

Freie Universität Berlin

Prof. Dr. Michael Bolle
Dr. Abdul Manan Aruli
Jean Monnet Centre of Excellence
Otto-Suhr-Institut für Politikwissenschaft
FB Politik- und Sozialwissenschaften
Winter Term 2008/2009



HS 15390 : Europe and International Trade
(Monday, 14:00 – 16:00)
(Seminar room, Ihnestr.56)

This seminar discusses the role of the European Union in the international trade relations. In the light of multilateral trade liberalization efforts within the Doha Development Round and the spread of bilateral preferential trade agreements (PTAs), the EU has a crucial leadership in shaping international trade relations. Yet its own trade policy is driven by strong domestic interests and preferences, aggregated in a singular institutional framework.

The course is divided into four parts: After an introduction into the making of EU trade policy (actors, interests, instruments, institutional setting), the second section assesses the role of the EU in the World Trade Organization, giving empirical evidence on conflictual cases (agricultural subsidies, textiles, aircraft, etc.). The third section will concentrate on the social dimension of EU's trade policy (social clause), especially in the field of environment, health security and labor. Finally, students will explore the trade relations of the EU with selected regions.

This seminar will be taught in English. A working paper can be delivered in German or English. For further requirements for credits, please consult the JMC-Website www.jmc-berlin.org >> Miscellaneous.

Requirements for Participation

Students should complete the following assessment items:

1. Regular and active participation in the course with max 2x absent,
2. Making report of previous meeting
3. Presentation of the previous meeting in the class about 5 – 10 minutes

Requirements for credits*

Students should complete the following assessment items:

1. Regular and active participation in the course with max 2x absent,
2. Presentation
 - a. Presentation of one seminar topic (max. 30 min, handout one week before)*
 - b. Thesis paper (1 page)
 - c. Presentation of the thesis paper by the Lecturer one week before
3. Working Paper
 - a. Submit Paper on seminar topic in English or German,
 - b. Max. 10 pages net without Title, Content and Reference

* Required for participation credits

Consultation Hours:

Prof. Dr. Michael Bolle

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Appointment through JMC Secretary

Dr. Abdul Manan Aruli

Ihnestr. 56 Room113

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Wednesday, 14:00 – 16:00 and through appointment

Basic Readings

- Krugman, Paul R. & Obstfeld, Maurice (2003): International Economics. Theory and Policy, Six Edition, Addison Wisley, Boston.
- World Trade Organization (2008): World Trade Report 2008. Geneva.

Course Outline

Section A: Introduction

- 1st Week (13/10) : Introduction
- 2nd Week (20/10) : European Trade Policy and Regime
- 3rd Week (27/10) : European Union (EU) and World Trade Organization (WTO):
Doha Development Agenda
- 4th Week (3/11) : EU in a Globalize Era

Section B: European Trade Policy and Instruments

- 5th Week (10/11) : AG 1: Case of EU Subsidy for Agricultural Products
(Protest from Developing Countries)
- 6th Week (17/11) : AG 2: Case of EU Trade Conflict in Aircraft Products
(with the US: Airbus and Boeing)
- 7th Week (24/11) : AG 3: Case of EU Trade in Textile (with China: Import
Quotas)
- 8th Week(1/12) : AG 4: Case of EU Banana Dispute (with the US)

Section C: European Trade Policy and Social Clause

- 9th Week (8/12) : AG 5: EU Trade Policy related to Environment
- 10th Week (15/12) : AG 6: EU Trade Policy related to Health Security

Christmas Break

- 11th Week (5/1) : AG 7: EU Trade Policy related to Labor (Trade Union,
Child Labor)

Section D: European Trade Relation with Third Countries

- 12th Week (12/1) : AG 8: EU – ACP (Africa, Caribbean & Pacific)
- 13th Week (19/1) : AG 9: EU – Latin America
- 14th Week (26/1) : AG 10: EU – ASEAN
- 15th Week (2/2) : AG 11: EU – Mediterranean
- 16th Week (9/2) : AG 12: EU – Russia - Course Summary and Evaluation

Seminar Outline and Readings

Course Readings

There are two or three *core readings* each week. These are the bare minimum for participation in discussion – presenters will need to go beyond these readings, using also the material from other sources.

Section A: Introduction

1st Week (13/10): Introduction

2nd Week (20/10): European Trade Policy and Regime

Readings:

- Baldwin, Matthew (2006). EU trade politics – heaven or hell? *Journal of European Public Policy* (13:6), pp. 926–942.
- Woolcock, Stephen (2000): European Trade Policy. Global Pressures and Domestic Constraints, pp. 373 - 399

3rd Week (27/10): European Union (EU) and World Trade Organization (WTO): Doha Development Agenda

Readings:

- WTO (2008): World Trade Report 2008, Chapter II Section F, p.147- 160, Geneva.
- Laird, Sam (2002): The WTO agenda and the Developing Countries, in: Milner, Chris and Read, Robert (Ed.): Trade Liberalization, Competition and WTO, Edward Elgar Publishing Limited: Cheltenham UK, p.227-252

4th Week (3/11): EU in a Globalize Era

Readings:

- Steinberg, Frederico (2007): Europes Place in Economic Globalisation, Working Paper Nr. 34 Real Instituto Elcano, 5 November 2007
- Rollo, Jim (2007): The Challenge of Negotiating RTA's for Developing Countries: what could the WTO do to Help?, Paper presented at the Conference of Multilateralising Regionalism, 10-12 September 2007, Geneva

