

## **Law, Economic Development, and International Trade**

(Spring Semester, 2020)

LAW-590-002

LAW-608-001

Lesar Law Building Room 104i (Tue: 2:25 p.m. – 4:55 p.m.)

Professor Y.S. Lee

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Office hours (1:15 p.m. – 2:15 p.m. Tuesdays or by appointment)

### OVERVIEW

The course addresses the impact of law, legal frameworks, and institutions (LFIs) on economic development and also provides a survey of international trade law. LFIs have significant impacts on development, particularly economic development. Recognizing this importance, the post-2015 development initiatives by the United Nations (“Sustainable Development Goals” or “SDGs”) include the rule of law as a development target. International trade also plays a key role in national economies, and the second half of the course provides an analysis of the legal frameworks for international trade.

The course explores the theories and practices pertaining to law and economic development. In particular, the course explains, employing the recently developed “General Theory of Law and Development,” how law affects economic development generally and how LFIs influence economic development in specific key areas relevant to economic development, such as property rights (including intellectual property rights), legal framework for political governance, regulatory framework for business transactions, and state industrial promotion. The course also covers pertinent issues of international trade law and practice, including the principles of international trade law, tariffs and subsidies, trade remedies, regional trade agreements, and investment. Students may enroll in this course to meet the Senior Writing Requirement, and no prior knowledge in economic development or international trade is required to take this course.

### OBJECTIVES

The objective of the course is to understand the mechanisms by which LFIs affect economic development and how the principles and practices of international trade law operate.

At the conclusion of the course, students should have developed:

- a reasonable understanding of the mechanisms by which law impacts economic development

- a reasonable understanding of the influence of LFIs on economic development in the key areas
- a reasonable understanding of key issues in LFIs with references to empirical development cases
- a reasonable understanding of the principles of international trade law
- a reasonable understanding of the tools of international trade practice (e.g., trade remedies) and the international rules governing them.

## REQUIRED MATERIALS

Yong-Shik Lee, *Law and Development: Theory and Practice* (Routledge, 2019)

Yong-Shik Lee, *Reclaiming Development in World Trading System* (Cambridge University Press, 2016) (Students may use the 2018 paperback edition.)

## RECOMMENDED MATERIALS (no purchase is necessary)

Kenneth W. Dam, *The Law-Growth Nexus: The Rule of Law and Economic Development* (Brookings, 2006)

Robert Cooter, *Solomon's Knot: How Law Can End Poverty of Nations* (Princeton University Press, 2012)

Michael Trebilcock, *What Makes Poor Countries Poor?* (Edward Elgar, 2011)

## COURSE REQUIREMENTS

### 1) Methods of Instruction

The course will be conducted primarily through lectures, class presentations, and class discussions. Students are responsible for the lecture materials. Students are also expected to participate actively in class discussions.

### 2) Readings

Students are expected to read the assigned chapters and any other assigned material prior to the class. Students should be prepared to discuss the subject covered in the reading assignments in class.

### 3) Attendance and Class Performance

Class attendance is mandatory, and students are expected to participate in class discussions actively.

Attendance will be taken at the beginning of each class by passing around a roll sheet for you to sign. The maximum number of absences allowed in this course is two (2) classes. The Rules provide for three options if a student accumulates absences in excess of the allowable number. The professor may recommend that: (a) the student be given the lowest possible grade; (b) the student be given a “W”; or (c) the student be allowed to continue in the course with a grade reduction.

Students who are engaging in disruptive behavior in class, including improper use of their laptop computers as illustrated below and those who are repeatedly unprepared (i.e. have not completed the required reading or not prepared for a presentation) may be asked to leave the classroom at the discretion of the instructor. Repeated offence may result in grade reduction or the withdrawal of student from class. Students who have difficulty in following reading materials should seek assistance from the instructor at the earliest opportunity.

#### **Laptop Policy**

You may use your laptop computer or a similar device (such as a smartphone) in class only for class-related purposes—for example, taking notes and viewing material prepared for class. The improper laptop use includes but may not be limited to reading and sending email, instant messaging, accessing the internet, and playing games.

### 4) Grading Policy

Student grades are determined by assessment of a research paper on a topic in the area of law and economic development or international trade law that is to be agreed between the instructor and the student.

Students who wish to meet the Senior Writing Requirement must write a paper of which length is 7,500 words at the minimum. Students who do not wish to meet the Senior Writing Requirement may replace the paper with a presentation and its summary. Further details will be provided in the first week of class.

