

BOSTON UNIVERSITY

INTERNATIONAL POLITICAL ECONOMY

CAS IR 390/PO 355
FALL 2004
MWF 11-12
CAS B25B

PROF. STROM C. THACKER

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OBJECTIVES:

This course introduces students to the study of international political economy (IPE). It addresses the reciprocal, interactive relationship between politics and economics in the historical and contemporary international system by exploring the effect of political factors on international economic relations as well as the impact of economic factors on domestic and international politics. The course first introduces the general historical and theoretical frameworks that guide the study of IPE. It then applies these frameworks to the relations between the principal state and non-state actors in a variety of issues in IPE, including international monetary and trade relations, foreign investment flows, economic development, currency crises, and global environmental affairs. The course concludes with a consideration of the challenges that globalization presents to the political management of national and international markets.

PREREQUISITES:

EC 101 and EC 102 or their equivalents are prerequisites for this course. Students requesting an exception should see the instructor upon entering the class.

REQUIREMENTS:

Grades will be based on 1) a series of unannounced (or “pop”) quizzes on the day’s assigned readings, 2) a 3-4 page paper, and 3) a final exam. ***You will not do well in this class if you do not attend class and do the reading.*** You will be allowed to drop one (1) quiz score. The final exam will cover readings, lectures, class discussions, films and all other course requirements. Instructions for the paper will be handed out the first week of class, or can be found at <http://www.bu.edu/sthacker/390paper.html>.

ACADEMIC INTEGRITY

All work for this class is expected to be individual, i.e., not the result of collaboration or a group project. You are not required to use outside sources for the paper, but any outside sources used must be cited properly. It is imperative that students understand and follow the guidelines of proper source citation. For guidance, see the guideline for source citation on page three of this syllabus or at <http://www.bu.edu/sthacker/source.html>, and the CAS Academic Conduct Code (available at CAS or at <http://www.cs.bu.edu/ugradprogram/conduct.html>). Cases of academic misconduct will be referred to the Dean’s office.

GRADING:

- 40% Reading quizzes (unannounced — approximately 10-15 total quizzes)
- 20% Paper, due at the beginning of class on the assigned date
- 40% **Final exam: Friday, December 17, 12:30-2:30 p.m.**
- Borderline grades will be rounded up or down according to the level and quality of the student’s class participation.

Grades are calculated on a 100-point scale, converted to letter grades as follows:

93-100	A	90-92	A-	87-89	B+	83-86	B	80-82	B-
77-79	C+	73-76	C	70-72	C-	60-69	D	Below 60	F

ABSENCES AND LATE WORK:

Students are expected to attend all class sessions and to take all quizzes and the exam at their scheduled times. No make-ups will be given without documentation excusing an absence for medical, religious or personal reasons, or for official university business. Students must notify the instructor as soon as possible (preferably in advance) of the reason for the absence. Late papers will be penalized five (5) points for the first day late, and three (3) points each day thereafter.

READINGS:

Students are required to complete all reading assignments before class. Quizzes and frequent class discussions will require a thorough understanding of the readings.

The following required texts are available for purchase at the Boston University Bookstore and on reserve at Pardee Library, School of Management, 595 Commonwealth Avenue (call numbers in parentheses):

- Frieden, Jeffrey and David Lake, eds. 2000. *International Political Economy: Perspectives on Global Power and Wealth*, Fourth Edition. New York: St. Martin's Press. (HF1411 .I51757 2000)
- Gilpin, Robert. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton: Princeton University Press. (HF1359 .G55 2001)
- Spero, Joan E. and Jeffrey A. Hart. 2003. *The Politics of International Economic Relations*, Sixth Edition. Belmont, CA: Thomson Wadsworth. (HF1359 .S695 2003)

Other readings are available on-line via http://courseinfo.bu.edu/courses/04fallcasir390_a1/ (click Course Documents, then Course Packet) and marked by an asterisk ().

PERIODICALS:

In order to stimulate lively and timely class discussions, students are required to read the section dealing with issues of international economics of one of the following publications on a regular basis (i.e., daily for newspapers, weekly for magazines):

New York Times
Wall Street Journal

Christian Science Monitor
The Economist

Discounted subscriptions to *The Economist* are available at <https://www.economistacademic.com/index.cfm?action=sso>. Enter Faculty ID 1304 where indicated.

