China Lab
International Trade and Local Development: Comparing Benefits and Impacts on Both Sides of the Pacific
Spring 2012 (1 unit)
Summer 2012 (3 units)

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Course Dates
Four (4) Wednesday morning meetings as follows:
- January 25 (8:30am to 12:00pm) - on campus at USC
- February 22 (8:30am to 12:00pm) - Site visit to Ports of Long Beach/Los Angeles
- March 21 (8:30am to 12:00pm) - Site visit to American Chung Nam and Skechers facilities
- April 18 (8:30am to 12:00pm) - on campus at USC

Location
Various

Partners
Ningbo Port Group
Zhoushan Port Group
Ningbo University of Technology
Zhoushan Ocean University
Meishan Island Administrative Committee
Port of Long Beach
Port of Los Angeles

Course Summary
This 1-unit course is the prerequisite for a companion 3-unit intensive field course (PPD 613b) offered in the Summer term. Together, they comprise the Price School China Lab for 2012. Although the two are closely coupled, they are distinct courses and there is a separate syllabus for the 3-unit companion course. The primary purpose of this 1-unit course is to provide background and comparative context for the international companion course. Students will be assigned a number of readings and are expected to read all of these prior to the assigned class sessions. The first (Jan 25) and fourth (Apr 18) class sessions will be held on campus. The second (Feb 22) class will involve a field trip to the Ports of Long Beach/Los Angeles. The last hour of this site visit will be a class session where students will present the first assignment. The third (Mar 21) class session involves a site visit to two major customers of the ports. Please note that while the class will meet off-campus, students are still expected to turn in an assignment. The fourth class on April 18, 2012 will focus on project presentations and developing a work plan for the summer field work in the PPD 613b companion course.
Detailed Overview

This year’s lab (PPD 613b) is located in one of the most trade-impacted regions of the world: the greater Ningbo region of Zhejiang Province, China. Zhejiang not only boasts the world’s seventh largest seaport complex - the combined ports of Ningbo and Zhoushan - but, thanks to international trade, is also at the heart of China’s emerging middle class, with the highest overall and per capita GDP of any province in China. Known as much for its small business entrepreneurial spirit as for its large manufacturing companies and other industrial powerhouses, Zhejiang Province, and the greater Ningbo region in particular, has benefitted more from the past 25 years of Chinese economic liberalization and integration into the global supply chain than perhaps any other region of the world. The last quarter century of continuous growth in international trade - much of it with the United States - have literally transformed the region and lifted the standard of living of millions to a level unimaginable to previous generations. On the other side of the Pacific, Southern California, like greater Ningbo, is also now one of the most trade-impacted regions in the world. Boasting the largest seaport complex in North America and the sixth largest in the world - the combined ports of Long Beach and Los Angeles - Southern California handles more than $300 billion in cargo annually and accounts for more than 40% of all U.S. trade. At three times the volume of the second busiest trade gateway in North America (New York/New Jersey), the LB/LA ports are an indisputable juggernaut in international trade and responsible for some 1.4 million jobs across the United States. In California, more than 1 in 7 jobs are tied to trade. Not surprisingly, approximately half of all LB/LA trade is with China, including a large percentage with Zhejiang Province.

As greater Ningbo and Southern California demonstrate, seaports are literally gateways to the world, facilitating global trade and commerce and opening markets to both new and existing business. Not surprisingly, these two port regions face many unique challenges and opportunities that regions without ports do not face.

On the positive side, international trade and the global goods movement systems that facilitate this trade are major economic engines, creating many thousands of blue-, white-, and increasingly green-collar jobs within their regions in the general fields of policy, planning, and development, and in the specific fields of transportation, planning, engineering, and logistics, among others. Ports themselves are tangible and in most cases highly profitable assets that deliver significant economic development opportunities to their areas of influence.

Not all aspects of international trade and global goods movement are positive, however, and not all positive impacts are evenly distributed. In order to move the trillions of dollars of consumer goods that the global marketplace produces and that consumers around the world demand, the global goods movement system must utilize vast supply chains and mobilize thousands of trucks, trains and ships, many of which impact our transportation networks, disrupt our communities, and/or contribute harmful substances to our land, water and air.

