

ECN330 Semester project 2024

General information: Students will work as a group on the project. The assignment has two components, a written paper and an oral defense of the paper. A list of potential topics is provided in the table below, but alternative topics can be proposed. Important deadlines are: (1) first draft due 08 Nov (15.00); (2) class presentation on 15 Nov (12.15-14.00); (3) final draft due 22 Nov (15.00); and the oral exam date during week 49 (05 or 6 Dec – still tentative). A final exam review is scheduled for 29 Nov.

Objective: The purpose of the project is to have the student engage in academic style research as a means of explaining a real-world situation in a structured manner by: (1) developing a specific problem (formulating an economic problem based on the study of a trade-related issue); (2) building a theoretical framework by which to examine the problem; (3) collecting data to model the situation (simplification of the real-world situation); and (4) providing conclusions/recommendations for policy action. The emphasis is on the student, having developed a firm understanding of the WTO Agreements, to critically evaluate some aspect of implemented policy, WTO trade rules, or the negotiating position of a country/group of countries.

Written Assignment: The first draft will not be graded, but it will be read and given a thorough review. If a paper is judged "unacceptable", then the group must revise and resubmit a paper until it is acceptable. If a paper remains unacceptable, then the group will be prevented from sitting for the final exam. A final electronic copy of an acceptable paper submitted on 22 Nov is the version that an external sensor will read (and which will be defended individually during the oral exam). The sensor and instructor will grade the final version of the paper and the oral defense of it.

Potential Case Studies of Market Situations
Study of a market situation in which a country uses an export promotion or export credit program to facilitate international transactions. These involve addressing the difference between a subsidy to increase exports and how the particular export program results in more commercial exports.
Case study of the trade policy regime of a small country on a single commodity (at the 4 or 6-digit level).
Case study of an agricultural market situation in a country as a result of WTO rules on market access, domestic support, and/or export subsidies. A case involving restriction of exports of some commodity. A commodity-specific case of a small importing country (e.g., Norway) or a large-country exporter/importer (e.g., the US or EU) is possible. A useful approach could be to study a country's TRQ and/or export subsidy.
Case study of a market situation in which a country has a state monopoly trading a particular commodity. Issue involves the interplay of trade policy and non-competitive situations where a national policy objective clashes with market access commitments.
A case study on some aspect of trade policy or domestic regulation related to current global economic challenges (national security, climate change, or industrial policy) and how they could result in trade disputes could be of interest.
A safe bet is a trade dispute that was a case under the dispute settlement process. Check the WTO site: www.wto.org click on "Trade topics" and then "dispute settlement" for a complete list of disputes. Some examples related to safeguards, anti-dumping or CVM: (1) Turkey, measures affecting rice import (DS334; 2005); (2) Costa Rica, foreign exchange fee on imports into the Dominican Republic (DS333, 2005); (3) EC, frozen chicken cuts (DS286, 2005); (4) EC poultry meat and products, (DS389, 2009); Mexico, soft drink (DS308, 2005); Armenia - Measures affecting importation and domestic sale (DS411, 2010); Chile anti-dumping on wheat flour (DS393, 2009).
Case study on some aspect of geographical indications. It would not have to be a specific case (if/when detailed info is not available). The issue involves modelling of the economic and trade effects when a product is given protection of a name (champagne, feta cheese, etc). Such protection implies granting producers some degree of monopoly power over that product and an assessment of the trade effects of such monopoly power.
For more information, check the WTO website: www.wto.org click on "Trade Topics". The most recent update on the status of the Doha round negotiations on agriculture (draft modalities) is contained in a WTO document, document symbol: TN/AG/W/4/Rev.3, dated 10 Jul 2008. See also Bali negotiations at the WTO website.

Outline for the written paper: Prepare the paper according to the following guidelines and format.

1. Executive Summary. Provide a 1-2 page (single-spaced) summary of the paper so that it can be distributed to your colleagues *before* the presentation so that they can better understand the presentation and the discussion that follows. A summary is not required in the final draft.
2. Introduction. Motivate the topic by identifying the problem and specify objectives. Provide some specific facts/evidence (but not with graphs or figures). Discuss the key issues by briefly reporting on the positions of the countries involved or by describing the nature of the policy intervention.
3. Background. Explain the problem in greater detail, describing the characteristics of the market(s) or product(s) in question. The problem identified should be given very detailed treatment. How are the countries affected by the intervention? Provide data in graphs and/or figures that are useful to tell the story, but be sure to discuss why the info is relevant. Give the readers enough information so that they can understand the problem and the conflicting domestic policy and trade objectives.
4. Theory and Modeling. How is the relevant underlying theory useful to understanding the problem? Use a simple model to analyze the policy implications of the intervention. If the topic is a WTO trade dispute, then focus on how the underlying theory relate to the agreements.
5. Conclusion and Recommendations. Take a side and defend your position as economists with an understanding of the WTO as a legal institution. Your position is based on your understanding of WTO Agreements and defended on the economic reasoning that is the foundation of those agreements. You must either explain why one position is more compelling or how an alternative policy might be superior to the policy implemented by the Member country. There is not always a right answer. There is only reasoning that is compelling or non-compelling.

Format. There is no page limit. All I ask is that you be complete and thorough in your presentation and analysis. Use a 12-point font and double space because I will edit the papers and make comments in between the lines. Use footnotes as appropriate and reference all materials, including internet sites and data sources.

In-class presentation: The presentation has an informal and formal component. The informal serves to simulate the oral exam and is a means for me to comment on the first draft of the paper. The formal component is a powerpoint-type presentation lasting **20 minutes**, followed by a 20-minute question-answer session. Attendance is in the interest of all students and is expected. The presentation should follow the organization of the paper as outlined above. A sensor will not be present as this is a non-graded activity.

Discussions questions: The presentation will likely raise the following types of questions.

1. What is the trade issue associated with the case/proposal/policy and what is the stated objective?
2. Which country/ies are involved and which types of good (agricultural commodity, food product or industrial product) or service are affected by government policy, regulation or intervention?
3. How does the policy, intervention or regulation work? (Be able to explain by giving a step-by-step account of how it works in practice.)
4. How does the policy, intervention or regulation relate to the country's compliance with the WTO? Which Agreements are affected and what are the issues of concern? What is the source of the debate among the relevant countries?
5. What are the economic implications of such policy or intervention? How would you model the effects of the government policy or intervention?
6. What criteria would you use to gauge the effectiveness of the policy or intervention? Would you modify the policy or intervention or would you suggest a different alternative to meet the stated objectives?

The normal lecture hours are reserved for consultations. It is up to you to contact me for assistance. However, it could be good to have a weekly progress report (either Thursday or Friday during class time).

Oral defense: The defense will cover specific areas of the paper *and* related issues that demonstrate competence. It will last about 15 minutes with the student opening with a 5-minute summary of the paper. A Powerpoint presentation is *not* to be given. The focus of the discussion will be on the contents of the final version of the paper that was submitted and how its subject matter relates to other aspects of the course material. Note that the oral defense will be followed by an oral final exam.