

Exam Tips 2005

The following are a series of essay questions. I will choose a selection of questions from this list, or similar kinds of questions, for the final exam. You will be asked to write short essays on two or three questions from a group of five or six questions.

1) What are the arguments for and against allowing a foreign investor to make a complaint directly against a state that is alleged to have diminished the value of the investment? What types of environmental concerns have been raised about the way that these investor-to-state disputes are handled under Chapter 11 of NAFTA? (Use an example from one or more Chapter 11 cases.)

2) Explain the difference between absolute and comparative advantage, and illustrate the gains from trade in a two-sector Ricardian model.

3) Discuss the following statement: "If a signatory of the WTO is found to be in violation of the WTO Agreement, the WTO is able to compel the nation to change its laws or practices so as to conform with the Agreement."

4) How does the WTO seek to balance the interests of free trade and environmental protection? Your answer should include a description of the Most Favored Nation Principle, the Principle of National Treatment, and the (portions of the) GATT article that have been invoked to justify trade restrictions on environmental grounds.

5) Describe two or more environmental problems that are likely to become important over the next 50 years, and discuss possible policy responses..

6) Describe the process by which the WTO participates in resolving trade disputes. Using a specific trade dispute, illustrate how this process unfolded.

7) What is the "Environmental Kuznet's Curve", and why is it important in the context of globalization and the environment? You should discuss the "scale, composition, and technique effects" that form the basis for this curve? Also discuss the empirical evidence for it.

8) Explain the content of the Coase Theorem and the Polluter Pays Principle. Explain the implications of these two ideas for the design of environmental policy at both a national and an international level.

9) Using a supply and demand curve, identify consumer and producer surplus in an autarchic economy. Using a second figure, illustrate the gains from trade when the world price of the commodity is lower than the autarchic price and the country begins to trade. Which group gains and which loses from trade? Using a third figure, illustrate the welfare effect of a tariff. Identify both the welfare effect for the distinct "agents" and the aggregate welfare effect of the policy.

10) Describe is the Precautionary Principle and explain its relevance to international environmental and trade agreements.

11) Explain what is meant by the "Pollution Haven Hypothesis" and the "Pollution Haven Effect". Discuss the theoretical and empirical bases for both.

12) Discuss some of the reasons that pro- and anti-globalizers hold such different views regarding the benefits of increased global integration.

13) Discuss the arguments both for and against accepting "Production and Processing Methods" as a basis for restricting trade. Use an example of a trade dispute to illustrate the importance of this issue.

14) You have been asked by an environmental group that is also concerned with development whether the group should support increased globalization (e.g., by means of extending NAFTA to a Free Trade Agreement of the Americas). How would you advise this group to respond? (You need to provide support for the position that you adopt.)

15) Describe the Theory of the Second Best and the Principle of Targeting and explain their theoretical and practical importance to the relation between international trade and the environment.

16) Discuss the role of government intervention in agricultural sectors in both developed and developing countries. Describe one or more agricultural-related trade dispute. Explain the role played by government policy in this dispute.

17) Describe how the developed countries' policies in the agriculture and the textile sectors have affected trade relations between developed and developing nations.

18) Explain the meaning of and the evidence for the "resource curse".

19) What position should the United States adopt with regard to the problem of global warming in general, and specifically with regard to the Kyoto agreement?