

International Political Economy
Government 329
Spring 2006

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Office Hours: Tues. 11:50-12:50 or by appt.

I. Overview and Objectives:

This course takes a historical as well as theoretical approach to the study of international political economy (IPE) --i.e., the interaction between the pursuit of wealth and power in international relations. The primary focus is on how politics affect economic relations among (and sometimes within) nations. The assumption is that "markets" exist within, and/or are influenced by, political contexts and considerations --even in and between so-called free market economies. Thus, to understand international economic relations, it is also necessary to appreciate the role of politics.

The main aim of the course is two-fold. First, it will further develop your theoretical/analytical capacity (it is assumed you already have some familiarity with theoretical arguments from Govt 155 or its equivalent). We will concentrate on identifying the central argument in each of the readings and then assessing its worth. In general, we will be concerned with understanding the nature and determinants of the international political economy. In class discussions and writing papers, you will develop, and become more adept at presenting, your own point of view. Second, this course should provide a broad substantive introduction to IPE. We will do an overview of key phases in the development of the international economy from the 1500s to the present day. Furthermore, we will cover important aspects of contemporary political-economic relations such as trade, finance, development, foreign direct investment, and the multinational corporation. This is not a seminar on policy or current affairs. It is, however, intended to give you some historical background and conceptual skills for understanding those issues.

II. Course Requirements:

1. Class attendance, preparation, and participation are essential. **THIS IS NOT A LECTURE CLASS.** Discussion questions will (usually) be handed out ahead of time via e-mail in order to help you focus your reading. If the class does not, in general, keep up with the reading, presentations will be required. If discussions go well and people are basically keeping up, we won't do formal presentations.

2. Papers: There will be three 6-8 page papers. Late papers, without a documented excuse, will not be accepted.

III. Grades:

In-class participation: 25%

Papers: 25% each

IV. Course Readings:

There are **three** required texts for the course. The **first** is Jeffrey Frieden and David A. Lake, International Political Economy, 4th. ed. (2000). The **second** is Herman M. Schwartz, States Versus Markets, 2nd. ed., (2000). The **third** is Albert O. Hirschman, Exit, Voice, and Loyalty (1970). These are all available at the bookstore and one copy of each is on reserve. The rest of the readings should be on e-reserve. Let me know about any problems accessing the articles.

V. Course Outline:

I. Theories and Analytical Foci in IPE

1. Introduction: Thurs. Jan 26

2. Analytical Foci/ The Liberal Perspective: Tues. Jan 31

Readings: Frieden/Lake (F-L), pp. 1-16;

Gilpin, Robert, The Political Economy of International Relations, pp. 25-31; 43-46;

C. Coughlin, et. al, "Protectionist Trade Policies," in Frieden-Lake (F-L), pp. 303-317.

3. The Realist and Marxist Position: Thurs. Feb. 2

Readings: Gilpin, The Political Economy of International Relations, pp. 31-41, 46-64;

Albert O. Hirschman, The Structure of Foreign Trade, pp. 3-17.

II. History

4. The Rise of the West: Tues. Feb 7

Readings: Douglass C. North and Robert Paul Thomas, "An Economic Theory of the Growth of the Western World," The Economic History Review 23:1 (1970), pp. 1-17.

5. The Rise of the West II: Thurs. Feb 9

Readings: Wallerstein, Immanuel, "Three Paths of National Development in Sixteenth Century Europe," Studies in Comparative International

Development (1972), pp. 95-101.

Weber, Max, "The Protestant Sects and the Spirit of Capitalism," From Max Weber, pp. 302-322.

6. The Development of the State: Tues. Feb 14

Herman Schwartz, States Versus Markets, Chapters 1-3 (11-76).

7. The Age of Mercantilism and its Demise: Thurs. Feb 16

Readings: Viner, Jacob, "Power Versus Plenty as Objectives of Foreign Policy in the 17th and 18th Centuries," World Politics, 1 (1948), pp. 1-29.

Kindleberger, Charles P., "The Rise of Free Trade in Western Europe," in F-L, pp. 73-89.

8. Britain's Hegemony: Tues. Feb 21

Readings: Krasner, Stephen D., "State Power and the Structure of International Trade, in F-L, pp. 19-36.

Kennedy, Paul, The Rise and Fall of the Great Powers (NY: Random House 1987), pp. 143-158.

Herman Schwartz, States Versus Markets, Chapter 4 (77-101).

9. Critiques of the 19th Century Hegemony Thesis: Thurs. Feb 23

Readings: McKeown, Timothy J., "Hegemonic Stability Theory and 19th Century Tariff Levels in Europe," International Organization 37:1 (Winter 1983), pp. 73-91.

Gourevitch, Peter A., "International Trade, Domestic Coalitions, and Liberty," in F-L, 90-108.

10. The Periphery: Tues. Feb 28

Herman Schwartz, States Versus Markets, Chapters 5 & 6 (102-146).

PAPER #1 DUE

11. Imperialism: Thurs. March 2

Readings: Selections from V.I. Lenin, Imperialism: The Highest Stage of Capitalism, 110-119.

