

Lecturer	Prof. Sang Chul Park
Semester of 2022/2023	Summer

BASIC INFORMATION ABOUT THE SUBJECT (INDEPENDENT OF THE CYCLE)

Module name	Political Economy in Indo-Pacific Region: Mega FTAs and Economic Security based on the U.S. and China Conflict
Erasmus code	
ISCED code	0311
Language of instruction	English
Website	https://www.umcs.pl/en/courses-in-english-2021-2022,21582.htm (for PJOE)
Prerequisites	Foreign language capacity and social science background
ECTS points hour equivalents	Contact hours (work with an academic teacher): 15 Total number of hours with an academic teacher: 15 Non-contact hours (students' own work): 15 Total number of non-contact hours: 15
Educational outcomes verification methods	Lecture and presentation, discussion, Q & As
Description	<p>It is no doubt that the global trade has contributed to a rapid economic growth in the world since the Second World War. However, the growth of the trade volume started to slow down in the global economy particularly after the global financial crisis (GFC) in 2008. It started to grow shortly after 2015, but faced again to decline due to the global trade conflicts between the G2 under the Trump Administration in 2018 and the COVID-19 Pandemic in 2020. At present, we expect the economic recovery, but still suffer from a high inflation caused by the unexpected war in Ukraine in 2022. In particular, the Pandemic represents an unprecedented disruption to the global economy and world trade, as production and consumption are scaled back across the globe. As a result, the world trade volume in goods bottomed in the second quarter of 2020 and was estimated to grow to 10.8 percent in 2021 compared to 2020, while the global GDP was predicted to grow 5.2 percent in 2021 and 1.7~2.8 percent in 2023.</p> <p>The large annual growth rate for merchandise trade volume in 2021 was regarded mostly as a reflection of the previous year's slump. Despite the rapid recovery of the global merchandise trade volume in 2021, regional disparities remained largely. Imports of Asia in 2021 were expected to rise 9.4 percent compared to 2019, while imports of least developed countries would have fall 1.6 percent. Additionally, global trade in services was expected to lag behind the global trade in goods particularly in sectors related to travel and leisure due to continuing the Pandemic based on dangerous variants of COVID-19. Therefore, the world trade could meet its target earliest in the third quarter of 2022 based on the WTO's forecast if the Russia-Ukraine War ends as early as possible. Unfortunately, however, we are heading for the global recession in 2023.</p> <p>In Jan. 2022, there were 350 free trade agreements (FTAs) in force, and among them 174 FTAs were signed and in effect in the Asia and Pacific region. 77 FTAs are still on negotiation, 15 FTAs are signed but not yet in effect. All FTAs are either bilateral or plurilateral. Singapore is the leading country with 37 FTAs, and China and Korea follow with 32 FTAs respectively. Other Asian countries, India with 30 FTAs and Japan with 27 FTAs play also significant roles in terms of FTA due to their national economic sizes in the region. In addition to bilateral and plurilateral FTAs, the Asia Pacific region has become the common ground for mega FTAs after completing Regional Comprehensive Economic Partnership (RCEP) led by ASEAN officially, but practically by China in Nov. 2020 and Comprehensive and Progressive Trans Pacific Partnership (CPTPP) led by Japan in Dec. 2018. China has negotiated the RCEP with ten ASEAN member nations and six nations with which ASEAN have existing trade agreements. The ambition of the RCEP is to promote regional economic integration in East Asia and to expand it to the Asia Pacific region continuously. Among 15 nations in the RCEP, seven nations participate in the CPTPP</p>

