

International Political Economy Political Science 372 Winter 2008

Dr. Scott Cooper
Email: scott_cooper@byu.edu
Phone: 422-4053
Office: 762 Kimball Tower
Office Hours: 10-11 MWF, or by appointment

9:00-9:50 a.m. MWF
346 MARB

*If you can't come during my office hours, arrange another time to meet with me.
Don't be afraid to come see me. My job is not to be distant and to try to fail you. My
job is to explain things and help you understand. I like my job.*

Prerequisites

Poli Sci 170, Poli Sci 200, and Econ 110 strongly recommended

Subject Matter

International political economy (IPE) is a subfield of international relations exploring the **politics of the international economy** and the **economics of international politics**.

With the passing of the Cold War, international political economy has taken a more prominent role. IPE issues have always been fundamental to world politics, but they are now much more visible. It is no longer possible to dismiss international political economy as mere “low politics” compared to the “high politics” of international security. It is no longer assumed that the greatest threats to U.S. security are exclusively military, as opposed to economic—e.g., the Asian financial crisis, competitiveness vis-a-vis Japan and Europe, the economic growth of China, or dependence on Mideast oil reserves. The classical understanding that wealth and power are closely linked has re-emerged.

Primary Course Goals

Citizenship: Because IPE plays an important role in political debates in the U.S. and around the world, one primary goal is to increase your ability and willingness to participate in the political process. You should understand core IPE concepts and issues facing policymakers and voters—e.g., the costs and benefits of globalization, the impact of the WTO and IMF, and different pathways to development. You should also have the critical thinking ability to wrestle with complicated IPE issues.

Scholarship: This course also lays a foundation for the academic study of international political economy. You must have a basic understanding of the economic and political concepts involved, a good grasp of competing explanations of IPE, and the ability to apply those conceptual and theoretical tools to real-world problems.

Course Organization

1. Overview: A brief overview of the issues and ideas we will be discussing throughout the semester. The goal is to ensure that we have a “big picture” view of the scope of international political economy before we examine these topics in more depth.

2. Trade, Finance, and Money: Analysis of the three main functional issues of international political economy. This is the core of the course and the largest part of the semester grade. A strong understanding of these three issues is essential for making sense of the rest of the course.

3. Theory: Major theoretical frameworks used to explain the structure and process of the world political economy. However, this will not be “pure” theory devoid of practical content: readings have been chosen not only to explain a theory, but also to apply the theory to important issues in international political economy. In this way, our examination of theory will also expand our understanding of trade, finance, and money.

4. Development: The special problems faced by developing economies, and how these economies fit into the international economic system.

Grading

15%	3 Quizzes: Trade, Finance, Money
20%	Exam 1: Trade/Finance/Money
20%	Exam 2: Theories of IPE
15%	Exam 3: Development
15%	Domestic Politics Paper
15%	Participation and Reading Response Essays

Quizzes will be given at the beginning of class and will consist of short answer questions and a brief essay. The goal is to make sure you understand these crucial topics before we move on to later material. Quiz dates are in the schedule below.

All **Exams**, including the Final Exam, will be given in class and will include short answer questions plus a set of longer essay questions requiring you to compare and contrast different issue areas, time periods, or theories. You may not use cellphones or any electronic device during quizzes or exams. Remember also that according to BYU policy the final exam *cannot* be given early; please make your travel plans accordingly.

On quizzes and exams, general understanding is useful, but does not substitute for a firm grasp of the details. Also, you should be aware that, according to BYU policy, satisfactory or average work will receive a C grade. Only good or excellent work will receive higher grades.

The **Domestic Politics Paper** is a 10-page research paper on a specific foreign economic policy issue which affects the U.S. (If you are not a U.S. native, you may choose a policy position of your home country, but be aware that BYU’s library resources may be too limited.) You should consult with me on your topic and are required to turn in a 2-page topic statement by the deadline listed in the schedule below. The final paper should briefly describe the specific economic policy and then analyze the domestic political debate leading the country to choose that position. What groups benefit from the policy? Who is hurt?

