
THE EIGHTEENTH ANNUAL CONFERENCE AND WORKSHOPS IN INTERNATIONAL STUDIES

SPONSORED BY



The West Virginia Consortium
for Faculty and Course Development
in International Studies

November 16-17, 1998

Lakeview Resort and Conference Center
Morgantown, West Virginia

**PROGRAM PLANNING AND ADMINISTRATION
OF WORKSHOPS**

Central Program Office:

Program Coordinator: Jack Hammersmith, Co-Director, FACDIS
Program Assistant: Ann Levine, Assistant Director, FACDIS

Workshop Chairpersons:

Sarah J. Adams (History, University of Charleston)
Steven G. Jones (Political Science, University of Charleston)
Linda Kinney (Economics, Shepherd College)
Michael Snarr (Political Science, Wheeling Jesuit University)

***Interdisciplinary Approaches to
Global Trade***

Focusing on:

**International Trade and Investment in the U.S. Economy
Contending Approaches to the Political Economy of International Trade
The Domestic Politics of U.S. Trade Policy
American Trade in Historical Perspective**

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The West Virginia Consortium for Faculty and Course Development
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Funded by the State College and University Systems
of West Virginia and
participating institutions in FACDIS

PROGRAM

Monday, November 16

(Guide to speakers/workshop leaders can be found at end of the Program.)

9:30 am-1:00 pm **REGISTRATION: Governor's Ballroom Foyer**
BOOK DISPLAY: Ballroom 1

10:30-11:30 am **STATEWIDE STUDY ABROAD SESSION**

Room: **Ballroom 1**
Moderator: Michael Strada, Co-Director, FACDIS
This session, open to all interested faculty, is especially designed for the FACDIS Study Abroad Advisors on each campus. Tammy Nesbitt, Study Abroad Advisor at West Virginia University, will discuss ways to strengthen our statewide study abroad network.

11:45 am -1:15 pm **LUNCH: Ballrooms 2-4**

Opening Remarks: Jack Hammersmith, Co-Director, FACDIS
Luncheon Address: Janet Dudley-Eshbach, President, Fairmont State College
 "Internationalizing Fairmont State College"

1:30-3:00 pm **PANEL DISCUSSION: Globalization: Do We Want It? Can We Avoid It?**

University Hall
Moderator: Jack Hammersmith, Co-Director, FACDIS
Panelists: Patrick Conway, Professor of Economics, UNC-Chapel Hill
 Thomas Lairson, Professor of Politics, Rollins College
 David G. Skidmore, Associate Professor of Political Science, Drake University
 Thomas Zeiler, Associate Professor of History, University of Colorado-Boulder

3:00-3:15 pm **BREAK: Chestnut Foyer and Training Rooms Foyer**

3:15-4:45 pm **FIRST SET OF CONCURRENT SESSIONS**

Topic 1: **International Trade & Investment in the U.S. Economy: Are Our Wages Set in Beijing?**

Room: **Chestnut Room A**
Consultant: Patrick Conway, Professor of Economics, UNC-Chapel Hill
Chairperson: Linda Kinney (Economics, Shepherd College)
Abstract: One of the most compelling implications of the dominant theories of international trade is that our wages will converge to those of our trading partners. Does this mean that with free trade with China (or Mexico) U.S. wages will converge to those in Beijing (or Guadalajara)? In this session we will discuss and critique the evidence on this position, and will close with a discussion of the usefulness of this debate in classroom treatments of labor markets and industrial organization, as well as international economics.

3:15-4:45 pm **FIRST SET OF CONCURRENT SESSIONS (cont.)**

Topic 2: **Contending Approaches to the Political Economy of International Trade: Rethinking International Trade in a Globalizing World**

Room: **Training Room 4**
Consultant: Thomas Lairson, Professor of Politics, Rollins College
Chairperson: Michael Snarr (Political Science, Wheeling Jesuit University)
Abstract: The basic theme of this presentation is that significant changes have taken place in the world economy and these call for new ways of thinking about the nature and sources of international trade. The discussion reviews traditional neoclassical theories of international trade and the efforts to salvage the theory through adding on various modifying assumptions. This will include: the Ricardo/Hecksher-Olin-Samuelson-Stolper arguments focusing on comparative advantage deriving from factor proportions; trade under imperfect competition; and strategic trade theory. We then review the numerous aspects of international trade that are poorly or incompletely understood through the neoclassical approach. These include the Leontif paradox, intra-industry trade, intra-firm trade, transnational corporations, high technology and innovation, strategic alliances, foreign direct investment, and global and regional production systems. Finally, an alternative evolutionary and institutional perspective emphasizing the interaction of states and firms is outlined that seeks to account for the new features of international trade.

