

*College of William & Mary
Government 328, Spring 2018*

International Political Economy

Prof. Maurits van der Veen

Class

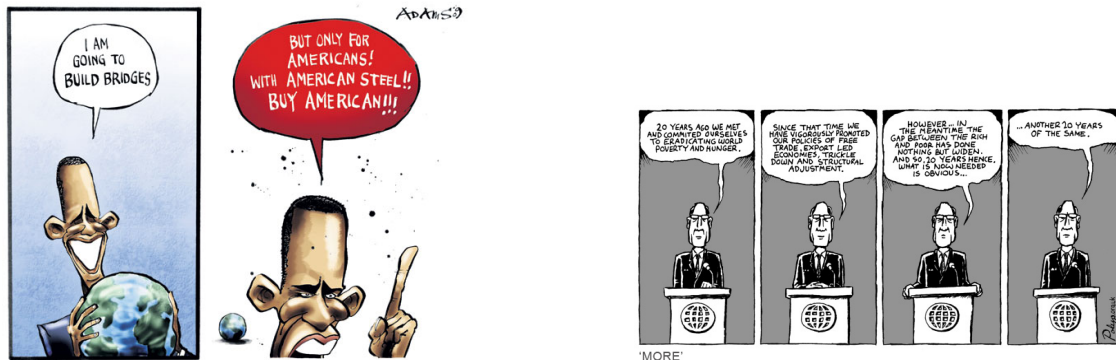
MWF 10-10:50 (134 Tyler)
MWF 11-11:50 (133 Tyler)
Office hours: Wed 2-4 & by appt.

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Course description

This course analyzes the politics of international economic relations, investigating the roots and evolution of the global political economy we live with today, and focusing in particular on the rise and implications of global economic governance and globalization. We will aim to answer questions such as “Why do governments adopt particular international economic policies?”, “Why do states often have trouble cooperating economically?”, “When are governments likely to promote or oppose globalization?”, and “What do we expect the international political economy to look like 10 years from today?”



The course will deal with the interplay between politics and economics in a range of different issue areas, including the international financial system and its management (IMF, World Bank, etc.), the international trading system and its evolution (GATT, WTO, etc.), attempts at regional economic integration (the European Union, NAFTA), changes in the patterns of world production, the role of multinational corporations, and trends in the international distribution of power and wealth in the post-Cold War world. We will also study issues of debt and development, and attempts at political and economic liberalization around the world since the 1990s, from Africa to Indonesia and from Mexico to Russia and China.

Analytically, the course will focus on the relationships between states, markets, and ideas; power, wealth, and capabilities; forms of conflict and cooperation; and the role of historical and institutional legacies. Over the course of the semester, we will follow a two-track approach. The first track provides historical context; the second the theoretical insights scholars have derived from that context. Together, the two help us understand current developments and anticipate future challenges in international political economy. You will find that the two tracks reinforce each other and that your ability to analyze current events will grow considerably over the course of the term.

Course policies & requirements

Although you may find some of the reading hard going at first, doing the reading before class will increase what you get out of the lectures and discussions immeasurably. Moreover, if any questions arise during the reading, you can raise these in class — chances are other students have the same questions.

There will be two midterm exams and a 10-12 page final paper that will in lieu of a final exam. The midterm exams will be worth 25% of your total grade each and will be given in class on Feb. 20 and Apr. 16. They will be identical in set-up; each will consist of a multiple choice section and two essay questions. The paper will be worth 30% of your overall grade, and will be due on the last day of class. For the paper, you will analyze the policy choices of one particular country in one particular issue area of its interactions with the global economy.

