

## INTERNATIONAL POLITICAL ECONOMY

Political Science 3389, Spring 2017

TuTh 11:00am–12:20pm, Fondren Science (FOSS) Building 152

Web page: <http://canvas.smu.edu>

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Office hours:  
Tu 3:00-5:00pm

“The science of economics presupposes a given political order and cannot profitably be studied in isolation from politics.” (E.H. Carr, *The Twenty Years' Crisis*)

### Course Description and Objectives

This course offers a general introduction to theories and issues in international political economy. In particular, it examines the political and economic conditions conducive to the development of cooperative behavior and bargaining among industrialized states as well as between rich and poor countries. Upon successful completion of this course, students will be able to:

- (1) critically evaluate international politics and economics by seeing more clearly the relationship between the two;
- (2) develop analytical skills in writing, speaking, and problem solving;
- (3) understand the history and evolution of the international political economy;
- (4) develop research skills; and
- (5) prepare for careers that have an international dimension, whether in the private or public sectors, or post-graduate study in related fields.

### Course Requirements

1. Attendance and participation (20% of a student's course grade): Attendance at lecture and participation in discussion are mandatory. The readings vary in length and difficulty but average about 150 pages per week. You are expected to attend all the lectures and do the required readings. Come to class **prepared and ready to participate** in discussing the material assigned in the readings. Most importantly, *students are required to turn in a **memo** by **emailing** it to the instructor by **Wednesday at 5pm***. An unexcused absence will adversely affect your course grade, as will being present but unprepared to participate, or participating without being prepared.

*After four unexcused absences, I may drop you from the course or give an FA (F for attendance) to your course grade. An excused absence is almost exclusively restricted to religious reasons, certain university activities, documented medical conditions, or documented family emergencies. Absences for religious reasons or for university*

extracurricular activities require communication with me at the **beginning** of the semester. It is **your** responsibility to make arrangements with me **prior** to any missed scheduled examination or other missed assignment for making up the work.

Ultimately your attendance and participation grade turns on **my** impression of how seriously you take this course. It is **your** responsibility to take this course seriously and let me know that. How? Attend class; be prepared for class—read the assignments for understanding, be ready to ask and answer questions, take an informed role in discussions, and most importantly, write a good memo; **arrive early** to class; remain for the entire class; *be attentive in class without distracting me or your classmates with cell phones, text messages, side conversations, bathroom trips, coming-and-going, and so forth*; complete assignments when due; and demonstrate your understanding on the essays and other assignments. Laptops, cell phones, iPhones, and any other *electronic devices may not be used in class—**not even for note-taking.***

Students are expected to do the assigned reading **before** class; to have read **actively**, comparing what they are reading with what they already know through other readings in this class or other classes to join class discussions.

2. **Two Take-home midterms** (15% each): The first take-home midterm will be made available on Feb. 14 and due Feb. 21, and the second take-home midterm will be made available on Mar. 30 and due Apr. 6. The exam is open book and open notes and will require 7 pages (typed, double-spaced, 12-point font) of writing. No extensions will be granted except in the case of a serious illness or a death in the family. **Please plan to finish the assignment prior to the due date, and leave adequate time to work out any computer or printer problems that may arise.**
3. **Research paper** (35%): Each student will be required to write a 15 page research paper (typed, double-spaced, and 12-point font) on a controversial issue in international political economy. Topics and readings for the paper should be developed in close consultation with the course instructor. *Each paper must be re-written, taking into account criticism of your first draft.* Each student is *required to meet the following due dates:*

Paper topic / question	Feb. 2
Progress report	Mar. 2
First draft	Mar. 30
Final draft	May 4

Each research paper will be evaluated based on the final draft. However, *the paper will not be graded and given an F if you have not turned in the first draft or some of the previous assignments.* Moreover, if you turn in the first draft late, your research paper grade will be marked down with 20%. *A paper written without close consultation with the instructor will not be graded and given an F.* If you receive an F for the research paper, you will also receive an F for your course grade. **Late papers will not be accepted.** More detailed information on this assignment will be posted on the course web site.