Due to macro-economic factors, such as international wage differentials, it is also the case that not all parties benefit equally from international trade. This is nowhere more apparent than in the significant trade deficit the United States has developed in recent years with many of its emerging-market trade partners, most notably China.

Just as there are many similarities between the trade-impacted regions of greater Ningbo and Southern California, there are also significant differences between them, and these differences have shaped the economic landscape of the two regions in specific and important ways. For this reason, greater Ningbo and Southern California offer two valuable case studies on opposite sides of the Pacific Ocean of the different impacts and benefits that globalization and international trade and transportation have had, and continue to have, on different regions around the world. Each of these regions has clearly benefitted from its integration into the global goods movement network. Yet each also continues to face the common challenge of how to balance the economic and other positive benefits of such integration with the negative impacts that participation in the global goods movement system brings with it.
Research Questions/Topics

PPD 613a (and PPD 613b in continuation) will explore the issues outlined above in depth and study the ports of LB/LA in Southern California (U.S.A) and the ports of Ningbo and Zhoushan in Zhejiang Province (China) in order to answer/address the following research questions/topics:

1) Are the benefits and impacts of global goods movement different in the U.S. than they are in China? If so, how so? Are benefits and impacts distributed differently on one side of the Pacific Ocean versus the other? If so, how so? How do trade and goods movement affect port cities and regions specific to the following areas:
   - Economic development/Employment
   - Geography/Land use, real estate values and private investment in public infrastructure (transportation, other)
   - Environmental impacts (air, water, soil quality issues), including traffic and congestion

How do trade and goods movement affect non-port “upstream” cities and regions that are connected to the global supply chain in these same areas?

2) What trends and factors have led to the current state of international trade, and specifically to the highly integrated trade relationship that now exists between the U.S. and China? What has been the role of public policy, and what specific policies and actions (in both countries) have been implemented to establish and perpetuate this relationship? What should be the role of public policy in addressing any negative impacts that might be associated with the current situation and what specific policies can/should be considered to mitigate these impacts while preserving the benefits associated with international trade? What is the role of planning and planners? Is the trade relationship between the U.S. and China (and the dynamics of globalization and international trade in general) changing? If so, how so? Is this change good or bad?

3) How do Chinese port authorities differ from their U.S. counterparts and vice-versa in the following areas:
   - Governance
   - Management
   - Mission
   - Operations
   - Investment strategy
   - Public-private partnership
   - Regional and super-regional integration

4) What are the respective strengths and weaknesses of the two case-study regions and what if any lessons can Southern California learn from greater Ningbo, and vice-versa, that will help ensure a more sustainable future for goods movement in both regions? Who are the different players/stakeholders in each region that would need to be involved in order to bring about change? What process would need to be followed to ensure desired outcomes are achieved? What technical/logistical improvements could be made in one or both regions to achieve better system efficiencies and so too increase the benefits associated with international trade and goods movement relative to costs?

Learning Objectives

As with all Price School courses, the overarching learning objective of this course is to translate classroom knowledge into practical professional application, in this case by preparing students thoroughly for an overseas lab. Specific learning objectives for PPD 613a include the following:
1) Understand first-hand the different benefits and impacts associated with international trade and global goods movement as well as where, how and to whom these benefits and impacts are distributed in two entirely different international contexts.

2) Gain experience in researching and gathering data relevant to international policy, planning and development, and in using the findings to diagnose real-world problems and recommend meaningful solutions.

3) Understand and be able to compare and contrast the role that two of the world’s premiere port complexes play in the development and path dependency of the economies of their respective regions and identify best practices that each can learn from the other.

4) Gain a working knowledge of the various sectors and agencies of government in both the U.S. and China that drive and/or dictate international trade policy, and how private-sector interests interact with government agencies to influence and implement such policy.

5) Understand the unique opportunities and special challenges that port cities/regions face in the areas of policy, planning, and development - specifically land use, economic development, and environmental policy and planning - and contribute ideas that can help shape practical solutions for future improvement for both U.S. and Chinese trade-impacted regions in terms of increased system efficiencies, mitigated impacts, more sustainable operations and improved local quality of life.

