

PS 4420: Politics of International Economic Relations

Tuesdays and Thursdays, 12:30pm - 1:45pm

Physics Building 120

Prof. Simone Dietrich

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Office Hours: Tuesday and Thursday 11am-12pm

This course will introduce you to the scientific study of Politics of International Economic Relations (a.k.a., International Political Economy–IPE). It explores the theories, history, and issues in international political economy. IPE is a field of study that combines the insights from International Relations, Comparative Politics, and Economic Theory to develop a broad understanding of globalization. The course examines simultaneously the pursuit of wealth (through the market) and the pursuit of power (through politics) in the domestic and international arena. The purpose of this course is to examine the interactions between power and wealth and the state and the market from a number of competing perspectives and different levels of analysis. We will focus on four key areas in IPE: trade, monetary and fiscal policies, foreign direct investment (FDI), and development. Throughout the class, you will be asked to think critically about the ties between the local and the global and about your roles within these systems. Upon successful completion of the course, you will be equipped with analytical tools essential for understanding the complex reality of politics and policymaking, as they relate to international business and economics.

Objectives: The course has three main objectives for students:

1. to become familiar with how the global economy evolved in the twentieth and twenty-first centuries;
2. to understand (a) how international economic forces (trade, finance, etc.) affect domestic politics and societies and (b) how domestic factors influence international economic forces (by using political and economic concepts and theories)
3. to consider normative trade-offs involved in the phenomena we study.

Required Books: Books are available through the campus bookstore and through Amazon, where you can find some used copies. Please make sure you are buying the fifth edition. All other required articles and book chapters will be posted online on Blackboard.

International Political Economy, Fifth Edition. Thomas Oatley, Longman Press.

The Travels of a T-shirt in the Global Economy, Pietra Rivoli.

This Time is Different: Eight Centuries of Financial Folly, Carmen M. Reinhart and Kenneth S. Rogoff. 2009.

Economics Glossary: A useful online glossary of economic terms can be found at:

<http://www.bized.co.uk/glossary/econglos.htm>

Course Requirements:

- **15%** Participation in class: you are expected to contribute to discussions in class and do in-class exercises.*
- **15%** Quizzes in class**
- **40%** Short exams (20% each): There will be two in-class exams, the first on February 27 and the second on April 10. The exams will be a combination of multiple choice and short answer.
- **30%** Final exam: There will be a final exam on May 13 from 7:30-9:30am (room TBA). This exam will be cumulative; that is, unlike the first two exams, it will cover material from the entire course, but with emphasis on the last section of the course. The final exam will be a combination of short answer and essay.

*This class combines elements of a lecture and a seminar where discussion is an important aspect of the learning process. Participation is important in this class, and it will also be important for the final grade. Class participation will include both discussions about the readings and in-class exercises. Each class will be kicked off by a student presentation about a current IPE related event that is covered by the New York Times. Further details about this exercise will be provided in class.

**Quizzes will be given in-class. For each quiz, you will be expected to answer a question that covers the readings assigned for the class and/or the previous class's lecture. You will have 15 minutes to outline a response to the question, providing a concrete thesis statement and additional anecdotes and examples from the lecture and readings. Quizzes will be returned within one calendar week of when they are given. Though the exact number of quizzes will depend on class participation and feedback, you should expect between 4 and 8 quizzes during the semester.

Your final grade will be calculated on the following scale

- 90-100 : A
- 80-89 : B
- 70-79 : C
- 60-69 : D
- < 60 : F

Electronic devices I encourage the *responsible* use of laptops in class, for taking notes. All other electronic devices (including - but not limited to - cell phones, PalmPilots, Pocket PCs, iPhones, and Blackberrys) must be turned off prior to entering the classroom. It is a simple matter of respect for others. Negative consequences are in order for inappropriate use of electronic devices (e.g. using laptops to surf the internet, IM, etc.; using cell phones for text messaging; answering calls during class etc.). Violations shall result in a verbal warning. If the student persists in the inappropriate use of electronic devices, she/he will be asked to leave the classroom and recorded as absent for the day. The use of any electronic device during a test or examination is strictly prohibited. Inappropriate uses of electronic

devices during tests or examinations are considered in violation of academic integrity! Students may not use audio and/or video recording devices in class.

Special academic needs If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible. If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the Office of Disability Services (<http://disabilityservices.missouri.edu>), S5 Memorial Union, 573- 882-4696, and then notify me of your eligibility for reasonable accommodations. For other MU resources for students with disabilities, click on “Disability Resources” on the MU homepage.

Academic integrity Academic integrity is held in the highest regard at the University of Missouri. Academic integrity is expected and required. Enrollment constitutes acknowledgement by the student of her/his awareness of all definitions, rules, and procedures relating to academic integrity. Any Academic integrity violations will be dealt with swiftly and severely! If you ever have any questions concerning the University’s Academic Integrity policy, please consult your instructor immediately.