4. Take-home final (15%): The take-home final will be made available on May 4 and due May 12 at 5:00pm by email. It will cover material from the entire semester but mainly from Parts III. The exam is open book and open notes and will require 7 pages (typed, double-spaced, 12-point font) of writing. **Late assignments will not be accepted.** Incompletes will be granted only in circumstances beyond your control: e.g., illness or family emergencies.

*Each of you must meet with Professor Takeuchi for 20 minutes in the first weeks of the semester. Sign up for an appointment time during the first day in class. Be punctual.*

### **Disability Accommodations**

If you need academic accommodations for a disability, it is **your** responsibility to first contact Disability Accommodations & Success Strategies (DASS) at 214-768-1470 or [www.smu.edu/alec/dass.asp](http://www.smu.edu/alec/dass.asp) to verify the disability and establish eligibility for accommodations. You should then schedule an appointment with me to make appropriate arrangements. (See University Policy No. 2.4)

### **Religious Observance**

If you wish to be absent on religiously observed holidays that require missing class, you should notify me in **writing** at the **beginning** of the semester, and should discuss with me, **in advance**, acceptable ways of making up any work missed because of the absence. (See University Policy No. 1.9)

### **Excused Absences for University Extracurricular Activities**

If you participate in an officially sanctioned, scheduled University extracurricular activity, you will be given the opportunity to make up class assignments or other graded assignments missed as a result of your participation. It is **your** responsibility to make arrangements with me **prior** to any missed scheduled examination or other missed assignment for making up the work. (University Undergraduate Catalogue)

### **Books and Readings**

The following books are available for purchase at the bookstore. Readings marked with an asterisk (\*) are available electronically on the course webpage at the Canvas (<http://courses.smu.edu>). There may be changes in the readings and assignments below. This course requires use of the Blackboard.

Angus Deaton, *The Great Escape: Health, Wealth, and the Origins of Inequality* (Princeton, NJ: Princeton University Press, 2013).

Jeffrey A. Frieden, David A. Lake, and J. Lawrence Broz (indicated as FLB below), *International Political Economy: Perspectives on Global Power and Wealth*, 5<sup>th</sup> edition (New York: W. W. Norton & Company, 2010).

Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, The War Machine, and International Relations Theory* (New York: Cambridge University Press, 2009).

Michael L. Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton, NJ: Princeton University Press, 2012).

## **Schedule and Reading Assignments**

Readings provide background on topics covered in class lectures and discussions, so read the assignment **before** the class for which they are assigned. Because the course will make frequent reference to current events, you should make a habit of *reading a respectable newspaper on a regular basis* and pay attention to the events of international political economy.

### **1. Introduction (Jan. 24)**

“Introduction: International Politics and International Economics” in FLB (pp. 1–19).

### **2. Theories and History of International Political Economy (1): Realism (Jan. 26)**

Stephen D. Krasner, “State Power and the Structure of International Trade” in FLB (pp. 23–41).

David Lake, “British and American Hegemony Compared: Lessons for the Current Era of Decline” in FLB (pp. 139–152).

\* Kenneth N. Waltz, “Globalization and Governance,” *PS: Political Science and Politics* 32 (December 1999): pp. 693–700.

\* Michael J. Mazarr, “The Once and Future Order: What Comes after Hegemony?” *Foreign Affairs* 96(1) (January/February 2017): pp. 25–32.

\* Evan A. Feigenbaum, “China and the World: Dealing with a Reluctant Power,” *Foreign Affairs* 96(1) (January/February 2017): pp. 33–40.

\* Kori Schake, “Will Washington Abandon the Order? The False Logic of Retreat,” *Foreign Affairs* 96(1) (January/February 2017): pp. 41–46.

### **3. Theories and History of International Political Economy (2): Domestic Politics (Jan. 31)**

Barry Eichengreen, “The Political Economy of the Smoot-Hawley Tariff” in FLB (pp. 42–52).