Topic 3: **The Domestic Politics of U.S. Trade Policy: Ideas and Institutions**

Room: **Training Room 1**
Consultant: David G. Skidmore, Associate Professor of Political Science, Drake University
Chairperson: Steven G. Jones (Political Science, University of Charleston)
Abstract: The legal and bureaucratic mechanisms that guide U.S. trade policy have been constructed in response to a varied and sometimes contradictory set of beliefs and principles concerning the appropriate relationship between state and market. As predominant ideas about trade have changed over time, a complex, decentralized and multi-layered institutional matrix has evolved to govern trade issues. Simultaneously, trade policy attempts to juggle the imperatives of free trade (enhance economic efficiency), fair trade (ensure level playing field for U.S. business), strategic trade (promoting relative gains in strategic sectors) and domestic redistribution (cushioning the pain of adjustment and spreading the costs and benefits from trade more equitably). Trade also intersects with important interests related to national defense and foreign policy. Distinct legal and bureaucratic tools have been created to address each of these varied purposes, resulting in a confusing and often poorly coordinated system of trade policy-making. This session will explore the nexus among ideas, institutions and U.S. trade policy.

Topic 4: American Trade in Historic Perspective: *The Tariff Era*
Room: Chestnut Room B
Consultant: Thomas W. Zeiler, Associate Professor of History, University of Colorado at Boulder
Chairperson: Sarah J. Adams (History, University of Charleston)
Abstract: It may come as a surprise, but the tariff was a central concern in politics and public policy for America's first century and a half. Do your courses reflect its importance? This session will cover the large issues that surrounded tariff (and trade) policy through World War II. These include nation-building, national security, sectionalism, growth and industrialization, overseas power and imperialism, isolationism and internationalism, and the historic battle between free traders and protectionists. The session will have two purposes: to discuss how tariffs and trade can be integrated into courses and to engage some of the debates from the periods over the nature of U.S. commercial policy.

5:00-6:00 pm Demonstration Session: *The Brazil Project Course Modules*
Room: Training Room 4
Moderator: Michael Strada, FACDIS Co-Director
Fourteen FACDIS faculty spent four weeks in Brazil during Summer 1998 on a grant-funded study-travel tour focusing on *Environmental Issues and Economic Development in Brazil*. Each participant has developed a teaching module to encompass approximately 20% of one course. These instructional units contain both substantive and pedagogical information. The external evaluator of the teaching modules, Dr. Barry Ames, Andrew Mellon Professor of Comparative Politics at the University of Pittsburgh, will be present to discuss the modules with faculty.

6:00-7:00 pm SOCIAL HOUR WITH CONSULTANTS (Cash Bar):
Ballrooms 2-4

7:00-8:00 pm BANQUET: *Ballrooms 2-4*

8:00-9:00 pm ENTERTAINMENT: John Lozier, *Harping for Harmony*
Anthropologist John Lozier of Morgantown builds and plays small, simple folk harps. He began "harping for harmony" in 1994, while working on civil war reconstruction in El Salvador. Before long, he and other like-minded musicians had organized the nonprofit Harping for Harmony Foundation, "to promote harmony and community, locally and globally, through harp music." At home, HHF provides educational programs for peace and cultural awareness. Around the world, HHF sponsors travel by volunteer musicians to build a culture of peace in areas of chronic civil strife. Besides El Salvador, Lozier has travelled with his harps in Russia and Haiti. HHF recently sponsored another harper for harmony, John Kovac of Front Royal, Virginia, who performed for audiences on both sides of the divided island of Cyprus.