USE OF SOURCE MATERIALS*

Correct use and acknowledgment of source materials is vital to any research project. Only through accurate documentation can the reader distinguish the writer's original contribution from those of others. This allows the reader (1) to consult the source of a fact or opinion if he or she so desires and (2) to assign credit or blame judiciously — to the writer or to the writer's sources. Moreover, failure to acknowledge source material properly constitutes plagiarism and is subject to the appropriate penalties.

The basic rule is this: If you use material drawn from something beside your own first-hand experience, and the material is not “common knowledge,” that is, something that “everybody knows,” give credit to your source.

If you quote directly, even a word or phrase, use quotation marks and footnote.**

If you paraphrase (i.e., take the ideas and put them into your own words), footnote.

If you organize material in the unique manner of someone else, give that person credit in the text and, usually, in a footnote as well.

A good rule of thumb is to ask yourself: “Could a reader who consulted the works listed in my bibliography recognize in my paper sentences, phrases, and even striking words; patterns of organization; interpretations or attitudes or points of view or whole ideas or facts, as deriving from any one of these sources?” If the reader could, you must footnote those passages. Any clear parallels between your paper and any of its sources that a reader would discover from consulting these sources, you should already have told him or her through footnotes or informal acknowledgments.

If you borrow everything in your paper, footnote everything in your paper!

Once your paper is turned in, the reader has the right to assume that whatever appears in the paper, unless otherwise indicated, is your own work or is “common knowledge.”

It should be noted that a paper that is merely a patchwork of other people's words and ideas is a poor paper. Because of the particular slant on the topic you have been asked to consider; because of the particular combination of sources you have consulted; because of the independence of your own creative mind, your paper should be organically different from any of the various sources that have contributed to it.

* This statement is adapted from a document entitled “Use of Source Materials,” Pomona College Department of Government, Claremont, CA.

** Parenthetical references [e.g., (Smith 1991, 234)] may be substituted for footnotes.

COURSE OUTLINE

ANALYTICAL FRAMEWORKS

Sep. 8: *Introduction to the course*

Sep. 10: *What is international political economy?*

- Gilpin, Preface, Chapters 1, 2

Sep. 13: *Neoclassical approaches*

- Gilpin, Chapter 3

Sep. 15: *New approaches*

- Gilpin, Chapters 5, 6

Sep. 17: *IPE theories and the Liberal International Economic Order (LIEO)*

- Frieden & Lake, Introduction
- Gilpin, Chapter 4
- Spero and Hart, Chapter 1

INTERNATIONAL MONETARY RELATIONS

Sep. 20: *National systems*

- Gilpin, Chapter 7

Sep. 22: *The Bretton Woods monetary system*

- Gilpin, Chapter 9, pp. 234-248
- Spero and Hart, Chapter 2, pp. 12-27

Sep. 24: *Explaining monetary systems: Hegemonic stability theory*

- Frieden & Lake, Chapter 14 (Eichengreen)

Sep. 27: *Explaining monetary systems: Domestic politics*

- Frieden & Lake, Chapter 16 (Frieden)

Sep. 29: *The post-Bretton Woods monetary (dis)order*

- Spero and Hart, Chapter 2, pp. 28-66
- Gilpin, Chapter 9, pp. 248-260
- Frieden & Lake, Chapter 15 (Cohen)

Oct. 1: *European Monetary Union*

- Frieden & Lake, Chapter 17 (Wyplosz)
- *Bergsten, C. Fred. 1997. "The Dollar and the Euro." *Foreign Affairs* 76 (4): 83-95.

INTERNATIONAL TRADE RELATIONS

Oct. 4: *Trade simulation*

None

Oct. 6: *Liberal trade theories*

- Gilpin, Chapter 8, pp. 196-206

Oct. 8: *Nationalist trade theories*

- Gilpin, Chapter 8, pp. 206-217
- Frieden & Lake, Chapter 1 (Krasner)

Oct. 13: *Free trade and protectionism*

- Frieden & Lake, Chapter 19 (Coughlin, Chrystal & Wood)

Oct. 15: *Trade coalitions*

- Frieden & Lake, Chapters 20 (Rogowski)

Oct. 18: *The GATT trading system*

- Spero and Hart, Chapter 3, pp. 66-87
- Gilpin, Chapter 8, pp. 217-221

Oct. 20: *Challenges to the GATT and the WTO*

- Gilpin, Chapter 8, pp. 221-233
- Spero and Hart, Chapter 3, pp. 87-116

Oct. 22: *The New Protectionism and regionalism*

- Gilpin, Chapter 13
- Frieden & Lake, Chapter 24 (Cox)
- *Gordon, Bernard K. 2003. "A High-Risk Trade Policy." *Foreign Affairs* 82(4): 105-18.