How did the winners prevail politically? This project will (a) increase your understanding of the “nuts and bolts” of IPE by building expertise on a particular issue, (b) further develop invaluable research and writing skills, and (c) help you understand how domestic politics affects IPE.

This course will also include opportunities for class discussion of these important issues and ideas—especially as the semester progresses. Regular preparation for and participation in class discussions is crucial to your learning. For this reason, I will evaluate **Participation** (on a 0 to 5 scale) to encourage everyone to join our discussions. If this is uncomfortable for you, please come discuss it with me. As with the exams, quality outweighs quantity.

You are required to turn in 10 **Reading Response Essays** based on class readings. Dates and topics will be announced in class. Each essay should be about 1½ pages (typed and double spaced). The goal is to help you in your preparation, so that you will be better able to participate in our class discussions. As a result, *each assignment is due in class* on the day indicated in the syllabus and *late assignments will not be accepted* (even if your computer crashes or car breaks down). You will be able to choose which assignments to complete, but it is your responsibility to make sure that you turn in all ten. For full credit, four of the ten must be from the section of the course on Political Theories of IPE (March 7-21). I encourage you to start turning in assignments early in the semester, in case unforeseen circumstances force you to skip later assignments.

Attendance in class is expected. I will not take attendance every day, but may do so at any time. If you are unable to be in class for non-voluntary reasons (i.e., illness, death in the family, BYU-sponsored travel), I will not mark you absent if you send a brief email or leave a voice message explaining why you had to miss class.

Finally, you should remember that all forms of **cheating**—including plagiarism—are grave violations of the standards of any university. In my time at BYU, I have had to give failing semester grades as a result of academic dishonesty and will do so again if necessary. It is your responsibility to be fully honest in all your academic endeavors. A good source of information about honesty in an academic setting is BYU’s Academic Honesty Policy, which is in the catalog and on the Honor Code website:

(http://honorcode.byu.edu/index.php?option=com_content&task=view&id=5302&Itemid=5698). If you have any questions about what constitutes academic honesty in this class, please don’t hesitate to ask me.

Other University Policies

Federal law and BYU policy provide protections for students against sexual discrimination and harassment (including student-to-student harassment) and also require reasonable accommodation of students with disabilities. If you feel you have encountered sexual harassment or discrimination, please talk to me, the Equal Employment Office (422-5895), or the Honor Code Office (422-2847). If you have any disability which may impair your ability to complete this course successfully, please contact the Services for Students with Disabilities Office (422-2767) and discuss it with me.

Readings

The reading load for this course is very heavy and many of the readings are difficult. You should **expect to read more than 150 pages per week**. There are three required books:

Theodore Cohn, Global Political Economy, 4th ed., 2008, Pearson Longman
(Earlier editions will also work: ask me to help you get the page numbers right.)

Joseph Grieco and John Ikenberry, State Power and World Markets, 2003, Norton

Jeffrey Frieden and David Lake, International Political Economy, 4th ed., 2000
(Earlier editions may not have all the articles we will use in class.)

There will also be a very large packet of required readings available at the Joseph F. Smith Building copy center (B1 15 JFSB).

PART ONE: INTRODUCTION

- Jan 7 What is IPE?
- Jan 9 Historical Overview
 Cohn ch. 1

 Grieco/Ikenberry ch. 1
- Jan 11 Historical Overview
 Cohn ch. 2
- Jan 14 Major Paradigms
 Cohn pp. 49-57, 63-65, 71-77, 85-88, 95-100

 Grieco/Ikenberry pp. 92-110
- Jan 16 Major Paradigms and Key Concepts
 Cohn pp. 121-28