Tuesday, November 17

7:00 am INSTITUTIONAL REPRESENTATIVES
BREAKFAST MEETING
Ward Christopher Room

7:30 am BREAKFAST: *Ballroom 2-3*
[Note: The WV Committee of the National Council on US-Arab Relations would like to encourage former Malone Fellows and other faculty interested in learning more about faculty development opportunities in the Arab Middle East to join together at a table set aside at breakfast for an informal discussion of the work of the National Council.]

8:30-10:00 am SECOND CONCURRENT SESSIONS

Topic 1: International Trade & Investment in the U.S. Economy:
The Largest Debtor: The Importance of the U.S. Financial Position in World Markets
Room: Chestnut Room A
Consultant: Patrick Conway, Professor of Economics, UNC-Chapel Hill
Chairperson: Linda Kinney (Economics, Shepherd College)
Abstract: The increased integration of financial markets throughout the world has made it possible for U.S. residents to borrow from savers in most countries of the world. This has its good aspects, in that the costs of borrowing are minimized – but has borrowing been too easy? In this session we will examine the characteristics of the integrated world financial capital markets. We will discuss the benefits that accrue from these characteristics for large players, like the U.S.; and will also discuss the benefits and costs that accrue to the smaller players. The decisions by Russia and Asian nations to impose capital controls suggest that for these, the costs exceed the benefits of the integrated capital markets. We will turn at the end to classroom exercises and simulations that reinforce the economics of financial integration for students in the classroom.

Topic 2: Contending Approaches to the Political Economy of
International Trade: *The Domestic Political Economy of the Asian Financial Crisis*
Room: Training Room 4
Consultant: Thomas Lairson, Professor of Politics, Rollins College
Chairperson: Michael Snarr (Political Science, Wheeling Jesuit University)
Abstract: There is a strong tendency to understand the political economy of decisions to open an economy to trade in terms of an ineluctable conflict between an open and liberalizing faction and a closed and nationalistic faction in societies. But this approach is rooted in a pluralist theory of politics and fails to capture the political economy within most Asian states. Using illustrations provided by the Asian financial crisis, this presentation examines the domestic political economy of four Asian states – Thailand, Malaysia, South Korea, and Indonesia – and argues

for a state-centered explanation of decisions about opening. States play the key role in these societies in constructing the capitalist class; in defining industrial sectors; in making choices about economic closure and opening; and in creating a system of compensation to sectors hurt by opening. The pattern in Asia is to find choices about opening drawn from calculations of state actors. State leadership also is essential in constructing a domestic arrangement to sustain and compensate disadvantaged groups. This frequently leads to both increased openness and increased corruption. Discussion of a classroom simulation of the Asian Financial Crisis will also take place.

Topic 3:

**The Domestic Politics of U.S. Trade Policy:
*Interest Groups, Coalitions and Societal Sources of Trade Policy***

Room:

Consultant:

Chairperson:

Abstract:

Training Room 1

Consultant: David G. Skidmore, Associate Professor of Political Science, Drake University

Steven G. Jones (Political Science, University of Charleston)

Changes in the size and composition of trade flows produce uneven effects on different groups in American society. As society is divided into winners and losers from trade, various groups organize politically to defend their particular interests. We will explore three alternative approaches to modeling the political cleavages produced by exposure to international trade. The first of these focuses on the relative scarcity and abundance among three primary factors of production: land, capital and labor. Drawing upon the Stolper-Samuelson theory, it is possible to generate predictions regarding the cleavages and coalitions among actors associated with these factors under different combinations of relative factor scarcity and abundance. The second model examines potential divisions of international competitiveness across different firms and industries, allowing us to generate predictions about trade preferences. The third model we will examine focuses on variations in regional comparative advantage across different geographic sections of the country. In sum, we trace the potential for societal cleavages over trade policy across factors, sectors and regions.

Topic 4:

American Trade in Historical Perspective: *Free Trade, Free World*

Room:

Consultant:

Chairperson:

Abstract:

Chestnut Room B

Thomas W. Zeiler, Associate Professor of History , University of Colorado at Boulder

Sarah J. Adams (History, University of Charleston)

Diplomatic considerations became the driving force behind U.S. trade policy after World War II. Why and how national security supplanted domestic concerns, and the ways in which free-trade diplomacy was institutionalized at home and abroad, are addressed. Discussion will explore the benefits of and losses from placing trade in the service of diplomacy. The session will deal with a key subject of current political debate, with which students are presumably conversant: the criticism that we are trapped in free-trade dogma (globalization?) that privileges the interests of foreigners over Americans.

