

**CALVIN COLLEGE**  
DEPARTMENT OF POLITICAL SCIENCE

POLS 319: International Political Economy

Spring Semester, 2009

[A] Monday, Wednesday, & Friday, 11:30 a.m. – 12:20 p.m.

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Office Hours: Monday, 1:00 p.m. – 3:00 p.m.

### **COURSE DESCRIPTION**

This course provides an introduction to the study of international political economy. It examines both theoretical issues and current debates. Topics include problems of cooperation under anarchy and the role of international economic institutions, state and societal approaches to international trade and international monetary relations, the role of multinational corporations, and promises and problems of international finance and development.

The course consists of three parts. *Part I* introduces basic analytical frameworks necessary for understanding international political economy today. *Part II* considers the politics and economics of international trade, examining the GATT/WTO system and related policy debates. *Part III* considers the politics and economics of international monetary relations and international finance, examining the changing role of the IMF, the rise of multinational corporations, and related policy debates.

### **COURSE OBJECTIVES**

The course readings and writing assignments are intended to achieve three objectives. Firstly, they are intended to introduce students to basic concepts of international political economy. Secondly, they are intended to provide students with a basic understanding of important issues and debates shaping international economic policy. Thirdly, they are intended to assist students in developing analytical skills such that they can provide thoughtful and coherent arguments in oral and written form. The first and second objectives are necessary for careers or continued study in the field of international relations, while the third is essential to the idea of a liberal arts education. All three help to equip students for work as agents of redemption and renewal within the world. *SOLI DEO GLORIA.*

### **COURSE REQUIREMENTS**

Students must complete all assigned readings before each class period and be active participants in each classroom session. The instructor will circulate a seating chart for students to sign, which will be used throughout the semester to record attendance and to facilitate classroom participation.

There will be three brief policy papers of five to eight double-spaced pages in length. Students will be called upon during appropriate class periods to discuss the topics they have selected for their papers.

In addition to the writing assignments, there will be a midterm examination and a comprehensive final examination.

### **COURSE GRADES**

Course grades will be based on the course objectives listed above, as determined by students' classroom participation, writing assignments, and examinations.

#### **Classroom Participation**

Classroom participation will be weighted as 20% of the final course grade. This is a real course at a real college, and as such you will be expected to read all of the assigned readings, with your participation in class attesting to how carefully you have read them. You will not necessarily be expected to agree with the readings,

your fellow students, or the instructor, but you will be expected to be active and engaged participants, so as to learn from the lecture and discussion each day. In doing so, you will become part of an ongoing conversation.

Your participation grade will be based on your contribution to that conversation – not necessarily how much “chatter” you engage in. Making a meaningful contribution to the conversation will require that you arrive in class each day (or come to office hours) able to give an account of what you understand from the day’s readings and discussion and what you do not understand. Learning requires preparation, and if necessary the instructor may call on students who fail to participate in class. There is no excuse for arriving in class with nothing to say.

In addition to daily classroom participation, the instructor will call upon students to discuss the topics addressed in their writing assignments during appropriate class periods, as noted above.

Ideally, students would be so motivated by the intensity of the readings and the perspicacity of the instructor that attendance would not need to be required. But because these are not ideal times, attendance will be included in assessing classroom participation. Every student will be allowed three unexcused absences (i.e. one full week), after which a penalty of 5% per day will be deducted from the final course grade. Please see the instructor as soon as possible if you know in advance of an absence due to an extracurricular activity or other excusable reason (at the instructor’s discretion). Most absences will not be excused, so plan accordingly.

### Writing Assignments

There will be three policy papers. Each will be weighted as 15% of the final course grade and will be due on the dates noted below. The instructor will provide a choice of several policy questions for each paper, or else you may pose a question of your own (with the approval of the instructor). Your policy paper will draw upon the assigned readings as well as outside sources to analyze competing policy positions and provide a policy recommendation. Students must indicate in advance which question they have selected (no later than the dates noted below for each policy paper) and will be called upon during appropriate class periods to discuss their topics.

