

**INTL 4230 International Political Economy
Spring 2009, Call # 16-542**

Prof. Doug Stinnett

Office Hours

323 Candler Hall
Office Hours: Tue/Thur 3:30-4:30
Phone: 542-9810

Class

Tue/Thur 11:00-12:15
Location: SLC 207
Email: stinnett@uga.edu

Objectives

The objective of this class is to help you understanding the political underpinnings of economic interactions between countries, particularly the movement of goods (trade) and money (investment). Much of what we will study involves the behavior of private actors (individual people, corporations). But the actions of private economic actors are governed and regulated by political choices and government policy. It is these political choices that we will try to explain and understand. The agenda of the class is very broad, and we will discuss political theory, economic theory, contemporary events, and historical cases. In addition, we will spend some time discussing recent events in global credit markets. Be prepared to shift between theoretical topics and detailed policy discussions.

Course Materials

There are two required books for this class:

- Sobel, Andrew C. 2006. *Political Economy and Global Affairs*. Washington: CQ Press.
- Ferguson, Niall. 2008. *The Ascent of Money: A Financial History of the World*. New York: The Penguin Press.

Most of the other readings are journal articles available online, either through the UGA Library website or Google Scholar. I find that Google Scholar is the most convenient. A small number of readings are not online, but will be placed on reserve at the library reserve desk in both hardcopy and electronic form. The password for electronic reserves is: intl4230.

Requirements

You are required to attend class regularly and actively participate in class discussions. In addition, you will find the class more enjoyable if you are actively engaged. The readings will serve as the basis for our discussions. Some class meetings will be reserved for discussion and debate, but even on lecture days I will ask questions of the class and expect active participation. A portion of the final grade will be made up of my estimation of your degree of participation. A record of attendance will also be kept.

It is important that you **read the assigned materials prior to class**. It is vital that you keep up with the readings. The class meetings and readings work together: you will get more out of lectures if you have done the reading, and you will better understand the reading assignments if you attend class regularly. In addition, **if I feel that students are not doing the readings, I reserve the right to replace part of the participation grade with unannounced quizzes on the reading assignments.**

Grade Breakdown

Mid-term	30%
Final	30%
Essays	25%
Simulation Report	5%
Participation and attendance	10%

Letter Grades

A 92-100	A- 90-91.9	B+ 87-89.9	B 82-86.9	B- 80-81.9
C+ 77-79.9	C 72-76.9	C- 70-71.9	D 60-69.9	F <60

Policies

Office Hours: I encourage you to come see me with any questions or difficulties that you have about the readings or class discussions. I am also available by appointment outside of my office hours. You are free to ask me questions immediately after class, but be aware that my attention is often focused on several different things at this time. To get my complete attention, it is best to come see me in my office.

Honesty: All academic work must meet the standards contained in “A Culture of Honesty.” Students are responsible for informing themselves about those standards before performing any academic work. Violations of the honor code will result in the failure of the course.

Absences: Absences will be excused in case family emergency or documented illness. If you will be absent from class due to legitimate academic, religious, or university obligations please provide me with documentation in advance. Make-up examinations will be given at the earliest date convenient following the exam date. Exams will not be given in advance of the scheduled exam date. Since the reading essays will focus on readings that we will be discussing the day that each essay is due, I will not accept any late essays without a valid excuse.

Grade Re-evaluation: Students may ask the instructor to re-evaluate assignments that they feel have been graded incorrectly. Re-evaluation requests should be in the form of a short, typewritten statement explaining specifically why the student thinks that the grade should be reconsidered. These requests must be submitted to the instructor, along with the assignment, within one week after it has been returned to the class.

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Topical Outline and Readings

I. Introduction

Thur. January 8 Course Introduction

Tues. January 13 Globalization: What Exactly is It?

- Sobel: 1-12
- Ferguson, Niall. “Sinking Globalization.” *Foreign Affairs* March/April 2005.

Thur. January 15 Economic Ideology: States Versus Markets

Film “The Commanding Heights: The Battle of Ideas”

- Tues. January 20 Core Concepts and IR Theories
- Sobel: 103-115
 - Gilpin, Robert. "The Nature of Political Economy." **Reserve**