	<p>as well. The CPTPP aims to rebalance of the Japanese political and economic interests against Chinese emerging in the region as a part of global strategies.</p> <p>In order to complete the RCEP, China has pushed hard. It already announced to protect the free trade mechanism in the World Economic Forum (WEF) in 2017 in order to overcome protectionism based on the trade conflict with the U. S. Finally, the RCEP was completed in Nov. 2020 although India withdrew from it in the final stage. Before completing the RCEP, the CPTPP entered already into force on 30 Dec. 2018. Among the three major economies, only Japan has participated in the two Mega FTAs at the same time, while China and Korea have participated only in the RCEP. Due to the rapidly changing global trade environment related to the security issue and newly building global supply chains (GSCs) led by the U.S., China and Korea strongly expressed their intention to join the CPTPP as well at the end of 2021.</p> <p>In Nov. 2021, the U.S. government announced Indo-Pacific Economic Framework (IPEF) in order to engage its economic and political influences stronger than ever in the Indo-Pacific region that aims to control the Chinese expansion based on the RCEP. It was officially announced in Tokyo in May 2022, and 15 member nations in the Indo-Pacific region participated in it. As a result, the Mega FTAs and a new form of engagement such as IPEF are competing with one another in the region. Therefore, all stakeholders are keen to protect not only their national interests, but also their economic security.</p> <p>This lecture focuses on approaches of the three major economies for mega FTAs such as the RCEP and the CPTPP as well as the IPEF how these will develop and affect to China, Japan, Korea and other member nations in the near future. Additionally, it deals with possible impacts of the trade and technology conflicts between the USA and China on the three major economies in particular and on the ASEAN member nations in general. Furthermore, it also analyzes what are implications for East Asian economic collaboration and competition to deal with the reshaping the new global supply and value chains. Last, but not least, it touches upon why and how the reshaping the new global supply chains is taking place in the region and what economic security means for them.</p>
<p>Reading list</p>	<ol style="list-style-type: none"> 1. Basu Dasu, S. (2017) The Future of Trade Diplomacy, Perspective, Feb. No. 9, ISEAS Yusof Ishak Institute 2. Chaisse, J. (2020) The Regional Comprehensive Economic Partnership's Investment Chapter: One Step Forward, Two Steps Back?, Columbia FDI Perspectives, No. 271, Feb. 10. 3. Francois, J. and Elsig, M. (2021) Short Overview of the Regional Comprehensive Economic Partnership, Policy Department for External Relations, Brussels: European Parliament 4. Graceffo, A. (2017) China at Davos: US-China Relations are the focus of the World Economic Forum, Jan. 23, Foreign Policy Journal 5. Hearn, A. H. and Myers, M. (2015) China and TPP: Asia Pacific Integration or Disintegration? The Dialogue, China and Latin America Report, July 6. Hoang, N. H. and Hoan, T. Q. (2019) Vietnam and the CPTPP: Achievements and Challenges, Issue 2019, No. 41 7. Hopewell, K. (2021) Would China's move to join this transpacific trade pact push the U.S. to rejoin? It's complicated, Sep. 27. The Washington Post 8. Johnston, E. (2017) 16 Nation RCEP Talks Resume in Wake up of TPP's Demise, Japan Times, Feb. 27 9. Kawai, M. and Wignaraja, G. (2008) EAFTA or CEPEA: Which Way Forward? ASEAN Economic Bulletin, No. 25, pp. 113-139 10. Kawai, M. and Wignaraja, G. (2011) Asian FTAs: Trends, Prospects, and Challenges, Journal of Asian Economics, Vol. 22, p. 14 11. Kumar, M and Charlton, B. (2017) RCEP will step into gap as Trump pulls out of TPP, Jan. 23, Oxford Analytica Daily Brief 12. Kim, B-U (2021) Report of Analysis on the Supply Chain Weakness of Korean Industry and Its Trajectory, Sejong: KIEP 13. Lee, C. M. (2020) South Korea Is Caught Between China and the United States, Oct. 21, Carnegie Endowment for International Peace

	<p>14. Park, C. Y., Petri, P. A., and Plummer, M. G. (2021) Economic Implications of the Regional Comprehensive Economic Partnership for Asia and the Pacific, ADB Economics Working Paper Series, No. 639, Oct., Manila: Asian Development Bank</p> <p>15. Park, S. C. (2016) Korea's Trade Strategies for Mega Free Trade Agreements in Regional and Global Economic Integration, International Organizations Research Journal, Vol. 11, No. 4, pp. 19-40</p> <p>16. Park, S. C. (2021) The Regional Comprehensive Economic Partnership (RCEP) Without Indian Participation: Can It Work as a Mega FTA?</p> <p>17. Park, S. C. and Pasierbiak, P. (2018) Japan's Role in East Asian Economic Regionalism, Institutions and Economies, Vol. 10, No. 2, pp. 121-145</p> <p>18. Pederson, A. (2021) Sharper: Supply Chain Security, Oct. 06, Center for New American Security</p>
Educational outcomes	<p>KNOWLEDGE</p> <ol style="list-style-type: none"> 1. Technology transform in the industrial revolutions 2. Impacts of high technology on the global economy 3. Changing structures of the global economy toward digital economy <p>SKILLS</p> <ol style="list-style-type: none"> 1. English capacity 2. Basic knowledge of social sciences in politics, economy, sociology etc. <p>ATTITUDES</p> <ol style="list-style-type: none"> 1. Readiness to learn 2. Goal oriented 3. Responsibility and sincerity
Practice	n/a