Students must submit both printed and electronic versions of all papers. Printed and electronic versions must match exactly. Papers must be submitted in a serif font (such as **Times New Roman**) of size 11 or 12 with 1” margins on all sides. Grades will be based on analytical rigor and writing skill, and will be determined as follows.

A	Excellent	C	Vague and unsupported; or missing citations
A-	Very good; or clear, but incomplete	C-	Very unclear and confusing; or no argument
B+	Generally clear, but with gaps; or good, but somewhat unclear	D+	Generally poor; or both unclear and misunderstood
B	Gaps in logic and/or evidence	D	Very poor
B-	Multiple gaps and unclear parts	D-	Extremely poor
C+	Unclear throughout; or wrong question	F	Insufficient effort; or plagiarism

The instructor will not accept late papers in the absence of a medical or other substantial excuse. Students seeking to excuse a late paper should contact the instructor before the deadline and may be required to provide documentation and/or accept a grade reduction. Papers submitted electronically before the deadline will not be counted as late, provided a printed version is submitted to the instructor’s office within 24 hours. *DIXI*.

### Examinations

The mid-term and final examinations will be weighted as 10% and 25% of the final course grade, respectively. Each exam will be comprised of primarily of short answer questions. The mid-term examination will be given in class on March 4, and the final examination will be given at 9:00 a.m. on May 20. You will have the option of taking either an oral or written final examination.

The instructor will not administer makeup exams in the absence of a medical or other substantial excuse. Students seeking to excuse a missed exam should contact the instructor as soon as possible and may be required

to provide appropriate documentation. No early exams will be given, except as required for extracurricular activities.

## ACADEMIC HONESTY

The instructor expects that all work submitted in this course will be a product of students' own minds and efforts, and specifically that:

1. Students will not take words from any source without putting quotation marks around such words and giving credit to the source. This includes sentences and phrases, as well as significant single words, such as those that express opinion or judgment.
2. Students will not take findings or ideas from any source without giving credit to the source. In paraphrasing, students will not use words so close to those contained in the source that, if a student's work were placed next to the source, it would be obvious that the student could not have written what s/he did except by borrowing directly from the source with only superficial changes.
3. Students will organize their thoughts and ideas according to a plan of their own creation and will not simply appropriate the plan of organization contained within another source. To the extent that a student's plan of organization is based upon another source, s/he will give credit to that source.
4. Students will neither ask nor allow someone else to write, revise, or otherwise modify their work in any way.

The student-faculty relationship is based on trust and mutual respect, which can be seriously undermined by the suspicion or reality of academic dishonesty. If you are doubt about whether some form of assistance or use of materials constitutes academic dishonesty, please see the instructor. Any violation of these guidelines and/or other rules contained within the *Student Conduct Guide* will result in an *F* for the course and/or other appropriate disciplinary action, at the instructor's discretion.

## STUDENTS WITH DISABILITIES

The college will make reasonable accommodation for students with documented disabilities. Students seeking disability accommodation should notify both the instructor and the Coordinator of Services to Students with Disabilities.

## REQUIRED TEXTS

The following are required texts for this course and are available for purchase at the bookstore.

Gilpin, Robert. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton, NJ: Princeton University Press.

Oatley, Thomas. 2008. *International Political Economy: Interests and Institutions in the Global Economy*. 3rd ed. New York: Pearson Longman.

In addition, you may wish to purchase the following text, also available at the bookstore. This text contains some of the readings for Part I of the course, although these reading are also available [online](#).

Lipson, Charles, and Benjamin J. Cohen, eds. *Theory and Structure in International Political Economy*. Cambridge, MA: MIT Press, 1999.

Other supplemental journal articles and book sections are available [online](#) as noted in the syllabus. Access to certain websites is available only via a Calvin College internet connection. The instructor will distribute detailed instructions for finding online articles.

## COURSE READINGS

[Please note the page numbers listed below, as only selected pages of certain articles or book sections are assigned.]

