

Georgia Institute of Technology

School of Economics

Fall 2026

ECON 4357

WORLD TRADE ORGANIZATION: LAW, ECONOMICS AND IMPLICATIONS FOR CORPORATE STRATEGIES

Thursday 5:00 p.m. - 7:45 p.m.

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Course Summary

This course takes an interdisciplinary approach, examining the economics, law, and political economy of the global trading system and its rules and practices. It assumes familiarity with the basic concepts of microeconomics. The course begins with a review of the main economic theories behind the existence of tariffs, quotas, subsidies, non-tariff barriers to trade and strategic trade policies. The course then covers the origin and basic rules of the GATT and the World Trade Organization (WTO). It considers negotiation mechanisms and principles and the rules relating to market access, dispute settlement, fair trade, safeguards and trade-related intellectual property rights. The second section of the course explores how the increasing embeddedness of the WTO rules and operations in national levels of regulation influences the strategic choices and actions of international managers. Through case-study discussions, we analyze how multinational enterprises (MNEs) alter their strategies and decision-making structures in response to multilateral rules and enforcement mechanisms – embodied in the WTO.

Several classes in the course (mostly in the beginning) will be in the lecture format, as we review the economics of trade policy and examine the basic rules and principles of the global trading system. The rest of the course will be based on seminar-style discussions of case studies punctuated with occasional lectures. Students should be ready to discuss the cases in detail during the class.

* E-mail caveat: Due to the large number of electronic messages, it will often not be possible for me to respond to individual electronic queries. Therefore, I urge you to be selective in sending me electronic mail, Canvas messages, and etc. If you have questions, it would be best if you talk to me right before or after class or during the office hours.

General Course Goals and Objectives

The goal of the course is to provide students with understanding of the following sets of issues:

- main economic theories behind the existence of tariffs, quotas, subsidies, non-tariff barriers to trade and strategic trade policies;
- the origin and basic rules of the GATT and the World Trade Organization (WTO);
- the effects of the WTO rules and enforcement mechanisms on the strategic choices and actions of international managers.

Evaluation system

The case studies

The cases can be purchased on-line at the website of HBS Publishing Company. Students should study the assigned materials in teams and submit the case reports and the proposed questions on behalf of their teams. (See more details below.) Before the discussion of case studies in the classroom, I will prepare a few questions based on a case. The questions will guide your preparation for the case discussion in class.

Study teams

All student activities in this course will be conducted in study teams (or groups) of 3-4 students. This includes case study reports and additional case questions, case presentations in class (20-25 minutes, 15-20 slides), case discussion moderation in class (30-35 minutes), and final projects. The score or the grade received by the team for a given assignment will be shared by the entire team.

One of the teams will be asked to make a presentation of the main ideas of the case (20-25 minutes) and lead its discussion among other members of the class (30-35 minutes). Teams are expected to use PowerPoint, AI and online interactive polling sites to make their case presentations (at most 20 slides) and lead the case discussion in the class. Teams are also expected to send the file with PowerPoint slides to me and other members of the class prior to the case discussion.

Every two weeks, each member of a team should also submit his/her evaluation of the other members' contributions toward the team's activities. The evaluations should be on a scale from 1 to 100 and should measure the relative efforts made by team members rather than the share of the total work done by team members during the past two weeks. The evaluations by individual members should be submitted to the TA via e-mail or through Canvas. I will average the contribution scores awarded to each member by his/her team and multiply these averages by the team's scores earned for the activities that happened during the past two weeks. These will be the scores for individual team members for the activities scheduled over the two-week period. I will not grade teams' activity performances without evaluations from every team member.

Final paper

Each study team is required to submit a research paper for this course. You can pick any recent trade dispute that has been adjudicated under the WTO (other than those that will be discussed in class). Alternatively, you can pick an ongoing dispute which has been filed but not yet ruled upon by the WTO or settled otherwise. In the paper, you should discuss the history and context of the dispute. Identify the specific WTO agreement involved in the case as well as the specific provisions of the agreement which were violated. Describe the main economic issues at stake on both sides of the dispute. Present the arguments of the parties as to the main issues, and if the case has been ruled upon present the decisions of the Dispute Settlement Panel (and the Appellate Body if the case was appealed.) Discuss the actual or potential issues concerning implementation and present your own proposal for resolving these issues. Identify the various third-party and corporate interests involved.

