

## Course Syllabus – POSC 4621/5621 – Politics of the World Economy

Spring 2009  
MWF – 8:8:50  
Room: Todd Wehr Chemistry 107  
Email: [Jeffrey.Drope@marquette.edu](mailto:Jeffrey.Drope@marquette.edu)  
Telephone: 414-288-6840

Professor: Dr. Jeffrey Drope  
Office: WW Physics #409  
Office Hours: MWF 9-10:30  
and by appointment.

### **Course Description:**

This class introduces students to many of the fundamental concepts in the political science sub-field of international political economy. Specifically, we will explore the nexus of politics and economics and how they and the interaction of the two entities affect international and domestic economic policies. Among the key substantive areas we will examine are the politics of trade and monetary policies, aspects of the “economic reform” process, foreign investment, migration, and economic integration. With all of this in mind, and armed with this foundation of knowledge, we will seek to understand better the phenomenon that many call “globalization,” including in the context of the current crisis, and in particular, to critique thoughtfully and systematically what might be good or bad (or neither) about this commonly misunderstood complex entity.

### **Course Requirements:**

#### **Midterm Exam – 25%:**

This in-class exam on Monday, March 1<sup>st</sup> will be a mixture of multiple choice (especially focusing on the readings), short answer identification (on key concepts), and medium-length essay-style questions (on broader concepts) that explore topics from the first half of the course, and in particular the political economy of trade.

#### **Final Exam – 25%:**

The final exam will be a similar format to the mid-term. The exam emphasizes the material that we cover after the mid-term exam, but many of the themes carry over from the first half of the semester. Accordingly, students will need to have the first half’s material mastered in order to perform well on the final exam.

#### **Research Paper – “Theory Defying...” – 30%:**

There will be a significant research paper required of every student. We will discuss in considerable detail this exercise during class time. The assignment is “original research,” and I expect students to draw upon secondary sources (especially scholarly journals) and utilize primary data sources where possible to present a sophisticated argument. We will take plenty of time in class to develop and discuss your topics, talk about “researching” more generally, explore data sources, and to work through any challenges that you might encounter in the research process. There are also three classes (and many more hours!) set aside where you will be given the opportunity to have a one-on-one conference with me about your paper. Very briefly, you will be asked to examine and explain in a sophisticated fashion the politics of one economic situation or event, or a set of events or situations, that is intrinsically linked to the world economy. Importantly, the basis of your explanation has to challenge one of the prominent theories that we have been examining in the course. Late papers will be assessed a penalty of 10% per day. In the interest of

turning the papers back to the students in a timely manner, extensions will only be granted in truly exceptional circumstances.

#### WTO Simulation – 10%

As a class in Week #8, we will participate in a role-play where we execute a mock World Trade Organization “trial.” You will be assigned to play specific real actors and you and your colleagues will be expected to advocate an appropriate position for the substantive area (to be announced). You will be evaluated on your ability to think “on your feet” during the hearings, and then on the 2-3 page summary of the proceedings that your group produces.

#### Quizzes – 10%:

Importantly, I demand that students do the required reading (which means interacting meaningfully with the reading – we’ll talk about this more) for each class. In an effort to encourage students, we will have three short surprise readings quizzes during the semester. You will be awarded the best two out of three scores. There will be no make-up quizzes under any circumstance *except* with official documentation of an illness or dire family-related issue. In this case, there will be an additional surprise quiz toward the end of the semester for these exceptional cases *only*.

#### Participation and attendance:

I expect students, within reason, to attend every class. In my experience, the only way to connect these complex concepts is by coming to class and interacting with the material. I also expect students to participate in class – interaction with me and with your peers in both large and small groups is an important part of your success in the course. While neither participation nor attendance has an assigned grade, in the case of borderline grades, both can help to motivate me to bump your grade to the next level. Keep in mind also that this is a much coveted 8am time slot... it’s a small classroom and lateness is both rude and disruptive to your peers and me. Habitual lateness will be initially punished with obligatory coffee and treat provision by the guilty party, and if the problem persists more generally, I will leave the door closed (remember that the doors lock automatically in the Wehr Chemistry building...).

#### **Text and Readings:**

The required text for the course is *International Political Economy: Interests and Institutions in the Global Economy*, Fourth Edition (New York: Pearson Longman, 2010) by Thomas Oatley. It is available at the bookstore, and from online textbook and book retailers. Additionally, and very importantly, there are a significant number of required readings drawn from academic journals and periodicals. These readings – denoted by an asterisk (\*) in the syllabus – are available as downloadable documents (standard Microsoft Word or .pdf files, organized by author surname and then title of the article) on the class D2L site. It is a requirement of the course that students be able to access these resources through their own computers or through the many computers provided for students’ use on campus.