### *February 2 – Introduction and Course Overview*

- Gilpin, Robert. “The Nature of Political Economy” and “Comparison of Economics and Political Economy.” In *Global Political Economy*. Read pages 25–31, 38–41, and 74–6.
- Oatley, Thomas. “What Is International Political Economy?” In *International Political Economy*. Read pages 2–7.

## Part I: Analytical Frameworks

### *February 4, 6 – Neo-Classical Economics, Its Limits, and Its Critics*

- Gilpin, Robert. “The Neoclassical Conception of the Economy.” In *Global Political Economy*. Read pages 46–69.
- Oatley, Thomas. “Traditional Schools of International Political Economy.” In *International Political Economy*. Read pages 8–12.
- Goudzwaard, Bob. “Basic Elements of the Classical Economic World View.” In *Capitalism and Progress*. Read pages 23–32. Available online from [KnightVision](#).

### *February 9, 11 – Anarchy, Uncertainty, and Incomplete Information*

- Stein, Arthur A. “Coordination and Collaboration: Regimes in an Anarchic World.” *International Organization* 36, no. 2 (1982). Read pages 301–19. Available online from [JSTOR](#).
- Oatley, Thomas. “Interests and Institutions in International Political Economy” and “The Global Economy in Historical Context.” In *International Political Economy*. Read pages 12–19.

### *February 13 – States as Non-Unitary Actors*

- Putnam, Robert D. “The Logic of Two-Level Games.” *International Organization* 42, no. 3 (1988). Read pages 434–50. Available online from [JSTOR](#). [or Lipson/Cohen, pp. 354–70]

### *February 16 – Externalities, Public Goods, and Social Cost*

- Olson, Mancur. “A Theory of Groups and Organizations.” In *The Logic of Collective Action*. Read pages 5–16 and 33–6. Available online from [KnightVision](#).
- Coase, Ronald. “The Problem of Social Cost.” *Journal of Law and Economics* 3 (1960). Read page 1–8 and 15–19. Available online from [JSTOR](#).

### *February 18, 20 – Hegemony and International Institutions*

- Axelrod, Robert, and Robert O. Keohane. “Achieving Cooperation under Anarchy.” *World Politics* 38, no. 1 (1985): 226–54. Available online from [JSTOR](#).
- Gilpin, Robert. “The Politics of International Regimes.” In *Global Political Economy*. Read pages 82–93.

### *February 23 – Distribution and the Problem of Relative Gains*

- Gilpin, Robert. “Distribution of Wealth and Economic Activities” and “National Autonomy.” In *Global Political Economy*. Read pages 78–82.
- Grieco, Joseph M. “Anarchy and the Limits of Cooperation.” *International Organization* 42, no. 4 (1988). Read pages 492–501. Available online from [JSTOR](#). [or Lipson/Cohen, pp. 16–25]

### ***February 25 – Power, Interdependence, and Bargaining***

- Krasner, Stephen D. “Global Communications and National Power: Life on the Pareto Frontier.” *World Politics* 43, no. 3 (1991). Read pages 336–42. Available online from [JSTOR](#).
- Keohane, Robert O., and Joseph S. Nye. *Power and Interdependence*. Read pages 8–19. Available online from [KnightVision](#).

### ***February 27, March 2 – Domestic Systems, Bargaining, and Credibility***

- Gilpin, Robert. “National Governments and Domestic Economies” and “National Systems of Political Economy.” In *Global Political Economy*. Read pages 129–30, 148–55, 156–64, and 168–71.
- Putnam, Robert D. “The Logic of Two-Level Games.” Reread pages 440–1 and 448–50. [or Lipson/Cohen, pp. 360–1 and 368–70]
- Cowhey, Peter F. “Domestic Institutions and the Credibility of International Commitments.” *International Organization* 47, no. 2 (1993). Read pages 299–307 and 315–318. Available online from [JSTOR](#). [or Lipson/Cohen, pp. 399–407 and 415–18]

### ***March 4 – MID-TERM EXAMINATION***

## **Part II: International Trade**

### ***March 6, 9 – The Economics of International Trade***

- Oatley, Thomas. “The Economic Case for Trade.” In *International Political Economy*. Read pages 48–60.
- Gilpin, Robert. “Revisions of Conventional Trade Theory.” In *Global Political Economy*. Read pages 206–10.

