

**POLI 354 - 001: INTERNATIONAL POLITICAL ECONOMY**  
DEPARTMENT OF POLITICAL SCIENCE, TULANE UNIVERSITY  
FALL 2010  
MONDAY AND WEDNESDAY 4:30-5:45PM, 307 TILTON

**INSTRUCTOR: PATRICK J. W. EGAN**  
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Office Hours: MW, 1:00-2:30PM, or by appointment

**Objectives:** This course provides an introduction to the study of International Political Economy. The intersection between international politics and international economics is a fascinating place. We will examine the ways in which governments adapt to the pressures of the global economy and respond to pressures from within their own societies. We shall examine such topics as international trade theory, the domestic politics of exchange rate regimes, and the bargaining that occurs between multinational corporations and state governments. This course is designed to equip you with a sound understanding of how the world economy influences and is influenced by political developments, both in advanced industrialized states and developing nations. We will also emphasize the historical development of the world economy, concentrating on efforts to govern international trade, exchange rate regimes, and international financial crises. Other topics include the politics of international aid, the impact of natural resources on country development strategies, and contemporary debates about the merits of globalization. In every aspect of the course, we will attempt to consider not only what happened when, but also various theoretical explanations for events.

**REQUIRED READING**

Two textbooks are required for this course. Copies are available at the Tulane student store and elsewhere.

- Thomas Oatley. 2010. *International Political Economy: Interests and Institutions in the Global Economy*. 4<sup>th</sup> Edition. New York: Longman.
- Jeffry Frieden, David Lake, and Lawrence Broz (Eds). 2009. *International Political Economy: Perspectives on Global Power and Wealth*. 5<sup>th</sup> Edition. Belmont, CA: Wadsworth/Thomson.

In addition to the required books, there will be several readings from other sources. Links to these readings will be posted and available on the blackboard site for the course, or emailed directly to the students. Readings not found in the two course texts are marked with a \* in the course schedule. The blackboard site will also contain other important material for the course, including assignments, study guides for exams, and so on.

**RECOMMENDED READING**

Being informed about what is going on in the world is always a good idea. We will spend some time in this course discussing contemporary issues in IPE, and though it is not required I highly recommend spending a little time each day checking the international news. Keeping up with current events in IPE will enhance the quality of our discussions as we apply what we are learning. Listed below are some of the best news sources you can use to stay abreast of developments.

- *The Financial Times* (London business newspaper)
- *The Economist* (weekly British newsmagazine)
- *The Wall Street Journal*
- *The New York Times*

**CLASS FORMAT**

This class will meet twice a week for an hour and fifteen minutes. Due to the small size of the class, we will have ample opportunity for group discussion. I typically will give background information at the beginning of each class period, especially if a particular concept needs to be emphasized. However, you and another student or two will assist in leading the weekly discussion twice during the semester, and will forward discussion questions to the rest of the class by Friday afternoon (5PM) of the week preceding your assigned week. Your leadership of the discussion, along with the questions you send out, will be evaluated as part of your participation grade. Participation in class discussion is mandatory, and I expect all students to come to class having read the assigned reading for the day (and the discussion questions forwarded by your classmates) and ready to comment and/or ask questions. Remember, no question is too small or too obvious. Chances are your classmates will be wondering the same thing.

**COURSE REQUIREMENTS**

- Research Paper: 25%
- Midterm Exam: 20%
- Final Exam: 30%
- Attendance and Participation in Discussion (including discussion questions): 15%
- Pop Quizzes: 10%

**Paper (25%)**

You are required to write a research paper (10 pages double-spaced, Times New Roman 12 point font) during the course of the semester. These papers will be analytical in nature: I will ask you to defend an argument with material from the course and from your own outside research. This assignment gives you the opportunity to conduct independent research on a topic of interest to you, as long as it is within the confines of International Political Economy. If the content of a particular section of the course catches your eye and you want to explore it as a basis for your paper let me know and I can provide you with additional readings and suggestions.

I will send you more thorough guidelines on the paper within the first weeks of the semester. **These papers are due in class on November 17<sup>th</sup>**, but may be submitted earlier. I require students to submit arguments and outlines of their papers (just a page or two) on or before **October 20<sup>th</sup>**, so I can look over your argument and give you feedback. I only accept hard copies of papers – no email attachments please. The penalty for late papers is three points (out of 50) for each day late.

