INTERNATIONAL POLITICAL ECONOMY

Course Description: The international economic system has evolved, and been reinvented, in many different ways over the last six decades, i.e., since the end of WWII. This course examines some of these amazing changes in the world economic order and their consequences to politics and the balance of power between nation-states. The assigned readings seek to strike the proper balance between theory and economic events and also cover a variety of domestic factors that affect, or are related to, international trade and financial affairs. One of the goals of this course is to understand how nation-states have been able, if it all, to maintain and exercise sovereignty over their choices of economic policies.

Requirements: Students are expected to attend class regularly and complete all assigned readings prior to lectures. Grades will be based on a midterm (40%) and a final exam (60%).

Books and Readings: The following are the two books you will need to purchase for this course. Readings marked with an asterisk (*) can be downloaded from the class web site. To access other electronic files, just follow the link on the electronic version of the syllabus that appears on the course web page.


Schedule of Classes and Readings

PART I: GLOBAL ECONOMY SINCE WWII

Week 1 – What is IPE? A Historical Background

April 3rd: Course Overview
• Gilpin, Ch. 4

Suggested Reading:
• Frieden and Martin. “International Political Economy: The State of the Sub-discipline”*

April 5: Rebuilding the International Economic System
• Spero & Hart. The Politics of International Economics Relations (Belmont, CA.: Thomson-Wadsworth Learning, 2003), Ch. 1*

April 7: The New Global Order

Week 2 – National Economic Policies

April 10: Differences in Economic Strategies
• Gilpin, Ch. 7

April 12: I.S.I. and Other State-led Economic Policies

April 14: Trade Policies (Revisited)

Week 3 – Debt Crisis and The Collapse of the I.S.I. Model

April 17: “The Rise and Decline of Development Economics”
• Gilpin, Ch. 12

April 19: “Muddling Through: Adjustment from 1982 to 1987”

April 21st: “The Emergence of a New Consensus”
• Sebastian Edwards (1995), pp. 41 – 65 *

PART II: THE IMPACT OF INTERNATIONAL TRADE

Week 4 – Trade and Societal Cleavages

April 24: Trade Models (Overview)
• Thomas Oatley. *International Political Economy: Interests and Institutions in the Global Economy* (New York, N.Y.: Pearson Longman, 2004), Ch. 3*

April 26: The H-O Model

April 28: Sectoral/Group Interests (Ricardo – Viner)

Week 5 – Domestic Effects of International Trade

May 1st: Poverty and Income Distribution
May 3rd: The U.S. Case
  • Oatley, Ch. 1

May 5: MIDTERM

Week 6 – Regional Integration

May 8: Trade blocs
  • Oatley, Chs. 2 & 3

May 10: The WTO (1)
  • Gilpin, Ch. 8

May 12: The WTO (2)
  • Oatley, Chs. 4, 6, and 7

PART III: THE INTERNATIONAL FINANCIAL SYSTEM

Week 7 – Monetary Policies and the Int’l Financial System (I)

May 15: Exchange Rates
  • Oatley, Chs. 11 – 13

May 17: The Financial Market and Developing Countries
  • Oatley, Chs. 14 & 15

May 19: Understanding Financial Crisis
  • Gilpin, Ch. 9

Week 8 – Monetary Policies and the Int’l Financial System (II)

May 22nd: The Asian Crisis: 1997 (Documentary: Part I)
May 24: The Asian Crisis: 1997 (Documentary: Part II)
  • Gilpin, Ch. 10

May 26: The Politics of Financial Bail Outs
  • Dani Rodrik, “East Asian Mysteries: Past and Present”
    http://www.nber.org/reporter/spring99/rodrik.html

**Week 9 – Monetary Policies and the Int’l Financial System (III)**

May 29: Memorial Day (Holiday)

  • Dani Rodrik, “Reform in Argentina”*

June 2nd: Lessons from Recent Financial Crises
  • The New York Times, “Economic Rally for Argentines Defies Forecasts”*

**PART IV: IN SEARCH OF A NEW ECONOMIC PARADIGM**

**Week 10 – Globalization and Governance**

June 5: Debt Relief
  • Oatley, Chs. 16 & 17

June 7: The Survival of the Nation-State
  • Gilpin, Ch. 14.
  • Oatley, Chs. 18 & 19

June 9: Course Review
  • The BRIC’s Economies (GoldmanSachs Paper)*

**FINAL WEEK**

**Final Exam Code:** (06) Thursday, June 15, 2006, 3:00pm-6:00pm