INFORMATION ABOUT CLASSES IN THE CYCLE

Website	
Educational outcomes verification methods	Lecture and presentation, discussion, Q & As
Comments	-
Reading list	<ol style="list-style-type: none"> 1. Basu Dasu, S. (2017) The Future of Trade Diplomacy, Perspective, Feb. No. 9, ISEAS Yusof Ishak Institute 2. Chaisse, J. (2020) The Regional Comprehensive Economic Partnership's Investment Chapter: One Step Forward, Two Steps Back?, Columbia FDI Perspectives, No. 271, Feb. 10. 3. Francois, J. and Elsig, M. (2021) Short Overview of the Regional Comprehensive Economic Partnership, Policy Department for External Relations, Brussels: European Parliament 4. Graceffo, A. (2017) China at Davos: US-China Relations are the focus of the World Economic Forum, Jan. 23, Foreign Policy Journal 5. Hearn, A. H. and Myers, M. (2015) China and TPP: Asia Pacific Integration or Disintegration? The Dialogue, China and Latin America Report, July 6. Hoang, N. H. and Hoan, T. Q. (2019) Vietnam and the CPTPP: Achievements and Challenges, Issue 2019, No. 41 7. Hopewell, K. (2021) Would China's move to join this transpacific trade pact push the U.S. to rejoin? It's complicated, Sep. 27. The Washington Post 8. Johnston, E. (2017) 16 Nation RCEP Talks Resume in Wake up of TPP's Demise, Japan Times, Feb. 27 9. Kawai, M. and Wignaraja, G. (2008) EAFTA or CEPEA: Which Way Forward? ASEAN Economic Bulletin, No. 25, pp. 113-139 10. Kawai, M. and Wignaraja, G. (2011) Asian FTAs: Trends, Prospects, and Challenges, Journal of Asian Economics, Vol. 22, p. 14 11. Kumar, M and Charlton, B. (2017) RCEP will step into gap as Trump pulls out of TPP, Jan. 23, Oxford Analytica Daily Brief 12. Kim, B-U (2021) Report of Analysis on the Supply Chain Weakness of Korean Industry and Its Trajectory, Sejong: KIEP 13. Lee, C. M. (2020) South Korea Is Caught Between China and the United States, Oct. 21, Carnegie Endowment for International Peace 14. Park, C. Y., Petri, P. A., and Plummer, M. G. (2021) Economic Implications of the Regional Comprehensive Economic Partnership for Asia and the Pacific, ADB Economics Working Paper Series, No. 639, Oct., Manila: Asian Development Bank 15. Park, S. C. (2016) Korea's Trade Strategies for Mega Free Trade Agreements in Regional and Global Economic Integration, International Organizations Research Journal, Vol. 11, No. 4, pp. 19-40 16. Park, S. C. (2021) The Regional Comprehensive Economic Partnership (RCEP) Without Indian Participation: Can It Work as a Mega FTA? 17. Park, S. C. and Pasierbiak, P. (2018) Japan's Role in East Asian Economic Regionalism, Institutions and Economies, Vol. 10, No. 2, pp. 121-145 18. Pederson, A. (2021) Sharper: Supply Chain Security, Oct. 06, Center for New American Security
Educational outcomes	<p>KNOWLEDGE</p> <ol style="list-style-type: none"> 1. Technology transform in the industrial revolutions 2. Impacts of high technology on the global economy

	<p>3. Changing structures of the global economy toward digital economy</p> <p>SKILLS</p> <ol style="list-style-type: none"> 1. English capacity 2. Basic knowledge of social sciences in politics, economy, sociology etc. <p>ATTITUDES</p> <ol style="list-style-type: none"> 1. Readiness to learn 2. Goal oriented 3. Responsibility and sincerity
A list of topics	<ol style="list-style-type: none"> 1. Background of global trade 2. Macro environment of global trade 3. WTO and multilateralism 4. Multilateralism versus bilateralism 5. Emerging Mega FTAs and IPEF 6. Trade and technology conflicts and protectionism 7. Trade and technology conflicts between the USA and China 8. End of globalization and renewing regionalization? 9. Trade war and technology hegemony 10. Pandemic and outbreak of global supply chains 11. Trade and technology war and reshaping global supply and value chains 12. East Asia's role in reshaping global supply and value chains as well as economic security 13. Strategic technologies in the new global supply and value chains 14. New global supply and value chains and global economy
Teaching methods	Lectures with power points, discussion, Q & As, home works, teamwork etc.
Assessment methods	<p>The course will be evaluated by two examinations. One is the midterm examination, and the other is the final examination. Additionally students need to submit short reports based on individual tasks which must be maximum three pages with A4 size of word format. Moreover, students and instructor can communicate with one another by internet and email closely in order to share their views and opinions that can generate new ideas and solution measures how to apply their knowledge for their future and Asian economic integration.</p> <p>The credit will be given by A+ (100 ~ 95 points), A (90 ~ 94 points), B+ (85 ~ 89 points), B (80 ~ 84 points), C+ (75 ~ 79 points), C (70 ~ 74 points), D+ (65 ~ 69 points), D (60 ~ 64 points), and F (less than 59: failed).</p>