Papers should be clearly organized and argued. All papers should have an introduction that includes a thesis statement for the paper, followed by clear and methodical development of the argument, ending with a conclusion summarizing the main points of the paper. These papers are not creative writing exercises, but should be persuasive and analytical. Your goal should be to convince the reader of a particular argument with relevant material from your research, including quantitative and/or qualitative data. I have a zero-tolerance policy for plagiarism – all work done on this paper must be your own or properly cited. If you are unclear what constitutes plagiarism, please see me in office hours or we can schedule an appointment to discuss.

**Exams (50%)**

There will be two exams during the semester – a midterm (worth 20%) and a final (worth 30%). Each of these exams will consist of a series of short answer questions. The midterm exam will cover the readings and the lesson notes from the first half of the course, while the final exam will be cumulative (but heavily weighted toward the second half of the course). I will provide a study guide prior to each exam. **The midterm exam will be held Wednesday, October 6<sup>th</sup> in class and the final exam is scheduled for Sunday, December 12<sup>th</sup> at 8:00AM.**

**Attendance and Participation (15%)**

Attendance in class will increase your chances of a better grade. However, being in class is not enough – you should participate and ask questions. Given that enrollment for this class is not large, I do not anticipate lack of discussion as a problem. Demonstration of having done the reading for the week will result in a better participation grade. Discussion questions are included in this portion of your grade. Please advise me ahead of time if you will miss class or afterward if you are ill. *Missing more than five classes is grounds for failing the course, regardless of other work done in class.*

**Pop Quizzes (10%)**

Pop quizzes are possible at the start of every class. These are not intended to be difficult, only to encourage you to do the reading and come to class prepared. The final average of the quizzes will count for 10% of the final grade. I will drop the lowest quiz grade.

**POLICY ON EXAM ABSENCES AND MAKE-UP EXAMS**

YOU ARE REQUIRED TO BE PRESENT FOR ALL SCHEDULED EXAMS. THE ONLY ALLOWABLE EXCEPTION TO THIS POLICY IS A DOCUMENTED MEDICAL OR OTHER EMERGENCY (PROOF OF MEDICAL VISIT OR EXCUSE FROM THE DEAN'S OFFICE) OR IF **PRIOR** ARRANGEMENTS ARE MADE WITH THE INSTRUCTOR.

## COURSE SCHEDULE

N.B. SCHEDULE AND READINGS ARE SUBJECT TO CHANGE

DATE	TOPIC	ASSIGNED READINGS
August 23 (M)	Course overview and introduction	
August 25 (W)	Current Crisis	- Johnson, "The Quiet Coup" Ch. 32 in F&L - Scheve and Slaughter, "A New Deal for Globalization" Ch.30 in F&L
August 30 (M)	What is IPE and how do we understand it?	-Oatley, Chapter 1 -Introduction in F&L
September 1 (W)	IPE theory – international political and economic explanations	-Krasner, "State Power and the Structure of International Trade" Ch. 1 in F&L -Frankel, "Globalization of the Economy " Ch. 4 in F&L
September 6 (M)	NO CLASS – LABOR DAY	
September 8 (W)	IPE theory – domestic institutional and societal perspectives	-Eichengreen, "The Political Economy of the Smoot-Hawley Tariff" Ch. 2 in F&L -Sokoloff and Engerman, "History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World" Ch. 3 in F&L
September 13 (M)	IPE theory – structuralism  Introduction to trade history	* Lindblom, Charles. 1982. The Market as Prison. <i>Journal of Politics</i> , 44(2): 3-11. * Findlay, Ronald and Kevin O'Rourke. 2002. Commodity Market Integration, 1500-2000. Columbia University Discussion Paper.
September 15 (W)	Modern trade institutions and explanations for trade cooperation	-Oatley, Chapters 2 and 3
September 20 (M)	The evolution of world trade	- Schonhardt-Bailey, "Free Trade: The Repeal of the Corn Laws" Ch. 5 in F&L -Gourevitch, "International Trade, Domestic Coalitions, and Liberty..." Ch. 6 in F&L
September 22 (W)	Trade and domestic politics I	-Oatley, Chapter 4 -Rogowski, "Commerce and Coalitions: How Trade Affects Domestic Political Alignments" Ch. 20 in F&L
September 27 (M)	Trade and domestic politics II	-Oatley, Chapter 5 -Alt and Gilligan, "The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions" Ch. 21 in F&L
September 29 (W)	Regional trade integration	* Fiorentino, Roberto et al. 2007. The Changing Landscape of Regional Trade Agreements. World Trade Organization. * Cox, Ronald. 2000. Explaining Business Support for Regional Trade Agreements. In edited volume.
October 4 (M)	NO CLASS	
October 6 (W)	MIDTERM EXAMINATION	
October 11 (M)	Multinational corporations	-Oatley, Chapters 8 and 9
October 13 (W)	State development strategies and multinationals	-Tarzi, "Third World Governments and Multinational Corporations: Dynamics of Host's Bargaining Power" Ch. 10 in F&L -Drezner "Globalization and Policy Convergence" Ch. 12 in F&L