10:00-10:30 am

BREAK: *Training Room Foyer and Chestnut Room Foyer*

10:30-12 noon

THIRD CONCURRENT SESSIONS

Topic 1:

**International Trade and Investment in the U.S. Economy:
*Putting Trade First: Internationalizing the Economics Curriculum***

Room:

Consultant:

Chairperson:

Abstract:

Chestnut Room A

Patrick Conway, Professor of Economics, UNC-Chapel Hill

Linda Kinney (Economics, Shepherd College)

While *globalization* has (rightly or wrongly) become a pre-eminent intellectual concern in the U.S., the most commonly used textbooks in economics continue to present economic theory and analysis from a closed-economy perspective. This leaves the instructor with the difficult job of bridging the gap between reality and the text. In this session, Dr. Conway will indicate the instructional areas in which earlier introduction of international factors leads to gains, and will provide examples of materials used in his courses to do this. Participants will share practices they have found useful in presenting their courses with an international perspective.

Topic 2:

**Contending Approaches to the Political Economy of
International Trade:
*Globalization of the Semiconductor Industry in Asia***

Room:

Consultant:

Chairperson:

Abstract:

Training Room 4

Thomas Lairson, Professor of Politics, Rollins College

Michael Snarr (Political Science, Wheeling Jesuit University)

The semiconductor is the most important product anyone makes, and the global patterns of its development and production highlight some of the most distinctive features of the contemporary world economy. The ability of several Asian states to enter this system over the past thirty years is an extraordinary and even unexpected event. How can states just barely into the industrial era become global competitors in the most high-tech and strategically important of industries? This presentation compares the development of the semiconductor industries in four Asian states – South Korea, Taiwan, Malaysia, and Singapore – emphasizing the different institutions that led to different trajectories of change. This discussion focuses on three factors: the strategic choices of global semiconductor firms; the liberal international regime for trade and technology transfer; and the varying capacities of each society for creating domestic institutions capable of rapid technological learning.

**Topic 3: The Domestic Politics of U.S. Trade Policy:
Examining Contemporary Debates over U.S. Trade Policy**

Room: Training Room 1
Consultant: David G. Skidmore, Associate Professor of Political Science, Drake University
Chairperson: Steven G. Jones (Political Science, University of Charleston)
Abstract: This session will examine three recent debates over U.S. trade policy: 1) NAFTA; 2) WTO; and 3) Fast-track trade legislation. All three policy debates revealed continued and perhaps growing domestic contention and disagreement over the central purposes and objectives of U.S. trade policy. Drawing upon some of the conceptual tools outlined in the first two sessions, we will attempt to identify the principal sources and nature of domestic disputes over trade. We will seek to draw some conclusions concerning the likelihood of continued progress toward more open trade.

**Topic 4: American Trade in Historical Perspective:
Nixon Shocks Japan**

Room: Chestnut Room B
Consultant: Thomas W. Zeiler, Associate Professor of History, University of Colorado at Boulder
Chairperson: Sarah J. Adams (History, University of Charleston)
Abstract: Few countries have provoked more emotion on the topic of trade than Japan. This session explores the Nixon years, when Japan was first acknowledged as a competitor, threat to U.S. power, and key to the diplomatic order. The U.S.-Japan trade relationship provides a case study that ties together many of the historic themes examined in the previous sessions. We will discuss the possibilities for other case studies (binational, regional, multinational, products) for use in instruction.

ADJOURNMENT

12:15-1:30 pm STEERING COMMITTEE LUNCHEON

Room: Ward Christopher Room

WORKSHOP LEADERS

PATRICK J. CONWAY

Ph.D., Princeton University
Professor of Economics, University of North Carolina-Chapel Hill