Assignments

The assignments for PPD 613a are designed to prepare students for the field experience in the Summer by ensuring a high level of background knowledge about the greater Ningbo region of Zhejiang Province and by exposing students to the comparative context of Southern California. Assignments for this 1-unit Spring course are as follows:

1) Conduct background research in groups, exploring various aspects of the greater Ningbo region and Southern California (inclusive of Los Angeles, Orange and Riverside Counties). Groups will be formed during the 1st class session and topical areas selected for each group. Prepare a set of briefing slides and a 10 minute summary presentation, which will be given during the 2nd class session, during the last hour of the site visit (assignment 1).

   - Current demographics and vital statistics of each region (population, leading industries, trademark brands, top commodities traded through the ports, recent economic and employment trends, GDP per capita, etc.)
   - Development history of each region over the past 25 years, including how the industrial base and economic conditions of each have changed in this period of time and how administrative structures and relationships between different levels of government and the private sector in each region have impacted and shaped local and regional policy, land use and investment decisions related to trade

2) In groups, prepare and deliver a paper (assignment 2 due during 3rd class session) and presentation (assignment 3 due during 4th class session) that explores and compares/contrasts various aspects of greater Ningbo and Southern California (inclusive of Los Angeles, Orange and Riverside Counties). Aspects to be explored include:

   - Role of ports, trade and trade-related activity in each region’s current economy and geography, and opportunities and challenges associated with such activity, including emerging trends in international trade and goods movement
· Structure and performance of the principal ports in each region, including governance, strategic priorities, size (both area and annual trade value and volume), leading commodities, top trade partner countries, top domestic markets served (both import and export), future expansion plans, profitability, etc.

· The presentation should also include a draft workplan for the summer field work. It should define the issue/topic chosen by or assigned to the group, outline the group’s recommendations for the types of data and information that will need to be collected in-country to address their issue/topic, identify the objectives of the group and specific research questions the group will seek answers to while abroad, and describe in general terms what the group hopes to accomplish in China.

Each group will focus on one of the research questions/topics specified on page 3 and any new questions the class develops by the second session. To the extent possible the research questions should be further framed by each group in such a way that allows for comparisons to be drawn between the LA/LB region and the greater Ningbo region, and for more broadly applicable conclusions to be developed.

The paper for each group should be submitted as a 10-12 page (double-sided) written document on March 21, 2012 at the beginning of our third class meeting. Between the 3rd and 4th class session, groups will receive feedback from the instructor and may incorporate any suggestions into their final presentation and draft workplan. Groups will be asked to make a 20-minute presentation to their peers and others that summarizes their paper during our final class meeting on April 18, 2012. The draft workplan (which should be developed in the month between the 3rd and 4th class session) should be submitted during the 4th session and discussed briefly in the final presentation.

Grading
Grades for this 1-unit course are based on the following weights:
· Assignment 1 – Background research briefing slides and presentation (20%), due in Session 2.
· Assignment 2 – Final paper (30%), due in Session 3.
· Assignment 3 – Final presentation and draft workplan (30%), due in Session 4
· Class participation including the quality of the comments and questions directed towards other groups during the group presentations (20%)

Since the assignments involve substantial group work, individual grades will be assigned based on a combination of the instructor’s evaluation of each deliverable and on peer evaluations of each student’s role and performance in preparing and delivering each deliverable.

Statement for Students with Disabilities
Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to the instructor as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

Statement on Academic Integrity
USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one’s own academic work from misuse by others as well as to avoid using another’s work as one’s own. All students are expected to understand and abide by these principles. SCampus, the Student Guidebook, contains the Student Conduct Code. See Section 11.00 (under University Governance) for a description of violations of university standards and Appendix A for the recommended sanctions: http://web-app.usc.edu/scampus/university-student-conduct-code/. Students will be referred to the Office of Student Judicial Affairs and Community Standards for further review should there be any suspicion of academic dishonesty. The Review process can be found at: http://www.usc.edu/student-affairs/SJACS/. Academic integrity is a core value of our School and of this course.
The guidelines located at http://www.usc.edu/student-affairs/student-conduct/ug_plag.htm are very helpful, and it is strongly recommended that all students review them with due diligence. The basic principle is simple: never provide the reader with an opportunity to give you credit for someone else’s work.