Because this class in large part examines the politics of major economic policies, macroeconomics is compulsory (ECON 2004, formerly 44), while microeconomics is also recommended (ECON 2003, formerly 43). While I review the economic principles in considerable detail in class (as does the Oatley text), the ultimate goal of the class is to

examine the *politics* of these issues and ideas, so considerable responsibility is necessarily placed on the student to keep up with the technical aspects of the material. If you are struggling to understand the technical ideas, I strongly recommend the supplementary text by Paul Krugman and Maurice Obstfeld, *International Economics, Theory and Policy* (6<sup>th</sup> Edition - Pearson). It is an invaluable reference for a serious student of political economy. [Note: Of course, because this is an international relations class, POSC 2601 (formerly, POSC 60) is also a prerequisite. If you do not have this background, you will find the class much more challenging and will have to do additional reading. For a basic IR text, try Goldstein & Pevehouse's *International Relations*, 8<sup>th</sup> Edition from Longman.]

**Final Note:** Obviously, cheating and plagiarism are not tolerated in this or any class in the Political Science Department and will lead automatically to a failing grade, and potentially to other grim ramifications from higher in the University. We will discuss extensively the discipline's citation expectations so that inadvertent plagiarism will not be an issue on the essay assignment.

**Preliminary Class Schedule** (Please note that I reserve the right to modify this schedule, and I will give plenty of notice if and when I make changes.):

**Week 1 –**

January 20<sup>th</sup> – Introductions & Discussion of Syllabus, etc.

January 22<sup>nd</sup> – Political Economic “Landscapes”... (i.e. what the world looked like then and what it looks like now...) & an Introduction to International Political Economy  
Oatley, Chapter 1, pp. 1-20

**Week 2 – Why do states trade?**

January 25<sup>th</sup>

\*Krasner, “State Power and the Structure of International Trade” from *World Politics*

January 27<sup>th</sup>

Oatley, part of Chapter 3, pp. 46-64 (up to discussion of WTO)

January 29<sup>th</sup>

\*Garrett and Lange, “Internationalization, Institutions and Political Change” from *Internationalization and Domestic Politics*

**Week 3 – The “Big” theories (Heckscher-Ohlin, Stolper-Samuelson & Ricardo-Viner)**

February 1<sup>st</sup>

\*Frieden and Rogowski, “The Impact of the International Economy on National Policies: An Analytical Overview” from *Internationalization and Domestic Politics*

February 3<sup>rd</sup>

\*Alt and Gilligan, “The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions” from *Journal of Political Philosophy*

February 5<sup>th</sup>

\*Drope, “More than factor-based approaches to trade...” Marquette University Working Paper.

**Week 4** – State- vs. society-centered explanations of trade

February 8<sup>th</sup>

Oatley, Chapter 4 – pp. 71-93

\*Hansen, “The International Trade Commission and the Politics of Protectionism” from the *American Political Science Review*

February 10<sup>th</sup> –

Oatley, Chapter 5, pp. 94-113

February 12<sup>th</sup>

\*Hansen and Park “The Nation-state and Pluralistic Decision Making in Trade Policy” from *International Studies Quarterly*

**Week 5** – [NOTE: Very brief OUTLINES OF PAPER DUE] – Trade, International Institutions & Trade Dispute Settlement (GATT/WTO, NAFTA, etc.)

February 15<sup>th</sup>

Oatley, Chapter 2, pp. 21-45, and part of Chapter 3, pp. 65-70

\*Martin and Simmons, “Theories and Empirical Studies of International Institutions” from *International Organization*

February 17<sup>th</sup>

\*Busch and Reinhardt, “Developing Countries and General Agreement on Tariffs and Trade/World Trade Organization Dispute Settlement,” from the *Journal of World Trade*

February 19<sup>th</sup>

\*Drope, “The political economy of nontariff trade barriers in emerging economies,” from *Political Research Quarterly*.

**Week 6** – Trade and Developing Nations (including ISI)

February 22<sup>nd</sup>

Oatley, Chapters 6 – pp. 114-136

\*Bhagwati, “Don’t Cry for Cancún” from *Foreign Affairs*

February 24<sup>th</sup>

Oatley, Chapter 7 – pp. 137-163

\**Economist*, “Least Favoured Nation.”

