

Course Syllabus – POSC 177 – Politics of the World Economy

Spring 2009
T&Th – 11-12:15
Room: Engineering 202
Email: Jeffrey.Drope@marquette.edu
Telephone: 414-288-6840

Professor: Dr. Jeffrey Drope
Office: WW Physics #409
Office Hours: Tu 12:30-3 & Th 1:30-4,
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,” 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 February 24th 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 – 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 using one or more of the theoretical approaches examined in the course. 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 is also an entire week 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 in a sophisticated fashion one major aspect of either trade or monetary policy in this current world economic crisis. I do not, however, want the topic to center on the U.S. as the only actor (it has to be “international”). 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-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.

Text and Readings:

The required text for the course is *International Political Economy: Interests and Institutions in the Global Economy*, Third Edition (New York: Pearson Longman, 2007) 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 – will be available as downloadable documents (standard Microsoft Word or .pdf files) 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, we have now made a background in macroeconomics compulsory (ECON 44), while microeconomics is also recommended (ECON 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 onus is placed on the student to keep up with the technical aspects of the material. Of course, it is still possible to excel in this class without previous economic knowledge, but it does require the students to master quickly these important concepts. With that in mind, 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 (6th 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 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 short IR text, try Goldstein & Pevehouse's *International Relations*, 8th 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 13th – Introductions & Discussion of Syllabus, etc.

January 15th – 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 –

January 20th – Why do states trade?

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

January 22nd

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

Week 3 –

January 27th –

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

January 29th – What is “comparative advantage”?

Oatley, part of Chapter 3, pp. 47-65 (up to discussion of WTO)

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

Week 4 –

February 3rd – Trade and Domestic Politics (especially domestic institutions)

Oatley, Chapter 4 – pp. 72-93

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

February 5th – Trade and States

Oatley, Chapter 5, pp. 95-113

*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 10th

Oatley, Chapter 2, pp. 22-45, and part of Chapter 3, pp. 65-70

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

February 12th

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

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

Week 6 – Trade and Developing Nations (including ISI)

February 17th

Oatley, Chapters 6 – pp. 115-137

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

**Economist*, “Least Favoured Nation.”

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

February 19th

Oatley, Chapter 7 – pp. 139-164

*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 –

February 24th – **EARLY TERM EXAMINATION** – The Politics of Trade

February 26th – Economic Integration

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

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

Week 8 –

March 3rd and 5th – WTO Simulation Exercise

*WTO Simulation background reading.

SPRING BREAK! (March 9-13 – No classes)

Weeks 9&10 – The International Monetary System

March 17th

Oatley, Chapter 10 – pp. 215-236

Oatley, Chapter 11, pp. 237-258

March 19th – 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. 260-281

March 24rd – State-centered approaches...

Oatley, Chapter 13, pp. 283-304

*Cairo Times – “Somalia’s Central Bank”

March 26th

*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*

Week 11 – PAPER CONFERENCES

March 31st & April 2nd

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

April 7th

*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)

*Einhorn, “Reforming the World Bank” from *Foreign Affairs* (2006)

April 9th

Oatley, Chapters 8&9, pp. 166-213

Week 13

April 14 – Capital and Multinational Corporations

**Economist*, “Catching the tide”

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

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

April 16th - What is globalization? Is it good, bad or neither?

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

Week 14 -

April 21st – **PAPERS DUE** – Globalization II – Labor and Employment

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

April 23rd

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

Video: Recent presentation by Martin Wolf at the Yale University

Week 15

April 28th – Final Thoughts on Globalization

Oatley, Chapter 16, pp. 357-382

April 30th – Wrap-up

*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 – Tuesday, May 5th at 1:00PM