Course Readings
The readings for this 1-unit course consist of both scholarly articles from the academic literature and professional reports. A complete list of readings will be made available to students via Blackboard and/or email at least five (5) weeks prior to the first day of class (January 25, 2012).

Session 1 Topics: Globalization, international trade and global goods movement, the role of seaports as an economic engine, China’s role in global goods movement, sources of data for trade and goods movement, review of work by previous China Labs, course overview and expectations, formation of project teams.

Readings:


SPPD China Lab Report and Briefing Slides, 2011. PDF

Tongzon, Jose and Hong-Oanh Nguyen (2009), China’s Economic Rise and Its Implications for Logistics: The Australian Case, Transport Policy, vol. 16, pp. 224-231. HARDCOPY

Wang, James, Daniel Olivier, Theo Notteboom and Brian Slack, Eds. (2007), Ports, Cities and Global Supply Chains, Ch. 10: Globalization and Port-Urban Interface Conflicts and Opportunities (Hayuth, Yehuda), pp. 141-156, Ch. 11: A Metageography of Port-City Relationships (Ducruet, Cesar), pp. 157-172, Ch. 12 Chinese Port Cities in the Global Supply Chain (J Wang and D Olivier), pp. 173-186. HARDCOPY


Session 2 Topics: Port management structures, governance and port performance, key decision makers and role of each level of government, overview of logistics and the supply chain, operations of port facilities (how freight is processed and transported in and out of a port), the effect of ports on surrounding communities (potential negative impacts of port activity), infrastructure needs of port cities.

Assignment 1 is due.

Readings:

Brooks, Mary R. and Kevin Cullinane (2000), Devolution, Port Governance and Port Performance, Research in Transportation Economics, vol. 17: Intro. (pp. 3-26), Ch. 10 (pp. 207-233), Ch. 15 (pp. 331-354), Ch. 20 (pp. 457-475), Ch. 22 (pp. 499-514). HARDCOPY


OECD Port Cities Working Group (2010), Scoping Paper. PDF

Pinder, David and Brian Slack, Eds. (2004), Shipping and Ports in the 21st Century: Globalisation, Technological Change and the Environment, Ch. 3: Advances in Science and Technology of Ocean Management (Comtois, Claude and Peter J. Rimmer), pp. 40-62, Ch. 5: Sustainable Ocean Governance (de Langen, Peter W.), pp. 82-98. HARDCOPY
Session 3 Topics: Trade impact, trade assistance policies, the economic status of areas surrounding ports, recent trends in port development (regionalization), effects of global competition, port strategies.

Assignment 2 is due.

Readings: BST Associates (2007), *Trade Impact Study Final Report*, prepared for the Port of Los Angeles, the Port of Long Beach and the Alameda Corridor Transportation Authority. PDF


Olivier, Daniel and Brian Slack (2006), Rethinking the Port, *Environment and Planning A* 38, pp. 1409-1427. PDF


Session 4 Topics: The dynamics of trade, global goods movement, and the role of ports – a comparison of the differing issues facing China and the US and a framework for developing options to strengthen planning and policies for government and port officials in greater Ningbo and Southern California.

Readings:
Cullinane, Kevin, Yahui Teng, and Teng-Fei Wang (2005), Port Competition Between Shanghai and Ningbo, Maritime Policy and Management, vol. 32(4), pp. 331-346. PDF


Additional Resources (reports, data, etc.)
LAEDC ([www.laedc.org](http://www.laedc.org)) especially The Kyser Center for Economic Research area.

U.S. Census Bureau ([www.census.gov](http://www.census.gov)) The World Factbook


Wikipedia
Optional Background Reading on Ports, International Trade, China and California

**China’s Export Strategy and Economic Growth**


**Background Reading for Session 1**


**Background Reading for Session 2**


**Background Reading for Session 3**
