

THE GEORGE WASHINGTON UNIVERSITY
Department of Economics

Economic Analysis of International Trade Law Spring 2011	Economics 6295.12 M 5:10 — 7:00
Location:	Kendrick Seminar Room (Monroe 321)
Professor Joseph Pelzman	Office – Monroe 319
Office Hours	M 2:00 – 4:30 and by appointment
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COURSE DESCRIPTION:

This course is a graduate level course on the economic analysis of international trade law. It is designed for both law school students (with an economics major) and graduate PhD and MA economics and MA ESIA students. In addition to the regular economics graduate school prerequisites, it is highly recommended that students also have successfully passed graduate International Economics (Econ 280, Econ 283 or Econ 381) and a course on Game Theory.

The primary focus during this semester is to use game theory to explain the WTO DSU process, litigation under the SPS rules, and litigation under the anti-dumping laws. Some of the commodity specific cases to be discussed include Bananas, Korean Beef, Apples, and Semiconductors.

REQUIRED TEXTS:

The reading material assigned for this class is *essential* and should be read thoroughly. Please bring the Doc Supp., to class so that you can have it handy when we refer to specific legislation. The list of textbooks includes:

- (1) Bhala, Raj. *International Trade Law: Interdisciplinary Theory and Practice*, (3rd ed., 2008) LexisNexis Matthew Bender; ISBN:9781422425947. (hereinafter the Casebook);
- (2) _____, *International Trade Law: Interdisciplinary Theory and Practice: Documents Supplement*, (3rd ed., 2008) LexisNexis Matthew Bender. ISBN:9781422419410. (hereinafter the Doc Supp);
- (3) Gardner, Roy. *Games for Business & Economics* (2nd ed., 2003) John Wiley & Sons, Inc., ISBN:9780471230717. (hereinafter Gardner);
- (4) Guzman, Andrew T. and Alan O. Sykes. (eds.) *Research Handbook in International Economic Law*, 2008, Edward Elgar Publishing, Inc., ISBN:9781847208453. (hereinafter Guzman & Sykes).

REQUIREMENTS FOR THE COURSE:

Your grade is based on a research paper applying game theory to a single WTO dispute. In order to assure that everyone is on the same page with respect to this assignment there are a number of deliverables during the semester. On or before 1/31 you are expected to turn in a paper topic, bibliography and outline. On or before 2/21 you are expected to turn in a first draft of your paper. On or before 4/4 you are expected to turn in a second draft of your paper. On or before 5/2 you are expected to turn in the completed paper.

Your papers are expected to be turned in as an attachment to me at jpelz@gwu.edu in electronic form, in pdf format, using the following naming format. Name_Paper title_date.

READINGS AND LECTURE LIST:

The dates to the right represent the dates when the material will be discussed in class.

READINGS***1. Introduction & Review of GATT—WTO Commitments* 1/10**

The reading for this introductory class is very long. It is designed to provide the necessary background to our discussion of the economics analysis of international trade law.

Casebook (pp. 1 – 141).
 Gardner (pp. 1 – 152).
 Guzman & Sykes (Trebilcock and Fishbein, pp. 1 – 62).

NO CLASS – MLK DAY* 1/17**2. MFN Treatment (Article I) & Tariff Bindings (Article II)* 1/24—1/31**

Casebook Chapter 11 and 12
 Guzman & Sykes (Sykes, pp. 62 – 112).

Doc Supp. *Havana Charter*, Articles 15-16, 17, 43-45, and 98-99
 GATT Articles I, II, XX, XXI, XXIV, XXXV, XXVIII *bis*, and XXX.
 1979 Tokyo Round *Enabling Clause*;
 WTO *Agreement* Articles IX-XI

WTO DSU: European Communities -- Conditions for the Granting of Tariff Preferences to Developing Countries, WT/DS246/AB/R, (issued 7 April 2004, adopted 20 April 2004) (complaint by India).

3. National Treatment (Article III) 2/7—2/14

Casebook Chapter 13.
Guzman & Sykes (Trachtman, pp. 151 – 176) and (Horn and Mavroidis, pp. 177-210)

Doc Supp. *Havana Charter*, Articles 18-19, 29, 46-54
GATT Articles III, XV:4, XV:9, XVII, and XXIV:12
Interpretative Notes, *Ad Article III* and *Ad Article XV*
WTO *Agreement on Trade Related Investment Measures (TRIMs Agreement)* Articles 2-3, and Annex
WTO *Agreement on Government Procurement (GPA)*, Article III
NAFTA Chapter 3, and Article 1102

WTO DSU: Mexico - Tax Measures on Soft Drinks and Other Beverages (Mexico - HFCS), WT/DS308/AB/R (issued on March 6, 2006, and adopted on March 24, 2006) (complaint by the United States, with Canada, China, European Communities, Guatemala, and Japan as third-party participants.

Dominican Republic - Measures Affecting the Importation and Internal Sale of Cigarettes, WT/DS302/AB/R (issued April 25, 2005, adopted May 19, 2005) (complaint by Honduras, with China, EC, El Salvador, Guatemala and the United States as third parties).

NO CLASS – PRESIDENT’S DAY 2/21

4. NTBs (Article XI), TBT and SPS: Beef and Apples 2/28—3/7

Casebook Chapter 14 and 44
Doc Supp *Havana Charter*, Articles 4, 6, 13, 20-21, 38-39
GATT Articles X, XI, and XVIII:B
WTO *TBT Agreement*
NAFTA Chapter 9, and 18

WTO DSU: Cases listed in Casebook.

NO CLASS – SPRING BREAK 3/14

5. Administering Quantitative Restrictions (Article XIII) —Bananas 3/21

Casebook Chapter 15
Doc Supp *Havana Charter*, Articles 22-23

GATT Articles XI, XIII, and XIV

WTO DSU: Cases listed in Casebook.

6. Economic Foundations of Anti-Dumping Law (Article VI) 3/28—4/4

Casebook Chapters 27 & 28

Doc Supp. *WTO AD Agreement*
19 U.S.C. §§1671; 1677Sykes, Alan O. “Countervailing Duty Law: An Economic Perspective,” *Columbia Law Review*, March, 1989, 199-265.Sykes, Alan O. “The Economics of Injury in Antidumping and Countervailing Duty Cases,” *International Review of Law and Economics*, March, 1996, 5-26.**NO CLASS – PASSOVER 4/18 & 4/25****MAKE-UP CLASS - SUNDAY 4/24****DESIGNATED MONDAY 4/27****7. Calculating Anti-Dumping Margins 4/24—4/27**

Casebook Chapters 29 — 32.

Doc Supp. *WTO AD Agreement*
19 U.S.C. §§1673; 1677.**FINAL PAPER DUE – May 2, 2011**