Cheryl Schonhardt-Bailey, “Free Trade: The Repeal of the Corn Laws” in FLB (pp. 87–97).

Peter Alexis Gourevitch, "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873–1896" in FLB (pp. 98–118).

Michael Bailey, Judith Goldstein, and Barry R. Weingast, "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade," in FLB (pp. 422–442).

#### **4. Theories and History of International Political Economy (3): Liberalism (Feb. 2)**

Jeffrey A. Frankel, "Globalization of the Economy" in FLB (pp. 63–81)

McDonald, chapters 2–3 (pp. 23–76).

In preparation for the class discussion, you are required to watch the documentary film, "**Commanding Heights, The Battle for the World Economy: Episode 1, The Battle of Ideas**" (available at the Fondren Library Center AV Collection: call number IDD00890; also available at the You Tube, <https://www.youtube.com/watch?v=DoWbm8zUG6Y>) by Feb. 1.

#### **RESEARCH PAPER TOPIC AND QUESTION DUE FEB 2.**

#### **5. Political Economy of Development in Africa (Feb. 7)**

**[Guest Lecturer: Dr. Karisa Cloward]**

\* Paul Collier and Jan Gunning, "Why Has Africa Grown Slowly?" *Journal of Economic Perspectives* 13(3) (1999): 3–22.

\* Nicolas van de Walle, *African Economies and the Politics of Permanent Crisis, 1979-1999*. Cambridge; New York: Cambridge University Press (2001): Chapter 1.

\* Daron Acemoglu, Simon Johnson, and James A. Robinson. 2003. "An African Success Story: Botswana." In Dani Rodrik, ed., *In Search of Prosperity: Analytic Narratives on Economic Growth* (Princeton, NJ: Princeton University Press, 2003): pp. 80–119.

#### **6–7. Capitalist Peace vs. Democratic Peace (Feb. 9 & 14)**

McDonald, chapters 4–9 (pp. 77–283).

#### **8. Foreign Economic Policy Making in Action (1): NAFTA and Mexico (Feb. 16)**

**[Guest Lecturer: Hon. Francisco de la Torre, Consul General of Mexico in Dallas]**

## **9. Multinational Corporations in Action (Feb. 21)**

**[Guest Lecturer from Toyota Motor Corporation]**

**The first midterm distributed on Feb. 14 and due at the start of class on Feb. 21.**

## **10. Political Economy of Multinational Corporations and Production (Feb. 23)**

Richard E. Caves, “The Multinational Enterprise as an Economic Organization” in FLB (pp. 157–168)

Shah M. Tarzi, “Third World Governments and Multinational Corporations: Dynamics of Host’s Bargaining Power” in FLB (pp. 169–179)

\* Fukunari Kimura, “How Have Production Networks Changed Development Strategies in Asia?” in Deborah K. Elms and Patrick Low, *Global Value Chains in a Changing World* (Geneva: WTO Publications, 2013): pp. 361–383.

## **11. Political Economy of Money and Finance (Feb. 28)**

J. Lawrence Broz, “The Domestic Politics of International Monetary Order: The Gold Standard,” in FLB (pp. 223–245).

Barry Eichengreen, “Hegemonic Stability Theories of the International Monetary System,” in FLB (pp. 246–272).

Benjamin J. Cohen, “The Triad and the Unholy Trinity: Problems of International Monetary Cooperation,” in FLB (pp. 272–285).

Jeffrey A. Frieden, “Globalization and Exchange Rate Policy,” in FLB (pp. 286–297).

Sergio L. Schmukler, “Financial Globalization: Gain and Pain for Developing Countries,” in FLB (pp. 314–336).

Recommended Film: “**Margin Call**” (available at the Fondren Library Center AV Collection: call number IDD07014).

## **12. Political Economy of the European Union (Mar. 2)**

**[Guest Lecturer: Dr. James Hollifield]**

Matthew Gabel, “Divided Opinion, Common Currency: The Political Economy of Public Support for EMU,” in FLB (pp. 297–313).