Class participation is worth 20% of your final grade, and is constructed from three separate components:

- Participation in class discussions, which will be judged in terms of the quality, not the quantity, of your contributions. Class discussions are crucial opportunities to critically analyze the material covered in the readings and lectures, and to share your own ideas and insights. Your participation will not just improve your own learning; it also helps that of all your fellow students.
- Quizzes: There will be five unannounced quizzes given in class, based on the readings for that day and readings and discussion of the preceding class session.
- Extra credit: you can boost your participation grade one full letter grade by any combination of 8 of the following “assignments”:
 - Online discussion: From time to time I will post discussion questions, sometimes along with brief recommended readings on our class discussion board. Make a thoughtful contribution (at least 100 words long) to the ensuing discussion
 - Over the course of the semester, I will identify numerous outside speakers or events relevant to our course. Attend such an event and write a brief comment/response on the discussion board for that particular event
 - Participate in the government department omnibus survey program. You will receive information from the survey organizer once it is set up for the semesterSo, attend 8 events, or contribute to 8 discussions, or do some combination of events and discussions summing to 8, or to 7 plus the survey.

Additional policies & comments

You need to let me know ahead of time if you cannot make a class. After-the-fact excuses for missing class on days that happened to feature a quiz are unlikely to be accepted. The same goes for the midterm exams: do not expect to e-mail me a day later with a flimsy excuse and expect to be able to take a make-up exam without penalty. Similarly, if you need an extension on your paper, and have a good reason, let me know in advance. Unapproved late submissions of the paper will be penalized one half of a full grade per day.

I take violations of academic honesty very seriously. All academic work must meet the standards set out in the Honor Code. In particular, if you cheat on a test or commit plagiarism on your paper and I discover it, I will report the violation to the Dean's office, with all the potential repercussions that implies. The key point is that the work you submit must be your own — not that of a fellow student, nor that of someone whose work you found in the library or online.

Failure to complete any single component of the course (never showing up to class, missing all quizzes, missing a midterm, or not submitting a final paper) will result in failing the course — in other words, you cannot make up for it by excelling in all other components.

Office hours &c

My office hours are Wed. 2-4pm, and by appointment. Please do come see me if you have any questions on or problems with the reading material, the writing assignment, or the course in general. If you need to reach me to make an appointment, I am most easily reached by e-mail.

Readings

The following 4 books are required texts, and should be purchased at the W&M Bookstore (or elsewhere, as you like):

- Frieden, Jeffrey A. 2006. *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York, NY: W.W. Norton.
- Frieden, Jeffrey A., Lake, David A., Broz, J. Lawrence. 2017. *International Political Economy: Perspectives on Global Power and Wealth*. (6th ed.) New York, NY: W.W. Norton.
- Ravenhill, John, ed. 2017. *Global Political Economy* (5th ed.) New York: Oxford University Press.
- Rivoli, Pietra. 2015. *The travels of a T-shirt in the global economy* (2nd ed.) New York: Wiley.

All other readings on the syllabus are available online or through the Electronic Journals feature of the W&M library website. In addition, there will be occasional reading assignments of brief articles on new developments in global political economy appearing in the *Financial Times*, the *Economist*, etc. Links to these will be provided by email and on the course Blackboard site.

Calendar

I. Introduction & Theory

Wed. Jan. 17 *Introduction; overview of course*

- FLB (= Frieden, Lake, & Broz): “Introduction”

Fri. Jan. 19 *Historical overview of the field*

- Ravenhill, chapter 1

Mon. Jan. 22 *Historical overview*

- Frieden, prologue
- Ravenhill, chapter 2

Wed. Jan. 24 *Theoretical approaches — international focus*

- Ravenhill, chapter 3

Fri. Jan. 26 *Theoretical approaches — domestic focus*

add/drop deadline

- Ravenhill, chapter 4

II. The First Wave of Global Capitalism

Mon. Jan. 29 *Free trade & the corn laws*

- Ricardo, David. 1821. “On foreign trade” (especially from p. 139, starting at “Under a system...” to p. 145, ending with “... the accumulation of money.”)
- Schonhardt-Bailey, Cheryl. “Free Trade: The Repeal of the Corn Laws.” FLB chapter 5

Wed. Jan. 31 *Nineteenth century globalization*

- Frieden, chapters 1-2.

