in Foreign Affairs (March/April 2012). [UMD Library Catalog or Research Port]

Recommended reading: TBD

May 14: Final Papers due.

- Turn in final memo/take home exam due in hard copy no later than 5:00pm. Email to both Professors Schwab and Reinsch and place in hard copy in Professor Schwab’s box in VMH, Suite 2101 (Dean’s Suite).

- Please remember to fill out your on-line course evaluations. Thank you!

V. University Policies

Attendance Policies

University policy excuses the absences of students for illness (self or dependent), religious observances, participation in University activities at the request of University authorities, and compelling circumstances beyond the student's control. Students must submit the request in writing and supply appropriate documentation, e.g. medical documentation. Except in the cases mentioned above, students are expected to attend all sessions since class participation will be graded. For more information, see the University's Attendance and Assessment Policy. Students will not be penalized in any way for participation in religious observances and they be allowed to make up academic assignments that are missed due to such absences. However, it is the student’s responsibility to inform the instructor of any intended absences for religious observances in advance of the projected absence within two weeks of the start of the semester and with a written notification. The request should not include travel time.

Regular attendance and participation in this class is the best way to grasp the concepts and principles being discussed. However, in the event that a class must be missed due to an illness, the policy in this class is that for every medically necessary absence from class, a reasonable effort should be made to notify the instructor in advance of the class. If more than one class is missed, the instructor may require documentation signed by a health care professional.

Inclement Weather or Emergency Closure

Assignments will be rescheduled if necessary due to inclement weather and campus emergencies. Official closures and delays are announced on the campus website (www.umd.edu) and snow phone line (301-405-SNOW) as well as local radio and TV stations. Please make sure that your University contact information is up-to-date at all times.
Students with Disabilities

Students wishing to request academic accommodations for a disability should notify the professor at the beginning of the semester. The student should also register with Disability Support Services (DSS) http://www.counseling.umd.edu/DSS/ (301-314-7682).

Academic Integrity & the Honors College

The University is an academic community. Its fundamental purpose is the pursuit of knowledge. Like all other communities, the University can function properly only if its members adhere to clearly established goals and values. Essential to the fundamental purpose of the University is the commitment to the principles of truth and academic honesty. Accordingly, the Code of Academic Integrity is designed to ensure that the principle of academic honesty is upheld. While all members of the University share this responsibility, The Code of Academic Integrity is designed so that special responsibility for upholding the principle of academic honesty lies with the students. (The University of Maryland Student Honor Council)

All University of Maryland students are asked to write and sign the following Honor Pledge to all submitted assignments and exams:

I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination.

The University of Maryland honor system is fully described in the Code of Academic Integrity. Please read: www.studenthonor council.umd.edu/code.html. The Code is administered by an all-student Honor Council. The student Honor Council office is located in room 2118 Mitchell Building and can be reached at 301-314-8204.

The Honors College works to enrich its community life by promoting an atmosphere of honesty, trust, and mutual responsibility. In the event that a Honors College student is found responsible for a violation of the Code of Academic Integrity by the Student Honor Council, he or she will be dismissed from the Honors College for the semester in which the violation took place and for all subsequent semesters in which the student is enrolled as an undergraduate at Maryland.