\* Nicolas Berggruen and Nathan Gardels, “The Next Europe: Toward a Federal Union,” *Foreign Affairs* 92(4) (July/August 2013): pp. 134–142.

\* Matthias Matthijs and R. Daniel Keleman, “Europe Reborn: How to Save the European Union from Irrelevance,” *Foreign Affairs* 94(1) (January/February 2015): pp. 96–107.

\* Ngaire Woods, “The European Disunion: How the Continent Lost Its Way,” *Foreign Affairs* 95(1) (January/February 2016): pp. 160–165.

\* Jakub Grygiel, “The Return of Europe’s Nation States: The Upside to the EU’s Crisis,” *Foreign Affairs* 95(5) (September/October 2016): pp. 94–101.

\* Matthias Matthijs, “Europe after Brexit: A Less Perfect Union,” *Foreign Affairs* 96(1) (January/February 2017): pp. 85–95.

## **RESEARCH PAPER PROGRESS REPORT DUE MAR. 2.**

### **13. Political Economy of International Trade (1): Theories (Mar. 7)**

Celtus C. Coughlan, “The Controversy over Free Trade: The Gap between Economists and the General Public” in FLB (pp. 341–364).

James E. Alt and Michael Gilligan, “The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions” in FLB (pp. 376–392).

Richard B. Freeman, “Are Your Wages Set in Beijing?” in FLB (pp. 393–403).

Alan V. Deardorff and Robert M. Stern, “What You Should Know about Globalization and the World Trade Organization” in FLB (pp. 404–421).

\* Douglass A. Irwin, “The Truth about Trade: What Critics Get Wrong about the Global Economy,” *Foreign Affairs* 95(4) (July/August 2016): pp. 84–95.

### **14. Political Economy of International Trade (2): Free Trade Agreements (Mar. 9)**

\* Carla A. Hills, “NAFTA’s Economic Upsides: The View from the United States,” *Foreign Affairs* 93(1) (January/February 2014): pp. 122–127.

\* Michael Wilson, “NAFTA’s Unfinished Business: The View from Canada,” *Foreign Affairs* 93(1) (January/February 2014): pp. 128–133.

\* Jorge G. Castaneda, “NAFTA’s Mixed Record: The View from Mexico,” *Foreign Affairs* 93(1) (January/February 2014): pp. 134–141.

\* Michael Froman, “The Strategic Logic of Trade: New Rules of the Road for the Global Market,” *Foreign Affairs* 93(6) (November/December 2014): pp. 111–118.

\* Xinyuan Dai, “Who Defines the Rules of the Game in East Asia? The Trans-Pacific Partnership and the Strategic Use of International Institutions,” *International Relations of the Asia-Pacific* 15(1) (2015): pp. 1–25.

In preparation for the class discussion, you are required to watch the documentary film, **“Commanding Heights, The Battle for the World Economy: Episode 2, The Agony of Reform”** (available at the Fondren Library Center AV Collection: call number IDD00890; also available at the You Tube, <https://www.youtube.com/watch?v=oykvdDm0qwk>) by Mar. 8.

### **15. Economies in Development and Globalization (Mar. 21)**

David Dollar, “Globalization, Poverty, and Inequality since 1980” in FLB (pp. 447–467).

Daron Acemoglu, “Root Causes: A Historical Approach to Assessing the Role of Institutions in Economic Development” in FLB (pp. 468–473).

Jeffery G. Williamson, “Globalization and Inequality, Past and Present” in FLB (pp. 474–485).

Razeen Sally, “The Political Economy of Trade Policy Reform: Lessons from Developing Countries,” in FLB (pp. 486–504).

### **16. Backlash to Globalization (Mar. 23)**

Kenneth F. Scheve and Matthew J. Slaughter, “A New Deal for Globalization” in FLB (pp. 536–545).

Dani Rodrik, “How to Save Globalization from Its Cheerleaders” in FLB (pp. 546–566).