Fri. Feb. 2 *Success and failure in the 19th century*

- Frieden, chapters 3-4.

Mon. Feb. 5 ***Challenges of globalization 1: Trade***

- Rogowski, Ronald. “Commerce and Coalitions: How Trade Affects Domestic Political Alignments.” FLB chapter 1.
- Gourevitch, Peter A. 1977. “International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896.” FLB chapter 6.

Wed. Feb. 7 ***Challenges of globalization 2: Finance – The Wizard of Oz & bimetallism***

- Wells Wyatt. 2015. “Rhetoric of the standards: The debate over gold and silver in the 1890s.” *Journal of the Gilded Age and Progressive Era* 14: 49-68.
- Rockoff, Hugh. 1990. “The ‘Wizard of Oz’ as a Monetary Allegory.” *Journal of Political Economy*, 98(4):739-760.

Fri. Feb. 9 ***Things fall apart***

- Frieden, chapters 5-6

Mon. Feb. 12 ***Protection & depression***

- Frieden, chapters 7-8
- Eichengreen, Barry. “The Political Economy of the Smoot-Hawley Tariff.” FLB ch. 18.

Wed. Feb. 14 ***Reversing globalization***

- Frieden, chapters 9-10

Fri. Feb. 16 ***The end of gold***

- Broz, Lawrence. “The Domestic Politics of International Monetary Order.” FLB ch. 13.
- Eichengreen, Barry. 2011. “A critique of pure gold.” *National Interest* 115:35-45.
Recommended
- Eichengreen, Barry, and Peter Temin. 1997. “The Gold Standard and the Great Depression.” NBER Working Paper 6060. (www.nber.org/papers/w6060)

Mon. Feb. 19 ***International hegemony***

- Krasner, Stephen. “State Power and the Structure of International Trade.” FLB ch. 3.
- Ba, Heather. “The systemic causes of financial crises in the long nineteenth century.”
Business and Politics

Wed. Feb. 21 **Midterm 1**

III. The Second Wave of Global Capitalism

Fri. Feb. 23 *Rebuilding the international order*

- Frieden, chapters 11-12
- Aizenman, Joshua. “The impossible trinity (aka the Policy Trilemma).” FLB chapter 13.

Mon. Feb. 26 *The end of empire*

- Frieden, chapters 13-14
- Acemoglu, Daron. “Root Causes: A Historical Approach to Assessing the Role of Institutions in Economic Development.” FLB chapter 7.

Wed. Feb. 28 *Trade policy revisited*

- Davis, Christina L. “International institutions and issue linkage: Building support for agricultural trade liberalization.” FLB chapter 4.
- Bailey, Michael, Judith Goldstein, and Barry R. Weingast. “The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade.” FLB chapter 8.

Recommended

- Cowling, Keith, and Roger Sugden. 1998. “Strategic Trade Policy Reconsidered: National Rivalry vs. Free Trade vs. International Cooperation.” *Kyklos* 51(3):339-357.

Fri. Mar. 2 *The end of Bretton Woods (?)*

- Frieden, chapters 15-16

(Spring Break: Mar 3-11)

IV. The Global Political Economy today

Mon. Mar. 12 *The political economy of development*

- Ravenhill, chapter 13

Wed. Mar. 14 *Globalization successes*

- Frieden, chapters 17-18

Fri. Mar. 16 ***Globalization and the state***

withdraw deadline

- Ravenhill, chapter 11
Recommended
- Ravenhill, chapter 10

Mon. Mar. 19 ***Multinational corporations***

- Ravenhill, chapter 11
- Caves, Richard E. “The Multinational Enterprise as an Economic Organization.” FLB chapter 9.