 Grieco/Ikenberry pp. 69-75

PART TWO: CORE ISSUES

- Jan 18 Trade: Theory
 Cohn pp. 195-99

 Grieco/Ikenberry ch. 2

 Frieden/Lake ch. 19 (Coughlin et al.)
- Jan 21 NO CLASS: HOLIDAY

- Jan 23 Trade: History
 Mark Brawley, Turning Points, 1998, ch. 10 and 14
 Grieco/Ikenberry ch. 5
- Jan 25 Trade: GATT and New Protectionism
 Cohn ch. 8
 Sebastian Mallaby, “Jumbo Shrimp Follies,” Washington Post, 15 November 2004
- Jan 28 Trade: Strategic Trade
 Frieden/Lake ch. 12 (Hart/Prakash)
 Paul Krugman, “Is Free Trade Passé?” Economic Perspectives, Fall 1987
- Jan 30 Trade: WTO Controversy
 Bruce Stokes, “The New Linkage,” National Journal, 25 June 1994
or
 Duncan Brack, “Balancing Trade and the Environment,” International Affairs, July 1995
 Jagdish Bhagwati, “Trade Liberalization and ‘Fair Trade’ Demands” World Economy, November 1995
- Feb 1 Trade: Doha Round
 William Drozdiak, “Poor Nations May Not Buy Trade Talks,” Washington Post, 15 May 2001
 Paul Blustein, “142 Nations Reach Pact on Trade Negotiations,” Washington Post, 15 November 2001
 Guy de Jonquieres, “A Deal That Had to Be Done,” Financial Times, 28 November 2001
 Sallie James, “Doha Round Not Yet Dead,” Washington Times, 30 April 2006
 Jeffrey Schott, “Reviving the Doha Round,” Institute for International Economics, May 2004

- Feb 4 Trade: Regionalism
Cohn ch. 9
- Guy de Jonquieres, “Bilateral FTAs Potentially Undermining WTO Negotiations,” Financial Times, 18 November 2002
- Jagdish Bhagwati and Arvind Panagariya, “Bilateral Trade Treaties are a Sham,” Financial Times, 13 July 2003
- Alan Beattie, “Doha Round Set For Backburner,” Financial Times, 24 September 2007
- Feb 6 **TRADE QUIZ**
Finance: Concepts and History
Robert Gilpin, The Political Economy of International Relations, 1987, ch. 8
- Feb 8 Finance: Portfolio Investment
Frieden/Lake ch. 18 (Goodman/Pauly)
- Eric Helleiner, States and the Reemergence of Global Finance, 1994, ch. 1
- Feb 11 Finance: Foreign Direct Investment
Cohn pp. 280-305, 314-15
- Frieden/Lake ch. 10 (Tarzi)
- Feb 13 Finance: Globalization
Frieden/Lake ch. 4 (Strange), 31 (Rodrik)
- Grieco/Ikenberry ch. 7
- Feb 15 Finance: Asian Crisis
Robert Wade, “The Asian Crisis and the Global Economy” Current History, November 1998
- International Monetary Fund, “The IMF’s Response to the Asian Crisis,” 1999
- Jeffrey Sachs, “The IMF and the Asian Flu,” American Prospect, March-April 1998
- Feb 18 NO CLASS: HOLIDAY
- Feb 19 **FINANCE QUIZ**
(Tuesday) Money: Concepts
Thomas Lairson and David Skidmore, International Political Economy, 1997, pp. 23-37

- Feb 20 Money: Concepts
Frieden/Lake ch. 15 (Cohen)

Grieco/Ikenberry ch. 3
- Feb 22 Money: Gold Standard and Bretton Woods
Cohn pp. 128-38

Robert Gilpin, The Political Economy of International Relations, 1987, pp. 118-42
- Feb 25 Money: Floating Exchange Rates
Cohn pp. 138-48

Benjamin Cohen, The Geography of Money, 1998, ch. 5
- Feb 27 Money: The Euro and the Dollar
“Euro” at <http://en.wikipedia.org/wiki/Euro>

Ralph Atkins, “Euro Gains on Dollar in Official Reserves,” Financial Times, 30 December 2007