Simon Johnson, “The Quiet Coup” in FLB (pp. 567–581).

In preparation for the class discussion, you are required to watch the documentary film, **“Commanding Heights, The Battle for the World Economy: Episode 3, New Rules of the Game”** (available at the Fondren Library Center AV Collection: call number IDD00890; also available at the You Tube, <https://www.youtube.com/watch?v=bSGAJTJzgLA>) by Mar. 22.

Recommended Films: **“Mardi Gras: Made in China”** (available at the Fondren Library Center AV Collection: call number IDD02113); **“China Blue”** (available at the Fondren Library Center AV Collection: call number IDD04489).

## **17. Backlash to Globalization in the United States (Mar. 28)**

\* Robert D. Blackwill and Jennifer M. Harris, “The Lost Art of Economic Statecraft,” *Foreign Affairs* 95(2) (March/April 2016): pp. 99–110.

\* Jacob J. Lew, “America and the Global Economy: The Case for U.S. Leadership,” *Foreign Affairs* 95(3) (May/June 2016): pp. 56–68.

\* Jacob S. Hacker and Paul Pierson, “Making America Great Again: The Case for the Mixed Economy,” *Foreign Affairs* 95(3) (May/June 2016): pp. 69–90.

\* Jason Furman, “The Truth about American Unemployment: How to Grow the Country’s Labor Force,” *Foreign Affairs* 95(4) (July/August 2016): pp. 127–138.

\* Katherine S. Newman and Hella Winston, “Make America Make Again: Training Workers for the New Economy,” *Foreign Affairs* 96(1) (January/February 2017): 114–121.

Recommended Film: “**Roger and Me**” (available at the Fondren Library Center AV Collection: call number IDD04037).

## **18. Political Economy of the Global Environment (Mar. 30)**

Jefferey A. Frankel, “Globalization and the Environment,” in FLB (pp. 507–535).

\* Matthew M. Mench, “High Hopes for Hydrogen: Fuel Cells and the Future of Energy,” *Foreign Affairs* 94(6) (November/December): pp. 117–123.

\* Veerabhadran Ramanathan, Jessica Seddon, and David G. Victor, “The Next Front on Climate Change: How to Avoid a Dimmer, Drier World,” *Foreign Affairs* 95(2) (March/April 2016): pp. 135–142.

\* Varun Sivaram and Teryn Norris, “The Clean Energy Revolution: Fighting Climate Change with Innovation,” *Foreign Affairs* 95(3) (May/June 2016): pp. 147–156.

Recommended Film: “**An Inconvenient Truth: A Global Warning**” (available at the Fondren Library Center AV Collection: call number IDD 02942).

## **RESEARCH PAPER FIRST DRAFT DUE MAR. 30.**

## **19. Foreign Economic Policy Making in Action (2): NAFTA and Canada (Apr. 4)**

[Guest Lecturer: Hon. Sara Wilshaw, Consul General of Canada in Dallas]

**20. NO CLASS (Apr. 6)**

**The second midterm distributed on Mar. 30 and due Apr. 6 by email.**

**21. The Oil Curse (1): Wealth and Curse (Apr. 11)**

Ross, chapters 1–2 (pp. 1–62).

**22. International Migration (Apr. 13)**

**[Guest Lecturer: Dr. James Hollifield]**

Readings: TBD

**23–24. The Oil Curse (2): Causes and Consequences (Apr. 18 & 20)**

Ross, chapters 3–7 (pp. 63–253).

**25. Political Economy of the Middle East (Apr. 25)**

**[Guest Lecturer: Ambassador Robert Jordan, former U.S. Ambassador to Saudi Arabia]**

Recommended Film: “Wadjda” (available at the Fondren Library Center AV Collection: call number IDD 01314).

**26–28. Health, Wealth, and Inequality (Apr. 27, May 2 & 4)**

Deaton, entire (329 pages)

**RESEARCH PAPER FINAL DRAFT DUE MAY 4.**

**The take-home final distributed on May 4 and due May 12 at 5pm by email.**