Wed. Mar. 21 ***Foreign direct investment***

- Pandya, Sonal. “Labor markets and demand for foreign direct investment.” FLB chapter 10
- Simmons, Beth A. “Bargaining over BITs, arbitrating awards.” FLB chapter 11

Fri. Mar. 23 ***The global trading system***

- Ravenhill, chapter 5
- Baldwin, Richard. “The World Trade Organization and the future of multilateralism.” FLB chapter 22
Recommended
- Krugman, Paul. 1993. “What Do Undergrads Need to Know about Trade?” *American Economic Review* 83(2):23-26.

Mon. Mar. 26 ***Regional integration***

- Ravenhill, chapter 6.
- Burfisher, Mary E., Sherman Robinson, and Karen Thierfelder. 2001. “The impact of NAFTA on the United States.” *Journal of Economic Perspectives* 15(1):125-144.
Recommended
- Beachy, Ben. 2014. “NAFTA’s 20-year legacy and the fate of the Trans-Pacific Partnership.” *Public Citizen*, (<https://www.citizen.org/documents/NAFTA-at-20.pdf>).

Wed. Mar. 28 ***The global financial system: overview***

- Ravenhill, chapter 8
Recommended
- Copelovitch, Frieden, and Walter. “The political economy of the euro crisis.” FLB chapter 16.

Fri. Mar. 30 ***Currencies***

- McNamara, Kathleen R. “Making money: Political development, the greenback, and the euro.” *Working Paper PEIF-15*.
- Frieden, Jeffrey A. “Globalization and exchange rate policy.” FLB chapter 14.

Mon. Apr. 2 ***Competition and inequality***

Paper assignment handed out

- Ravenhill, chapter 12
 - Frieden, chapter 19.
- Recommended*
- Krugman, Paul. 1994. “Does Third World Growth Hurt First World Prosperity?” *Harvard Business Review* July: 113-121.

Wed. Apr. 4 ***Migration***

- Peters, Margaret E. “Open trade, closed borders: Immigration in the era of globalization.” FLB chapter 24
- Facchini, Mayda, and Mishra. “Do interest groups affect U.S. immigration policy? FLB chapter 25.

Fri. Apr. 6 ***Global crises***

- Frieden, chapter 20
 - Ravenhill, chapter 9
- Recommended*
- Bordo, Michael, Barry Eichengreen, Daniela Klingebiel and Maria Soledad Martinez-Peria. 2001. “Financial Crises: Lessons from the Last 120 Years.” *Economic Policy* 16(32):51-82.

Mon. Apr. 9 ***Revisiting trade***

- Conconi, Facchini and Zanardi. “Policymakers’ horizon and trade reforms: The protectionist effect of elections.” FLB chapter 21.
- Baker, Andy. “Who wants to globalize? Consumer tastes and labor markets in a theory of trade policy beliefs.” FLB chapter 20.

Wed. Apr. 11 ***Revisiting growth***

- Rodrik, Dani. “The past, present, and future of economic growth.” FLB chapter 27.
- Milanovic, Branko. “Global income inequality in numbers.” FLB chapter 26.

Fri. Apr. 13 ***Revisiting finance and national development***

- Frieden, Jeffrey. “The governance of international finance.” FLB chapter 32.
- Mansfield and Mutz. “US versus them: Mass attitudes toward offshore outsourcing.” FLB chapter 33.

Mon. Apr. 16 **Midterm 2**

V. The Global Political Economy of a T-shirt

Wed. Apr. 18 ***Cotton in the U.S.***

- Rivoli, Part I

Fri. Apr. 20 ***The rise of China***

- Rivoli, part II
Recommended
- Ravenhill, chapter 7

Mon. Apr. 23 ***Borders***

- Rivoli, part III

Wed. Apr. 25 ***The global free market***

- Rivoli, part IV, Conclusion, and Epilogue

Fri. Apr. 27 ***Looking to the future***

- Readings to be determined

Mon. Apr. 30 ***Paper due (request an extension if you need one!)***