### ***March 11 – Power, Preferences, and the Structure of International Trade***

- Gilpin, Robert. “Embeddedness of the Economy” and “Theory of Hegemonic Stability.” In *Global Political Economy*. Read pages 41–5 and 93–102.
- Krasner, Stephen D. “State Power and the Structure of International Trade.” *World Politics* 28, no. 3 (1976). Read pages 318–23 and 341–3. Available online from [JSTOR](#).

### ***March 13, 16 – The GATT/WTO Trading System***

- Gilpin, Robert. “Postwar Trade Regime.” In *Global Political Economy*. Read pages 217–24.
- Oatley, Thomas. “The World Trade Organization and the World Trade System”, “The Politics of Trade Cooperation”, and “Organizing Interests.” In *International Political Economy*. Read pages 23–9, 34–40, 60–9, and 81–3.
- [TOPICS FOR POLICY PAPER #1 ARE DUE BY THE BEGINNING OF THE CLASS PERIOD ON MARCH 16.]

### ***March 18, 20 – Political Cleavages, Sectoral Conflict, and Trade Preferences***

- Oatley, Thomas. “A Society-Centered Approach to Trade Politics.” In *International Political Economy*. Read pages 73–92.
- Rogowski, Ronald. “Political Cleavages and Changing Exposure to Trade.” *American Political Science Review* 81, no. 4 (1987). Read pages 1122–7. Available online from [JSTOR](#).

### ***March 23, 25, 27 – SPRING BREAK***

### ***March 30, April 1 – Industrialization, Import Substitution, and Protectionism***

- Gilpin, Robert. “The Debate over Free Trade” and “The Rise and Demise of Development Economics.” In *Global Political Economy*. Read pages 198–202 and 306–12.
- Oatley, Thomas. “States and Industrial Policy,” “Import Substitution Industrialization,” and “The East Asian Model.” In *International Political Economy*. Read pages 96–100, 116–37, and 139–51.

### ***April 3 – Dominance, State Power, and Strategic Trade Theory***

Gilpin, Robert. “Strategic Trade Theory” and “From Comparative to Competitive Advantage.” In *Global Political Economy*. Read pages 122–7 and 210–14.

Oatley, Thomas. “State Strength: The Political Foundation of Industrial Policy” and “Industrial Policy in High-Tech Industries.” In *International Political Economy*. Read pages 101–7.

### ***April 6 – Competitiveness, Relative Gains, and Strategic Rivalry***

Gilpin, Robert. “Do Nations Compete with One Another?” and “Trade and the Economy.” In *Global Political Economy*. Read pages 180–3 and 202–6.

Oatley, Thomas. “Strategic Rivalry in Semiconductors and Commercial Aircraft.” In *International Political Economy*. Read pages 107–11.

Mastanduno, Michael. “Do Relative Gains Matter?” *International Security* 16, no 1. (1991). Read pages 73–5 and 110–13. Available online from [JSTOR](#).

### ***April 8 – Regionalism and Other Challenges***

Oatley, Thomas. “Regional Trade Arrangements and the WTO.” In *International Political Economy*. Read pages 40–4.

Gilpin, Robert. “New Threats to an Open Trading System.” In *Global Political Economy*. Read pages 224–32.

### ***April 10 – GOOD FRIDAY***

## **Part III: International Monetary Relations and International Finance**

### ***April 13 – The Economics of International Monetary Relations***

Oatley, Thomas. “The Economics of the International Monetary System.” In *International Political Economy*. Read pages 216–25.

Gilpin, Robert. “Embedded Technical and Political Issues” and “Devising an International Monetary System.” In *Global Political Economy*. Read pages 242–50.