October 18 (M)	History of the international monetary system and current characteristics	-Oatley, Chapters 10 and 11
October 20 (W)	Explanations for ER regimes I <i>Paper argument and outline due in class</i>	-Oatley, Chapter 12 -Broz, "The Domestic Politics of International Monetary Order: The Gold Standard" Ch. 13 in F&L
October 25 (M)	Explanations for ER regimes II	-Oatley, Chapter 13 -Eichengreen, "Hegemonic Stability Theories of the International Monetary System" Ch. 14 in F&L
October 27 (W)	ER politics Monetary integration in Europe	-Cohen, "the Triad and the Unholy Trinity" Ch. 15 in FL -Reading on Euro TBA
November 1 (M)	Development: historical processes	* Gerschenkron, Alexander. 1962. <i>Economic Backwardness in Historical Perspective: A Book of Essays</i> . Cambridge: Harvard University Press. Pages 1-52 -Acemoglu, "Root Causes: A Historical Approach to Assessing the Role of Institutions in Economic Development" Ch. 26 in F&L.
November 3 (W)	Development and state strategies	-Dollar. "Globalization, Poverty, and Inequality since 1980" Ch. 25 in F&L. * Bruton, Henry. 1998. A Reconsideration of Import Substitution. <i>Journal of Economic Literature</i> , 36(2): 903-36
November 8 (M)	Short-term capital flows and offshore centers	-Schmukler, "Financial Globalization: Gain and Pain for Developing Countries" Ch. 18 in F&L * Darbar et al. 2003. Assessing Offshore Financial Centers: Filling a Gap in Global Surveillance. <i>Finance and Development</i> , pp. 32-35
November 10 (W)	Financial crises and governmental responses	-Oatley, Chapters 14 and 15
November 15 (M)	Explanations for economic reform in developing countries	* Haggard, Stephan and Sylvia Maxfield. 1996. The Political Economy of Financial Liberalization in the Developing World. <i>International Organization</i> , 50(1): 35-68. * Schamis, Hector. 1999. Distributional Coalitions and the Politics of Economic Reform in Latin America <i>World Politics</i> 51: 236-68.
November 17 (W)	The IMF <i>Paper due in class</i>	* Bird, Graham. 2001. IMF Programs: Do They Work? Can They be Made to Work Better? <i>World Development</i> , 29(11): 1849-65.
November 22 (M)	The political economy of international aid	* Heller (2005), Sundberg and Gelb (2006), and Prasad et al. (2007) selections from <i>Finance and Development</i>
November 24 (W)	NO CLASS – THANKSGIVING BREAK	
November 29 (M)	The political economy of natural resources	* Sachs, Jeffrey and Andrew Warner. 2001. The Curse of Natural Resources. <i>European Economic Review</i> 45, 827-38. * Karl, T.L. 1997. <i>The Paradox of Plenty: Oil Booms and Petro-states</i> . Berkeley: University of California Press. Chapter 1.
December 1 (W)	Globalization and final exam review	-Rodrik. "How to Save Globalization from its Cheerleaders" Ch. 31 in F&L