Excellent in-class performance, including the assigned short presentation, may also result in an increase of the grade by one-third point (e.g. 3.0 to 3.3). Good attendance record also counts for the performance score.

### 5) Announcements

Students are responsible for all announcements made orally in the class as well as through group emails and on TWEN.

## 6) Emergency Procedures

Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on BERT's website at [www.bert.siu.edu](http://www.bert.siu.edu), Department of Safety's website [www.dps.siu.edu](http://www.dps.siu.edu) (disaster drop down) and in an Emergency Response Guideline pamphlet. Know how to respond to each type of emergency.

Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

## 7) Disability Policy

Determinations about appropriate accommodations for disabilities are now made by the University Disability Support Services ("DSS") Office. In regards to these procedures:

Disability Support Services provides the required academic and programmatic support services to students with permanent and temporary disabilities. DSS provides centralized coordination and referral services. To utilize DSS services, students must come to the DSS to open cases. The process involves interviews, reviews of student-supplied documentation, and completion of Disability Accommodation Agreements. <http://disabilityservices.siu.edu/>. Upon completion of a Disability Accommodation Agreement with DSS, students should bring the agreement to the School of Law Registrar's Office to ensure the School of Law provides the proper classroom and examination accommodations.

8) Saluki Cares: The purpose of Saluki Cares is to develop, facilitate, and coordinate a university-wide program of care and support for students in any type of distress – physical, emotional, financial, or personal. By working closely with faculty, staff, students and their families, SIU will continue to display a culture of care and demonstrate to our students and their families that they are an important part of the community. For information on Saluki Cares: (618) 453-5714 or [siucares@siu.edu](mailto:siucares@siu.edu), <http://salukicare.siu.edu/index.html>. At the School of Law, Assistant Dean Judi Ray is also available to help students access university resources. Her email is [judiray@siu.edu](mailto:judiray@siu.edu), and her phone number is 618-453-3135.

9) Workload Expectation: The American Bar Association standards for accrediting law schools contain a formula for calculating the amount of work that constitutes one credit hour. According to ABA Standard 310(b)(1), a "credit hour" is an amount of work that reasonably approximates: (1) not less than one hour of classroom or direct faculty instruction and two hours of out-of-class student work per week for fifteen weeks, or the equivalent amount of work over a different amount of time. This is a 3-credit hour class, meaning that we will spend one 150-minute block of time together each week. The amount of assigned reading and out of class preparation should take you at least 6 hours for the week. All told, applying the ABA standard to the number of

credits offered for this class, you should plan on spending no less than a total of 9 hours per week (3 in class and 6 preparing for class) on course-related work.

COURSE OUTLINE (Tentative, subject to change)

Week 1 (Jan. 14).

Introduction and Evolution of Law and Development

Required reading:

Lee, *Law and Development*, Chapters 1 and 2

Week 2 (Jan. 21).

No class.

Week 3 (Jan. 28).

General Theory of Law and Development and ADM

Required reading:

Lee, *Law and Development*, Chapters 3 and 7

Week 4 (Feb. 3).

Governance and Development

Required reading

Lee, "Political Governance, Law, and Economic Development"

Week 5 (Feb. 10).

Property Rights and Economic Development

Required reading

Lee, "Property Rights and Economic Development"

Week 6 (Feb. 17).

Law and Economic Development in the United States

Required reading

Lee, *Law and Development*, Chapter 6

Week 7 (Feb. 24).

State v. Market?: Law and Industrial Promotion

Required reading

Lee, "State Industrial Promotion and Law"

Week 8

Introduction: Trade, Trade Rules, and Economic Development

Required Reading:

Lee, *Reclaiming Development*, Chapter 1

Week 9

Spring break, no class

Week 10 (Mar. 17)

Principles of International Trade Law

The Most-Favored-Nation principle

National Treatment

Tariffs and Subsidies

Required Reading:

Lee, *Reclaiming Development*, Chapters 2 and 3 (up to Section 2)

Week 11 (Mar. 24)

Subsidies and Trade Remedies

Required Reading:

Lee, *Reclaiming Development*, Chapters 3 (from Section 3) and 4

Week 12 (Mar. 31)

Expansion of Trade Disciplines (Textile and Agriculture, Trims, TRIPS, and GATS)

Required Reading

Lee, *Reclaiming Development*, Chapter 5

Week 13 (Apr. 7)

Foreign Direct Investment and Regional Trade Liberalization

Required Reading

Lee, *Reclaiming Development*, Chapter 6

Week 14 (Apr. 14)

Class presentations

Week 15 (Apr. 21)

Class presentations / Final review