Menzie Chinn and Jeffrey Frankel, “Will the Euro Eventually Surpass the Dollar as Leading International Reserve Currency?” 2007
- Feb 29 **MONEY QUIZ**
Trade-Money-Finance: Macroeconomic Coordination
Edmund Andrews, “The Dollar is Down, but Should Anyone Care?”
New York Times, 16 November 2004

Raghuram Rajan, “Global Current Account Imbalances: Hard Landing or Soft Landing?” March 2005
- Mar 3 Exam Review
- Mar 5 **EXAM 1: Trade/Money/Finance**
- PART THREE: POLITICAL THEORIES OF IPE
- Mar 7 Realism
Cohn pp. 56-63

Robert Gilpin, U.S. Power and the Multinational Corporation, 1975, ch. 4

Jacob Viner, “International Finance and Balance of Power Diplomacy, 1880-1914,” Southwestern Political and Social Science Quarterly, March 1929 (pages 407-24, 447-51)

- Mar 10 Realism: Hegemonic Stability Theory
Grieco/Ikenberry pp. 110-15

Charles Kindleberger, The World in Depression 1929-1939, 1986, ch. 14

Frieden/Lake ch. 1 (Krasner)
- Mar 12 Neoliberal Institutionalism
Cohn pp. 77-85

Grieco/Ikenberry pp. 115-19

Robert Keohane, "The Demand for International Regimes," International Organization, Spring 1982
- Mar 14 Neoliberal Institutionalism: Regime Theory
John Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," International Organization, Spring 1982 (read Intro, Sections 2 and 4)
- Mar 17 Realism and Neoliberal Institutionalism: Critics
Frieden/Lake ch. 8 (Lake)

Stephen Krasner, "Global Communications and National Power," World Politics, April 1991
- Mar 18 **TOPIC STATEMENT DUE by 4:45 pm, 745 Kimball Tower**
(Tuesday)
- Mar 19 Domestic Politics: Trade
Frieden/Lake ch. 2 (Eichengreen)

Helen Milner, "Resisting the Protectionist Temptation," International Organization, Autumn 1987
- Mar 21 Domestic Politics: Finance and Money
Frieden/Lake ch. 13 (Broz), ch. 16 (Frieden)
- Mar 24 Exam Review
- Mar 26 **EXAM 2: Political Theories of IPE**
- Mar 28 **NO CLASS (COOPER TRAVEL): WORK ON YOUR PAPERS!**
- PART FOUR: STRATEGIES OF DEVELOPMENT
- Mar 31 Dependency and Import Substitution
Grieco/Ikenberry ch. 8

Cohn pp. 100-104, 324-46

- Apr 2 Tigers and Export-Led Growth
 Mark Brawley, Turning Points, 1998, ch. 16

 Alice Amsden, “The State and Taiwan’s Economic Development,” in
 Bringing the State Back In, 1985
- Apr 4 Multinational Corporations in the Developing World
 Paul Krugman, “In Praise of Cheap Labor,” Slate, 21 March 1999

 John Miller, “Why Economists Are Wrong About Sweatshops and the
 Antisweatshop Movement,” Challenge, January-February 2003
- Apr 7 Washington Consensus and Beyond
 Cohn pp. 346-57

 Frieden/Lake ch. 25 (Stiglitz/Squire)

 Jon Jeter, “In Mozambique, a Less Than Helpful Hand,” Washington
 Post, 18 October 2000

 Dani Rodrik, “Globalization for Whom?” Harvard Magazine, July-
 August 2002
- Apr 9 Politics of Oil
 Daniel Yergin, The Prize, 1991, prologue, ch. 28-29
- Apr 11 Politics of Oil
 David Ottaway, “Viewing Oil as a Bonding Agent,” Washington Post,
 12 February 2002

 Robert Samuelson, “OPEC in a Better Light,” Washington Post, 18
 February 2004
- Apr 14 Exam Review
- Apr 15 **POLICY PAPER DUE by 4:45 pm, 745 Kimball Tower**
(Tuesday)
- Apr 21 **8 am (note delayed start time!): EXAM 3: Development**