Professor Conway is a specialist in the fields of international economics and economic development, and has taught courses in international economics, international trade, international finance and economic development. A proponent of case method teaching and active learning techniques, he enjoys utilizing the world wide web in his instruction and is the recipient of two undergraduate teaching awards in Economics. His research has centered on the international aspects of transition for formerly Soviet economies; on the macroeconomic impact of IMF adjustment programs; and on the theoretical implications of international trade between developed and developing countries. Publications include *Currency Proliferation: Monetary Legacy of the Soviet Union* (Princeton Studies in Interna-

tional Finance, 1995), and "Nature, Capital and Trade: A Second Look," in Cohen, B.J., *International Trade and Finance: New Frontiers for Research* (Cambridge University Press, 1997). He is a Research Associate with the World Bank, where he has authored many World Bank Working Papers, and has also served as economic advisor to World Bank missions to Belarus, Georgia and Kazakhstan. Prior to joining the faculty at UNC, he served as Special Assistant to the Under Secretary of State for Economic Affairs, Richard N. Cooper (1980-81).

THOMAS D. LAIRSON

Ph.D. University of Kentucky
Professor of Political Science, Rollins College

Professor Lairson's teaching areas include international political economy, transnational corporations, the political economy of Japan and of East and Southeast Asia, and technology and global competition. He is co-author, with fellow FACDIS Workshop presenter David Skidmore, of *International Political Economy: The Struggle for Power and Wealth* (Harcourt Brace, 1993 and 1997). Current research and publications include a manuscript in progress, *Globalization, Institutions and the World Economy*, as well as a book under contract with Johns Hopkins University Press, *Paying Any Price, Bearing Any Burden? A Comparative Study of Credibility*. Two-time recipient of an outstanding teaching award, he was an Arthur Vining Davis Fellow (1980 and 1990). Current teaching projects include an animated computer simulation on "The Asian Financial Crisis" (Virtual Interactive Multimedia Experiential Learning) and "The Vietnam Experience On-Line." Professor Lairson served as First Foundation Professor of International Relations at the Institute for International Relations in Hanoi, Vietnam during Spring Semester 1994. At present he is chair of the Department of Political Science at Rollins as well as chair of the Faculty Technology Work Group.

DAVID G. SKIDMORE II

Ph.D., Stanford University
Associate Professor of Political Science, Drake University

Professor Skidmore's teaching and research interests lie in the areas of international political economy, American foreign policy, and international relations. He is the co-author with Professor Lairson of *International Political Economy: The Struggle for Power and Wealth*. He is also the author of *Reversing Course: Carter's Foreign Policy, Domestic Politics and the Failure of Reform* (Vanderbilt University Press, 1996), and editor of two volumes of essays on foreign policy and international relations. Professor Skidmore has written a number of published articles on teaching in the field of international relations. During the 1996-97 academic year, Professor Skidmore was visiting professor at the John Hopkins-Nanjing University Center for Chinese and American Studies. He is the Director of Drake University's International Relations Program and Acting Chair in the Department of Political Science.

THOMAS W. ZEILER

Ph.D., University of Massachusetts-Amherst
Associate Professor of History, University of Colorado at Boulder

Professor Zeiler's teaching interests include U.S. diplomacy, recent American political economy, international trade, and contemporary Europe. He is the author of *American Trade and Power in the 1960s* (Columbia University Press, 1992), as well as numerous articles and chapters on American trade policy. His new book, *Free Trade, Free World: The Advent of GATT* will be published by the University of North Carolina Press in Spring 1999. Numerous research fellowships and grants include three from the John F. Kennedy Library Foundation, and grants from the Harry S Truman Library Institute, the Eisenhower Institute at Abilene, the Lyndon B. Johnson Foundation, and the Hoover Presidential Library Association. He has been a National Security Archive Fellow, a Visiting Scholar at the Carl Albert Congressional Research Center at Oklahoma University, and has been selected as

a Fulbright Senior Fellow at the Universidad Torcuato Di Tello in Buenos Aires, Argentina for 1999. Other awards and honors include the Teacher Recognition Award from the Student Organization for Alumni Relations at the University of Colorado Service-Learning Faculty Fellow, and the Stuart L. Bernath Dissertation Fund Award of the Society for Historians of American Foreign Relations.

FACDIS ORGANIZATION

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Michael J. Strada, Professor of Political Science, West Liberty State College
FACDIS Founding Director (1980-1997): Sophia Peterson, Professor Emerita of Political Science, West Virginia University
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and Steering Committee (1998)

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* Institutions whose Institutional Representative serves on the Steering Committee through November 1998
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