Section B: European Trade Policy and Instruments

5th Week (10/11): AG 1: Case of EU Subsidy for Agricultural Products (Protest from Developing Countries)

Readings:

- Furtan, W.H.; Guzel, A. & Karantininis, K (2007): Tha Doha Talks and the Bargaining Surplus in Agriculture, in: The Estey Centre Journal of International Law and Trade Policy, Vol.8 No.2, 2007, pages 138 – 154
- Winters, L. Alan (2005): The European Agricultural Trade Policy and Poverty, in: European Review of Agricultural Aconomics, Vol.8 No.2, pp. 319 - 154

- Steinberg, Frederico (2002): The European Union with regard to the Doha negotiations and CAP reform, Working paper ARI N° 50-2002, Real Instituto Elcano

**6th Week (17/11): AG 2: Case of EU Trade Conflict in Aircraft Products
(with the US: Airbus and Boeing)**

Readings:

- Aruli, Abdul Manan (2000): Strategische Handelspolitik der Europäischen Union seit Maastricht 1992: Airbus als Mustererfolg, Dissertation, FB Politik- und Sozialwissenschaft der FU Berlin
- Friedmann, Jan (2007): Airbus and the Not-So-Invisible Hand, in: *Spiegel Online International*, February 22, 2007

7th Week (24/11) : AG 3: Case of EU Trade in Textile (with China: Import Quotas)

Readings:

- Field, Alan M. (2007): A tale of 2 regions, in: *Journal of Commerce*. New York: May 28, 2007. pg. 1
- Research and Markets: World Textile and Apparel Trade and Production Trends 2004: US Domestic Clothing Sales Picked up Mid-2003, in: *Business Wire*. New York: May 19, 2004. pg. 1

8th Week (1/12) : AG 4: Case of EU Banana Dispute (with the US)

Readings:

- Read, Robert (2002): The EU-US Banana Dispute and the Evolution of the EU Banana Regime, in: Milner, Chris and Read, Robert (Ed.): Trade Liberalization, Competition and WTO, Edward Elgar Publishing Limited: Cheltenham UK, p.253-281
- Lynn, Jonathan and Schomberg, William (2008): Banana Exporters under Pressure at WTO Rescue Talks, *Newsdaily* 27 July 2008

Section C: European Trade Policy and Social Clause

9th Week (8/12) : AG 5: EU Trade Policy related to Environment

Readings:

- Financial Times (2008): The greening of globalization Protectionists can hide behind concern for the environment, London (UK): Jan 4, 2008. pg. 6
- Carl B. Hamilton, Carl B. (2008): EU's dangerous decision on climate change that may lead to a trade war, in: *Financial Times*, London (UK): Mar 24, 2008. pg. 10
- WTO (1999): Special Issue, Trade and Environment, Geneva

10th Week (15/12): AG 6: EU Trade Policy related to Health Security

Readings:

- European Commission (2006): Access to Essential Medicines,

- Kogan, A. Lawrence (2003): Looking Behind the Curtain: The Growth of Trade Barriers that Ignore Sound Science, National Foreign Trade Council, Inc., Washington, May, Chapter III, p. 10-62

Christmas Break

11th Week (5/1): AG 7: EU Trade Policy related to Labor (Trade Union, Child Labor)

Readings:

- European Commission (2008): Trade and Social Conditions,

Section D: European Trade Relation with Third Countries

12th Week (12/1): AG 8: EU – ACP (Africa, Caribbean & Pacific)

Readings:

- Eurostat (2008): EU-27 Trade with CARICOM Countries in 2006
- Eurostat (2007): EU-27 Trade with ACP Countries in 2006
- European Commission (2008): Revision of Cotonou Agreement 2005

13th Week (19/1) : AG 9: EU – Latin America

Readings:

- Maihold, Guenter (2008): The Lima Summit: A Meeting of Euro-Latin American Symmetry (ARI), Working Paper No. 58, Real Instituto Elcano
- Maihold, Guenter (2007): Relations between Europe and Latin America: In Search of New Agendas and Formats, Working Paper 43/ 2007, Real Instituto Elcano
- Eurostat (2007): EU-27 Trade with MERCOSUR Countries 2006

14th Week (26/1) : AG 10: EU - ASEAN

Readings:

- Eurostat (2007): EU-27 Trade with ASEAN Countries 2006
- EU Commission (2006): Economic Impact of a Potential Free Trade Agreement (FTA) Between the European Union and ASEAN, Final Report 2006-05-03, No Trade Specific Contract No. SI2.424.310, implementing Framework Contract No TRADE/05/H3/01/1c
- European Commission (2008): TREATI – Work Program and Progress Report

15th Week (2/2) : AG 11: EU – Mediterranean

Readings:

- Aliboni, Roberto; Driss, Ahmed; Schumacher, Tobias & Toviás, Alfred (2008): Putting the Mediterranean Union in Perspective, EuroMesco Paper No.68, June
- Gándara, Pablo & Büge, Max (2006). The EU's Trade Policy towards the Mediterranean: Coherence or Chaos? *Go-EuroMed Working Paper* (0602). Berlin.

16th Week (9/2): AG 12: EU – Russia - Course Summary and Evaluation

Readings:

- Karaganov, Sergey; Bordachev, Timofei; Guseinov, Vagif; Lukyanov, Fyodor & Suslov, Dmitry (2005): Russia – EU Relations. The Present Situation and Prospects, CEPS Working Document No.225
- EU Commission (2005): Russia – Final Version of the Road Map on the Common economic space. Agreed at the EU-Russia Summit on 10 May 2003