II. International Trade

- Thur. January 22 The Economics of International Trade
- Sobel: 117-125
 - Krugman, Paul. 1993. "What Do Undergrads Need to Know about Trade?" *American Economic Review* 83(2): 23-26.
- Tues. January 27 Interest Groups and the Domestic Politics of Trade Policy
- Sobel: 160-168
 - Sobel: Chapter 14
 - "The Battle of Smoot-Hawley." *The Economist*, December 20th, 2008.
- Thur. January 29 Lobbying, Reciprocity, and International Trade Cooperation
- Bailey, Michael A., Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy." *World Politics* (April): 309-338.
- Tues. February 3 Hegemony and Trade Integration
- Sobel: 182-188.
 - Krasner, Stephen D. 1976. "State Power and the Structure of International Trade." *World Politics* 28 (April): 317-347.
- Thur. February 5 Bretton Woods, the GATT, and the WTO
- Sobel: 244-259.
 - Bhagwati, Jagdish. 2005. "From Seattle to Hong Kong." *Foreign Affairs*. December.
- Tues. February 10 WTO and the Settlement of Trade Disputes
- Esserman, Susan, and Robert Howse. 2003. "The WTO on Trial." *Foreign Affairs* 82 (Jan/Feb): 130-140.
 - Wallach, Lori, and Michelle Sforza. 1999. "The WTO's Environmental Impact." *Whose Trade Organization? Corporate Globalization and the Erosion of Democracy*. Washington, DC: Public Citizen. **Reserve**
 - Iida, Kiesuke. 2004. "Is WTO Dispute Settlement Effective?" *Global Governance* 10: 207-225.
- Thur. February 12 Regional Trade Integration
- Baldwin, Richard E. 1997. "The Causes of Regionalism." *World Economy* 20 (November): 865-888.
- Tues. February 17 **No Class**
- Thur. February 19 International trade and economic development
- Rodrik, Dani. 2001. "Trading in Illusions." *Foreign Policy* (March/April): 55-62.
 - Sutherland, Peter D. 2008. "Transforming Nations: How the WTO Boosts Economies and Opens Societies." *Foreign Affairs* (March/April): 125-136
- Tues. February 24 International Trade and High Politics: Alliances and Trade Sanctions

- Joanne Gowa and Edward D. Mansfield. 1993 “Power Politics and International Trade.” *American Political Science Review* 87 (June): 408-420.

Thur. February 26 Catch-up day, review for midterm

Tues. March 3 **Midterm**

III. Money and Finance

Thur. March 5 Introduction to Money and Finance

- Sobel: 115-117
- Ferguson, Chapter 1

Spring Break March 9-13

Tue. March 17 Finance as a Source of Power: Bonds

- Ferguson, Chapter 2

Thur. March 19 Political Institutions as a Source of Finance

- Kenneth Schultz and Barry Weingast. 2003. “The Democratic Advantage: Institutional Foundations of Financial Power in International Competition.” *International Organization* 57 (Winter): 3-42.

Tues. March 24 Exchange Rates, the Trilemma, and the Gold Standard

- Sobel: 169-182, 318-320, 211-241
- Humpage, Owen F. 1998. “A Hitchhiker’s Guide to Understanding Exchange Rates.” *Economic Commentary: Federal Reserve Bank of Cleveland*.

Thur. March 26 Exchange Rates During and After the Bretton Woods System

- Sobel: 259-265, 275-284
- Sobel: Chapter 10

Tues. March 31 The Choice of Exchange Rate Regimes

- Broz, J. Lawrence, and Jeffrey A. Frieden. 2001. “The Political Economy of International Monetary Relations.” *Annual Review of Political Science* 4: 317-340.

Thur. April 2 Speculative Attacks

- Ferguson 305-319
- Bernhard, William and David Leblang. 2000. “The Politics of Speculative Attacks in Industrial Democracies.” *International Organization* 54 (Spring): 291-298. (Note: only read the first part of the article).

Tues. April 7 Investment, Multinational Corporations, and the Race to the Bottom

- Sobel 316-318
- Drezner, Daniel W. 2000. “Bottom Feeders.” *Foreign Policy*, (Nov./Dec): 64-70.
- Spar, Deborah, and David Yoffie. “Multinational Enterprises and the Prospects for Justice.” **Reserve**

IV. Contemporary Issues

- Thurs. April 9 Debt Relief
- Birdsall, Nancy, Dani Rodrik, and Arvind Subramanian. 2005. "How to Help Poor Countries." *Foreign Affairs*, July/August.
 - Easterly, William. 2001. "Debt Relief." *Foreign Policy* Nov./Dec., pp. 20-26.
- Tues. April 14 Economy and the Environment: Climate Change Simulation
- Note: Class today will be upstairs on the 4th floor of the SLC
- Thurs. April 16 The Housing Market Bubble
- Ferguson: Chapter 5
 - NPR/This American Life Podcast "The Giant Pool of Money."
http://www.thisamericanlife.org/Radio_Episode.aspx?episode=355
- Tues. April 21 The Credit Crunch and International Financial Crises
- Krugman, Paul. 1999. "The Return of Depression Economics." *Foreign Affairs*, 78(1).
- Thurs. April 23 China
- Ferguson: 332-340
 - Fallows, James. 2008. "Be Nice to the Countries That Lend You Money" *Atlantic Monthly*, December.
- Tues. April 28 Review for Final