\*Kolbe, “How Will the Poor Trade Up?” from the *Washington Post*.

February 26<sup>th</sup>

\*Alt, Freiden, Gilligan, Rodrik and Rogowski, “The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry” from *Comparative Political Studies* (This is a very tidy encapsulation of the IPE of International Trade – good for exam studying...)

### **Week 7 –**

March 1<sup>st</sup> – **EARLY TERM EXAMINATION** – The Politics of Trade

March 3<sup>rd</sup> – Economic Integration

\*Mansfield and Milner, “The New Wave of Regionalism” from *International Organization*

March 5<sup>th</sup>

\*Rodrik, “How Far Will International Economic Integration Go?” from *Journal of Economic Perspectives*

### **Week 8 –**

March 6<sup>th</sup>, 8<sup>th</sup> and 10<sup>th</sup> – WTO Simulation Exercise

\*WTO Simulation background reading.

**SPRING BREAK! (March 13<sup>th</sup> – 21<sup>st</sup> – No classes)**

### **Weeks 9&10 – The International Monetary System**

March 22<sup>nd</sup> (Wednesday)

Oatley, Chapter 10 – pp. 214-236

March 24<sup>th</sup>

Oatley, Chapter 11, pp. 237-259

March 26<sup>th</sup> – Domestic Politics, Central Banks and Exchange Rates

\*Broz & Freiden, “The Political Economy of International Monetary Relations” from *Annual Review of Political Science*

Oatley, Chapter 12, pp. 260-282

March 29<sup>th</sup>

Oatley, Chapter 13, pp. 283-305

\*Cairo Times – “Somalia’s Central Bank”

March 31<sup>st</sup>

\*Excerpt from Greenspan, *Age of Turbulence*

\**Economist*, “Bernanke has it easy.”

Optional reading: \*Franzese, “Partially independent central banks, politically responsive governments, and inflation” from *American Journal of Political Science*

**EASTER BREAK – NO class on Friday April 2<sup>nd</sup> or Monday, April 5<sup>th</sup>**

**Week 11 – PAPER CONFERENCES**

April 7<sup>th</sup> & April 9<sup>th</sup>

**Week 12 – Economic Institutions (IMF, World Bank, etc.) and Economic Adjustment**

April 12<sup>th</sup> – Last Day of Conferences

April 14<sup>th</sup>

Oatley, Chapters 14&15, pp. 306-355

April 16<sup>th</sup> –

\*Kahler, “External Influence, Conditionality, and the Politics of Adjustment” from *The Politics of Economic Adjustment*

\*Easterly, “The Cartel of Good Intentions” from *Foreign Policy* (July-August 2002)

**Week 13 - Equitable Development in a “Globalizing” World**

April 19<sup>th</sup>

Oatley, Chapters 8&9, pp. 164-213

April 21<sup>st</sup>

\**Economist*, “Catching the tide”

\**Economist*, “A cruel sea of capital”

\*Reich, “Who is us?” from *Harvard Business Review*

April 23<sup>rd</sup>

\*Rudra, “Globalization and the Decline of the Welfare State in Less Developed Countries from *International Organization* (2002)

\* Excerpts from Joseph Stiglitz’s *Globalization and its discontents*

**Week 14 - What is globalization? Is it good, bad or neither?**

April 26<sup>th</sup> – **PAPERS DUE** (at the beginning of class)

Oatley, Chapter 16, pp. 356-380

April 28<sup>th</sup>

\*Rodrik – Excerpts from *Has globalization gone too far?*

April 30<sup>th</sup>

\* Excerpts from Stiglitz and Andrew Charlton's *Fair Trade for All*

**Week 15** – Crisis? What crisis? Or, what a crisis!

May 3<sup>rd</sup>

\*Diamond and Kashyap – “The FAQs of Lehman and AIG” from the *New York Times* (September, 2008)

\*Rogoff, “The Great Contraction of 2008-09” from [www.project-syndicate.org](http://www.project-syndicate.org)

May 5<sup>th</sup> – Wrap-up

\*Cohen, “A case of myopia?” from *International Interactions*

May 7<sup>th</sup> – Review

\*Frieden and Martin: “International Political Economy: The State of the Sub-Discipline,” version ultimately published in *Political Science: The State of the Discipline III*

**Final Exam** – Schedule not yet available from the registrar.