Class Schedule: NOTE: The instructor reserves the right to alter the class and/or reading schedule at any time. Changes to reading assignments, deadlines, or test dates will be announced in a timely manner. You are expected to complete the reading assignments before class, so that you are prepared for thoughtful and informed class participation.

Week 1 - Introduction

Tuesday, January 21 Why Study International Political Economy?

Course Overview and Introduction

Thursday, Jan 23 What is International Political Economy?

Oatley, Chapter 1

Week 2 - Studying IPE and Trade I

Tuesday, Jan 28 Studying International Political Economy and Contemporary IPE Perspectives

Frieden, Jeffrey and Lisa Martin (2003) "International Political Economy: Global and Domestic Interactions." In *Political Science: The State of the Discipline*, edited by Ira Katznelson and Helen V. Milner. New York: W.W. Norton. (**Blackboard**)

Cohen, Benjamin. 2007. "The Transatlantic Divide: Why Are American and British IPE So Different?," *Review of International Political Economy* 14:2 (May), 197-219. (**Blackboard**)

Thursday, Jan 30 Trade I - WTO

Oatley, Chapter 2: The World Trade Organization and the World Trade System

Week 3 - International Trade & Domestic Politics of Trade

Tuesday, February 4

Oatley, Chapter 3: The Political Economy of International Trade Cooperation

Thursday, Feb 6

Oatley, Chapter 4: A Society-Centered Approach to Trade Politics

Week 4 - Domestic Politics of International Trade & Complexities of Trade I

Tuesday, Feb 11

Oatley, Chapter 5: A State-Centered Approach to Trade Politics

Davis, Christina. "Why Adjudicate? Enforcing Trade Rules in the WTO." (Princeton University Press)

Introduction (**Blackboard**)

Tuesday, Feb 13

Travels of a T-shirt, Prologue, Parts I and II

Week 5 - The Complexities of Trade II

Tuesday, Feb 18

Travels of a T-shirt, Parts III and IV

Thursday, Feb 20 Catch-Up

Week 6 - Exam

Tuesday, Feb 25 First Exam Review

Thursday, Feb 27 First Exam

Week 7 - Trade and Development

Tuesday, March 4 Trade and Development I: ISI

Oatley, Chapter 6

Thursday, March 6 Trade and Development II: Economic Reform

Oatley, Chapter 7

Week 8 - Multinational Corporations (MNCs)& Critics of Trade

Tuesday, March 11 MNCs in the Global Economy

Oatley, Chapter 8

Pandya, Sonal S. "Labor Markets and the Demand for Foreign Direct Investment," International Organization (2010), 64 : pp 389-409

Thursday, March 13 The Politics of MNCs and Critics of Trade

Oatley, Chapter 9

Rudra, Nita. *Globalization and the Race to the Bottom in Developing Countries: Who Really Gets Hurt?* Cambridge University Press, 2008. Introduction chapter

Week 9 - The International Monetary System

Tuesday, March 18

Oatley, Chapter 10: The International Monetary System

Thursday, March 20

Oatley, Chapter 11: Contemporary International Monetary Arrangements

No class March 24-28 (Spring Break)

Week 10 - Domestic Politics of Money

Tuesday, April 1

Oatley, Chapter 12- A Society-Centered Approach

Thursday, Apr 3

Oatley, Chapter 13 - A State-Centered Approach

Week 11 - Exam

Tuesday Apr 8 Second Exam Review

Thursday Apr 10 Second Exam

Week 12 - Financial Crises I

Tuesday Apr 15

Oatley, Chapter 14: Developing Countries and International Finance I: The Latin American Debt Crisis

Thursday Apr 17

Oatley, Chapter 15: Developing Countries and International Finance II: A Decade of Crises

Week 13 - Financial Crises II

Thursday Apr 22

Reinhart, Carmen M. and Kenneth S. Rogoff. 2009. *This Time is Different: Eight Centuries of Financial Folly*, Chapters 1-3

Movie: Margin Call (2011)

Tuesday Apr 24

Reinhart, Carmen M. and Kenneth S. Rogoff. 2009. *This Time is Different: Eight Centuries of Financial Folly*, Chapters 13-14.

Week 14 - Globalization and Foreign Aid I

Tuesday, Apr 29

Oatley Chapter 16: Globalization

Tuesday, May 1 Foreign Aid

Joseph Wright and Matthew Winters. 2010. The Politics of Effective Foreign Aid. *Annual Review of Political Science* 13: 6180. (**Blackboard**)

Dietrich, Simone. 2013. Engage or Bypass: Assessing Donor Delivery Tactics in Foreign Aid Allocation. *International Studies Quarterly* 57(4): 698712. (**Blackboard**)

Week 15 - Foreign Aid II

Tuesday, May 6 Movie: Good Fortune (2010)

Thursday, May 8 Course wrap up & Final Exam Review

Final exam Tuesday, May 13, 7:30-9:30 a.m.