### ***April 15, 17 – The Rise, Decline, and Fall of the Bretton Woods System***

Oatley, Thomas. “The Rise and Fall of the Bretton Woods System.” In *International Political Economy*. Read pages 225–35.

Gilpin, Robert. “The Postwar International Monetary System” and “The End of Fixed Exchange Rates.” In *Global Political Economy*. Read pages 235–9.

[POLICY PAPER #1 DUE AT THE BEGINNING OF THE CLASS PERIOD ON APRIL 15.]

### ***April 20 – Post-Bretton Woods International Monetary Arrangements***

Oatley, Thomas. “Contemporary International Monetary Arrangements.” In *International Political Economy*. Read pages 237–58.

Gilpin, Robert. “The Financial Revolution and Monetary Affairs,” “Reform of International Monetary Affairs,” and “Unity or Fragmentation of the Monetary System?” In *Global Political Economy*. Read pages 239–42 and 250–8.

[TOPICS FOR POLICY PAPER #2 ARE DUE BY THE BEGINNING OF THE CLASS PERIOD.]

### ***April 22, 24 – Monetary Policy and Exchange Rate Stability***

Oatley, Thomas. “Monetary and Exchange-Rate Policies.” In *International Political Economy*. Read pages 260–303.

***April 27 – Financial Crises and the Changing Role of the IMF***

Gilpin, Robert. “The International Financial System.” In *Global Political Economy*. Read pages 261–77.

Oatley, Thomas. “A Decade of Crises.” In *International Political Economy*. Read pages 333–48.

***April 29 – ACADEMIC ADVISING***

***May 1 – Capital Controls and Other Tools***

Goodman, John B., and Louis W. Pauly. “The Obsolescence of Capital Controls?” *World Politics* 46, no. 1 (1993). Read pages 50–60. Available online from [JSTOR](#).

Bhagwati, Jagdish. “The Capital Myth: The Difference between Trade in Widgets and Dollars.” *Foreign Affairs* 77, no. 3 (1998): 7–12. Available online from [Academic OneFile](#).

Edwards, Sebastian. “A Capital Idea? Reconsidering a Financial Quick Fix.” *Foreign Affairs* 78, no. 3 (1999): 18–22. Available online from [Academic OneFile](#).

***May 4 – The Debt Crisis, IMF Conditionality, and Structural Adjustment***

Gilpin, Robert. “The Debt Crisis and Structural Adjustment.” In *Global Political Economy*. Read pages 313–16.

Oatley, Thomas. “Structural Adjustment and the Politics of Reform,” “The Latin American Debt Crisis,” and “The Heavily Indebted Poor Countries.” In *International Political Economy*. Read pages 151–60, 315–31, and 349–54.

***May 6 – FDI and Multinational Corporations***

Gilpin, Robert. “The State and the Multinationals.” In *Global Political Economy*. Read pages 278–94.

Oatley, Thomas. “Multinational Corporations in the Global Economy.” In *International Political Economy*. Read pages 176–89.

[POLICY PAPER #2 DUE AT THE BEGINNING OF THE CLASS PERIOD.]

***May 8 – Environmental Degradation, Inequality, and the “Race to the Bottom”***

Oatley, Thomas. “Globalization: Consequences and Controversies.” In *International Political Economy*. Read pages 357–81.

Gilpin, Robert. “Alleged Consequences of Economic Globalization.” In *Global Political Economy*. Read pages 366–9.

***May 11, 13 – Regulating Multinational Corporations***

Gilpin, Robert. “The New Trade Agenda” and “The State and the Multinationals.” In *Global Political Economy*. Read pages 225–31 and 300–4.

Oatley, Thomas. “The Politics of Multinational Corporations.” In *International Political Economy*. Read pages 191–213.

[TOPICS FOR POLICY PAPER #3 ARE DUE BY THE BEGINNING OF THE CLASS PERIOD ON MAY 11.]

***May 18*** – [POLICY PAPER #3 DUE AT 2:00 P.M.]

***May 20 – FINAL EXAMINATION***

**GAUDEAMUS**