The research will be undertaken by consulting WTO documents available on-line from its website, as well as national government publications and information disseminated by the media, private companies and in academic publications. The following sources may be a useful starting point for researching the disputes:

- WTO Documents On-line Website at <http://docsonline.wto.org/>
 - Especially the “Dispute Settlement” section of the website: http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm
- The “World Trade Organization” section on the website of the Office of the United States Trade Representative: <https://ustr.gov/issue-areas/trade-organizations/world-trade-organization-wto>
- Dispute Settlement Commentary (DSC) service <http://www.worldtradelaw.net/>

The research paper should not exceed 15 double-spaced pages in length (not including title page, footnote page, reference page, and appendix with graphs and diagrams) and should have the same format as the case studies which will be discussed in class during the semester. After discussing your topic with me, you should submit a one-page outline of the paper, which is due October 16th.

Grading

Grades will be based upon the following items: teams’ class participation during the discussion led by the moderator team (30%), case study presentations/discussion moderations (40%), and final research project (30%). For each assignment you will receive a score. The final grade will be calculated by taking the weighted average of your scores for the assignments.

Grades will be assigned as follows:

- Above 90% A
- Less than 90% and 80% or above B
- Less than 80% and 70% or above C
- Less than 70% and 60% or above D
- Less than 60% F

If you are taking the class pass/fail, you have to obtain a ‘C’ in the class to get a satisfactory grade.

Students are responsible for all class lectures, case studies, and required readings and are expected to have read the required materials before the beginning of each class.

Important announcements as well as messages to individual students will be sent via the Canvas website. All students must have and use an account on this site, available through the OIT.

Textbook and course materials

The recommended text for the course is *The Political Economy of the World Trading System* by Hoekman and Kostecki (H&K), 3rd edition (Oxford University Press, 2009). The first four chapters of H&K can be read in the first edition of the book, which is available on-line through the GT library. However, you need to buy the book in order to be able to read the later chapters. We will also use a few chapters from Krugman, Obstfeld and Melitz (K&O), *International Economics: Theory and Policy*, 10th Edition (Pearson, 2014) or newer, which is also available on-line through the GT library.

You are encouraged to keep abreast of current issues in international trade as found in The New York Times, The Wall Street Journal, The Economist, The Financial Times, Business Week and etc.

Academic Integrity

Georgia Tech aims to cultivate a community based on trust, academic integrity, and honor. Students are expected to act according to the highest ethical standards. For information on Georgia Tech's Academic Honor Code, please visit <https://catalog.gatech.edu/policies/honor-code/>. Any student suspected of cheating or plagiarizing on an assignment will be reported to the Office of Student Integrity, who will investigate the incident and identify the appropriate penalty for violations.

Statement on Inclusion

The Ivan Allen College of Liberal Arts supports the Georgia Institute of Technology's commitment to creating a campus free of discrimination on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, or veteran status. We further affirm the importance of cultivating an intellectual climate that allows us to better understand the similarities and differences of those who constitute the Georgia Tech community, as well as the necessity of working against inequalities that may also manifest here as they do in the broader society.

This is a Core IMPACTS course that is part of the Social Sciences area.

Core IMPACTS refers to the core curriculum, which provides students with essential knowledge in foundational academic areas. This course will help master course content, and support students' broad academic and career goals.

This course should direct students toward a broad Orienting Question:

- How do I understand human experiences and connections?

Completion of this course should enable students to meet the following Learning Outcomes:

- Students will effectively analyze the complexity of human behavior, and how historical, economic, political, social or geographic relationships develop, persist or change.

Course content, activities and exercises in this course should help students develop the following Career-Ready Competencies:

- Intercultural Competence
- Perspective-Taking
- Persuasion