THE GEORGE WASHINGTON UNIVERSITY
Department of Economics

Econ 6295 — Economics of International Trade Law M 6:10 — 8:00
Fall 2013 Monroe B32

Professor Joseph Pelzman
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Office Hours M and W 2:00 to 4:00 & by Appointment
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COURSE OVERVIEW:

Despite the fact that international trade issues are discussed in the popular press most people cannot answer the following simple questions. What is the WTO? What is it trying to accomplish and why? How does the world trading system function? Why are there so many disputes among countries that belong to the WTO? Why is the WTO a ‘rules based’ system rather than a system based on negotiated outcomes?

Given the significant influence of GATT/WTO on the world economy, it is of special importance to assess the progress that economists have made in providing a theoretical interpretation of GATT/WTO.

REQUIREMENTS FOR THE COURSE:

Your grade is based on:

(a) a 20 page research paper (60%) which will use economic theory to analyze a current dispute between two members of the WTO. This paper will be due on December 2, 2013 via email to jpelz@gwu.edu as an attachment in pdf format and
(b) a final exam (40%) which will be given on December 9, 2013.

An outline of the paper and a list of current WTO disputes will be discussed in class.

READING MATERIAL:

The reading material assigned for this class is quite large, spanning both the legal literature and the economics literature. At a minimum, it is essential that you read the individual GATT/WTO articles prior to class. All of the academic readings listed in the syllabus represent the ‘best’ examples of the current literature. I will summarize much of that literature during the lectures. You should read as much of the literature as you can and keep the rest as a source for further reading. The GATT/WTO rules can be obtained in electronic version on line.
Keep in mind that I do not expect you to read all of economics articles. They should be viewed as reference material which will explain some of the economic arguments made in the lectures. All of the reading and power points will be made available in pdf form.

**Readings and Lecture List:**

The dates to the right represent the dates when the material is scheduled to be discussed in class. This may be modified if we need more lecture time.

**Readings**

1. *The Four Pillars of the GATT\WTO – The Economic Theory of Behind Trade Agreements*  
   MFN Treatment (Article I)  
   Tariff Bindings (Article II)  
   National Treatment (Article III)  
   NTBs (Article XI)

**Suggested Leading Articles:**


2. **MFN and Preferential Trade Agreements**  

**MFN Treatment (Article I)**  
**Regional Agreements (Article XXIV)**

**Suggested Leading Articles:**


3. **WTO and DSU**

UNDERSTANDING ON RULES AND PROCEDURES GOVERNING THE SETTLEMENT OF DISPUTES.

**Suggested Leading Articles:**


4. **Safeguards — Article XIX**  

Safeguards (Article XIX)

**Suggested Leading Articles:**


5. **Subsidies and Countervailing Measures**  

**AGREEMENT ON SUBSIDIES AND COUNTERVAILING MEASURES**

**Suggested Leading Articles:**


6. **Dumping and Countervailing Measures**  11/18 — 12/2

**Anti-Dumping (Article VI)**

*Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994*

**Suggested Leading Articles:**


**FINAL EXAM — December 9, 2013**

**FINAL PAPER DUE — December 2, 2013**