Cohen, Benjamin, The Question of Imperialism (NY: Basic Books, 1973), pp. 9-17, 72-80.

Gallagher and Robinson, "The Imperialism of Free Trade," The Economic History Review 7:1 (1953), pp. 1-15.

12. The Collapse of the 19th Century Economy: Tues. Mar 7

Readings: Herman Schwartz, States Versus Markets, Ch. 7 (147-176).

13. The Inter War Period: Thurs. Mar 9

Readings: Kindleberger, Charles, The World in Depression (Berkeley: University of California Press, 1986), pp. 288-306.

Herman Schwartz, States Versus Markets, Chapter 8 (177-196);

Eichengreen, Barry, "The Political Economy of the Smoot-Hawley Tariff," in F-L, pp. 37-46.

SPRING BREAK: MARCH 11th-26th

III. IPE as a Methodology

14. Using Economic Models to Explain Politics: Tues. Mar 28

Readings: Albert O. Hirschman, Exit, Voice, and Loyalty (1970), entire.

IV. Into the Contemporary Era

15. Pax Americana: Thurs. Mar 30

Readings: Frieden-Lake, pp. 299-301;

Lake, David, "British and American Hegemon Compared: Lessons for the Current Era of Decline, " in F-L, pp. 127-139.

16. Pax Americana II: Tues. April 4

Coughlin, Chrystal, and Wood, "Protectionist Trade Policies," in F-L, pp. 303-317.

Russett, Bruce, "The Mysterious Case of Vanishing Hegemony; or, is Mark Twain Really Dead?" International Organization 39:2 (1985), pp. 207-231.

17. International and Domestic Institutions: Thurs. April 6

Readings: Keohane, Robert, "Cooperation and International Regimes," in After Hegemony (Princeton, 1984), pp. 49-64.

Rogowski, Ronald, "Commerce and Coalitions," in F-L, pp. 318-326.

18. Strategic Trade: Tues. April 11

Readings: Krugman, Paul, Rethinking International Trade (MIT Press, 1990), pp. 1-8.

Krugman, Paul, "Competitiveness: A Dangerous Obsession," Foreign Affairs 73:2 (1994), pp. 28-44

Prestowitz, et. al., "The Fight Over Competitiveness,," Foreign Affairs 73:4 (1994), 186-203.

Cox, Ronald, "Explaining Business Support for Regional Trade Agreements," in F-L, 366-376.

PAPER #2 DUE

19. International Finance: Thurs. April 13

Readings: Frieden-Lake, pp. 193-197.

Broz, Lawrence, "The Domestic Politics of International Monetary Order" in F-L, pp. 199-219;

Eichengreen, Barry, "Hegemonic Stability Theories of the International Monetary System," in F-L, pp. 220-244.

20. International Finance II: Tues. Apr 18

Cohen, Benjamin J., "The Triad and The Unholy Trinity," in F-L, pp. 245-256;
Goodman and Pauly, "The Obsolescence of Capital Controls?" in F-L,
pp. 280-297.
Herman Schwartz, States Versus Markets, Chapter 9 (197-218).

21. MNCs and Foreign Direct Investment: Thurs. Apr 20

Readings: Frieden-Lake, 141-144;
Strange, Susan, "States, Firms, and Diplomacy," in F-L, pp. 60-67;
Tarzi, Shah M., "Third World Governments and Multinational Corporations" in
F-L, pp. 156-166;
Freeman, Richard B., "Are Your Wages Set in Beijing?," in F-L, pp. 343-352.

22. Perspectives on "Development": Tues. Apr 25

Stiglitz & Squire, "International Development: Is it Still Possible?," in F-L,
pp. 383-391;
Broad, Cavanagh, and Bello, "Development: The Market is Not Enough," in F-L,
pp. 392-404;
Haggard, Stephan, "Inflation and Stabilization" in F-L, 417-429.

23. Development II: Thurs. Thurs. Apr 27

Herman Schwartz: States Versus Markets, Chapters 11 & 12 (238-280).

24. Development III: Tues. May 2

Lubeck, Paul M., "The Crisis of African Development: Conflicting Interpretations
and Resolutions," Annual Review of Sociology 18 (1992): 519-40;
Wade, "East Asia's Economic Success: Conflicting Perspectives, Partial
Insights and Shaky Evidence," World Politics 44 (January 1992), pp. 270-
320.
Herbst, Jeffrey, "War and the State in Africa," International Security 14:4 (Spring
1990); pp. 1127-139.

25. Globalization: Thurs. May 4

Rodrik, Dani "Sense and Nonsense in the Globalization Debate," in F-L,
pp. 461-470;
Cerny, Philip G., "Globalization and the Changing Logic of Collective Action," in
F-L, pp. 446-460;
Butler, "Environmental Protection and Free Trade," in F-L, pp. 433-445.

26. U.S.: A Declining Hegemon?: Tues. May 9

Herman Schwartz, States Versus Markets, Chapters 13 and 14 (281-318).
PAPER #3 DUE