Oct. 25: *Is free trade good for you?*

- Frieden & Lake, Chapter 22 (Freeman)

DIRECT FOREIGN INVESTMENT

Oct. 27: *The multinational corporation (MNC) and DFI*

- Gilpin, Chapter 11, pp. 278-292
- Spero and Hart, Chapter 4, pp. 117-127

Oct. 29: *The origins of DFI*

- Spero and Hart, Chapter 4, pp. 127-133
- Frieden & Lake, Chapter 9 (Caves)

Nov. 1: *The impact of DFI*

- Spero and Hart, Chapter 4, pp. 133-170
- Frieden & Lake, Chapter 11 (Fieldhouse)

Nov. 3: *Strategic trade and investment policies*

- Frieden & Lake, Chapter 12 (Hart and Prakash)

Nov. 5: *The new multinationalism*

- Gilpin, Chapter 11, pp. 292-304
- Frieden & Lake, Chapter 4 (Strange)

Nov. 8: *DFI policy*

- *Reich, Robert. 1992. "Who is Us?" in *International Politics: Enduring Concepts and Contemporary Issues*, 3rd edition, ed. Robert J. Art and Robert Jervis, New York: Harper Collins.
- *Drezner, Daniel W. 2004. "The Outsourcing Bogyman." *Foreign Affairs* 83(3): 22-34.

DEVELOPMENT AND NORTH-SOUTH RELATIONS

Nov. 10: *LDC development strategies*

- Spero and Hart, Chapter 5
- Gilpin, Chapter 12, pp. 305-312

Nov. 12: Film: *Frontline: The Crash*

- Frieden & Lake, Chapter 25 (Stiglitz and Squire)

Nov. 15: *North-South trade relations*

- Spero and Hart, Chapter 7

Nov. 17: *DFI in the developing world*

- Spero and Hart, Chapter 8

CRISIS AND RECOVERY

Nov. 19: *The debt crisis*

- Spero and Hart, Chapter 6, pp. 206-233
- Gilpin, Chapter 12, pp. 313-316
- Frieden & Lake, Chapter 28 (Haggard)

Nov. 22: *Beyond Neoliberalism*

- Gilpin, Chapter 12, pp. 316-340
- Frieden & Lake, Chapter 27 (Williamson)

Nov. 29: *The Mexican peso crisis and tequila effect*

- * Edwards, Sebastian. 1997. "Bad Luck or Bad Policies? An Economic Analysis of the Crisis," in *Mexico 1994: Anatomy of an Emerging Market Crash*, ed. Sebastian Edwards and Moisés Naím, Washington, DC: Carnegie Endowment.

Dec. 1: *Currency crises in Asia*

- Krause, Lawrence. 1998. "The Economics and Politics of the Asian Financial Crisis of 1997-98." Available online at <http://www.bu.edu/sthacker/krause.html>

GLOBAL ENVIRONMENTAL RELATIONS

Dec. 3: *The political economy of environmental degradation and protection*

- Frieden & Lake, Chapters 26, 29 (Broad, Cavanaugh and Bello; Butler)

Dec. 6: Film: *After the Warming*

- *Browne, John. 2004. "Beyond Kyoto." *Foreign Affairs* 83(4): 20-32.

GLOBALIZATION AND ITS DISCONTENTS

Dec. 8: *Globalization and the nation-state*

- Frieden & Lake, Chapter 18 (Goodman and Pauly)
- Gilpin, Chapter 14

Dec. 10: *Managing globalization*

- Frieden & Lake, Chapters 30, 31 (Cerny, Rodrik)

Dec. 13: *Governing the global political economy?*

- Spero and Hart, Conclusion
- Gilpin, Chapter 15
- *Bergsten, C. Fred. 2004. "Foreign Economic Policy for the Next President." *Foreign Affairs* 83(2): 88-101.