

Pol S 381
International Political Economy
FALL 2015

Instructor: Dr. Mark Nieman

Time and Location: TR 2:10–3:30pm, Town Engineering Building 0270

Contact: mdnieman@iastate.edu

Office Hours: M 11:00am–2:00pm, WF 11:00am–12pm, and by appointment, Ross Hall 357

Overview and Objectives

This course examines the intersection of international politics and economics. We begin by examining theories of trade, the domestic consequences of trade, and development strategies states undertake to manage trade. Why do states trade? Who decides what goods are traded and which are protected from trade? Is free trade good for everyone all the time? Next we explore how states manage their currency. Recent events (e.g., Greece) demonstrate that fiscal and monetary policy have profound impacts on people’s daily lives. Who wins and loses if interest rates are raised or lowered? What are financial/debt crises and how do they spread? What is the role of central banks? Do multinational corporations help or hinder developing states? Finally, we look at the role of international economics on poverty, inequality, and the environment. Are conditions improving or getting worse? Can these be addressed without slowing economic growth? Should this matter?

We will use theoretical, empirical, and historical approaches to analyze these topics. At the end of the course, students will understand why states trade (and why they don’t trade everything), the advantages and disadvantages of different monetary policies, and the ways states compete for and manage international finance. Students should be able to apply this knowledge to real world scenarios, such as explaining past debt crises or assessing the prospects of a financial crisis to contemporary cases.

Learning Outcomes

- Students will demonstrate a generalized understanding of the dynamic relationship between international politics and economics;
- Students will explain how the scientific method applies to political economy;
- Students will interpret statistical output;
- Students will apply empirical results to current cases and make informed, probabilistic predictions;
- Students will critically read and evaluate scholarly work.

Required Texts

Thomas Oatley. *International Political Economy: Interests and Institutions in the Global Economy* (Longman, 5th ed., 2013).

Menzie Chinn and Jeffrey A. Frieden. *Lost Decades: The Making of America's Debt Crisis and the Long Recovery* (W. W. Norton, 2012).

I encourage you to keep up-to-date on current events by reading articles relating to economic foreign policy and international political economy in a major news media source. Two good sources are the New York Times and the Wall Street Journal. They have substantial coverage of international events, and you can subscribe to either at a very reasonable student rate. A major weekly news magazine, such as the Economist, also provides strong coverage of international events. Lastly, many news organizations provide news online, free of charge (i.e., www.news.google.com).

Grades

Two Exams: 60% (30% each)

There are two non-cumulative midterm examinations for this class which are worth 50 points each. The exams are based on the readings, lectures, and class discussions. Exams are composed of multiple choice and short answer questions. Students who wish to do well on these tests should read the assigned material and attend lectures.

Response papers: 24% (3% each)

Students turn in eight 1-page response papers (approx 300 words \pm 50 words). Response papers are due at the start of class (2:10pm) on Thursday via email with the subject line "Response paper."

Response papers for the assigned scholarly articles (note: not the Oatley textbook). To earn maximum points, response papers should identify the author's theory and main hypothesis, how the hypothesis is tested, and *critically* evaluate whether the evidence supports the author's expectations.

Class participation: 16%

This is an upper division class and is treated as a seminar. This means that you are expected to have read that week's assigned readings, be prepared to describe the theory and findings, and be ready to critically discuss them. While I may provide a brief lecture at the start of class to provide background, the class will be much more valuable if you as a collective body do most of the talking. To encourage this, all students start with a participation grade of "D" and improve on this by constructively participating in the class discussion. This means that if you attend every class section but do not participate, you have earned a "D" for participation. In order to participate, of course, you must be in class.

Grading Scale:

A	93-100	C	73-76
A-	90-92	C-	70-72
B+	87-89	D+	67-69
B	83-86	D	63-66
B-	80-82	D-	60-62
C+	77-79	F	≤ 59

Administrative Issues

Missing an Exam: I expect at least two weeks advance notification that you will miss an exam (i.e. participating in university sponsored activity). You must arrange with me to make up the work in a timely manner. If you are physically unable to contact me in advance (e.g., if you wake up extremely ill), you must contact me (via email or phone) as soon as possible and then bring some form of verification from a physician. Failure to complete an exam without appropriately notifying me results in zero credit for that exam.

Grade Complaints: If for some reason a student is unhappy with their grade, they may submit their complaint in writing in hard copy form, explain the particular discrepancy, and recommend an appropriate recourse. The instructor will read the memo, re-read the disputed answer, and then assign a new grade. The instructor reserves the right to assign a lower grade after re-reading the answer a second time.

Academic Dishonesty: Plagiarism, any form of cheating, or other conduct proscribed by the Student Handbook, will result in an “F” grade for the course and be referred to the Dean of Students.

Accommodations: Please discuss any special needs with the teaching staff at the start of the semester, for example to request reasonable accommodations if an academic or work requirement conflicts with your religious practices and/or observances. Those seeking accommodations based on disabilities should provide a completed Student Academic Accommodation Request form from the Disability Resources office (Student Services Building 1076, phone 515-294-7220). The Dean of Students Office or the Office of Equal Opportunity and Compliance may be able to provide additional assistance.

Harassment and Discrimination: Any concerns about prohibited discrimination or harassment based on race, ethnicity, sex (including sexual assault), pregnancy, color, religion, national origin, physical or mental disability, age, marital status, sexual orientation, gender identity, genetic information, or status as a veteran should be brought to the instructor, Student Assistance (515-294-1020 or dso-sas@iastate.edu), or the Office of Equal Opportunity and Compliance (515-294-7612).

I reserve the right to modify the syllabus to reflect the pace of the course.

Schedule

Aug 24: Introduction and Background.

Oatley, pp. 1–20, 45–53.

Optional: Rosenberg, Karen. “Reading Games: Strategies for Reading Scholarly Sources.” (available at: <http://wac.colostate.edu/books/writingspaces2/rosenberg-reading-games.pdf>)

Aug 31: What Goods are Imported and Exported?

Oatley, pp. 53–58, 69–79.

Hiscox, Michael J. 2002. Commerce, Coalitions, and Factor Mobility: Evidence from Congressional Votes on Trade Legislation. *American Political Science Review* 96(3): 593–608.

Sept 7: Domestic Institutions and Trade Policy.

Oatley, pp. 79–89, 58–62 (prisoner’s dilemma).

Conybeare, John A.C. 1980. International Organization and the Theory of Property Rights. *International Organization* 34(3): 307–334.

Sept 14: State Trade Strategies.

Oatley, pp. 89–103.

Milner, Helen V. and David B. Yoffie. 1989. Between Free Trade and Protectionism: Strategic Trade Policy and a Theory of Corporate Trade Demands. *International Organization* 43(2): 239–272.

Sept 21: Trade and Development I.

Oatley, pp. 111–132.

Simmons, Beth A. and Zachary Elkins. 2004. The Globalization of Liberalization: Policy Diffusion in the International Political Economy. *American Political Science Review* 98(1): 171–189.

Sept 28: Trade and Development II.

Oatley, pp. 133–154.

Goldstein, Judith L., Douglas Rivers, and Michael Tomz. 2007. Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade. *International Organization* 61(1): 37–67.

Oct 5: WTO and Regional Trade Pacts, and Exam 1.

Oatley, pp. 21–44, 154–157.

Exam 1

Oct 12: International Finance.

Oatley, pp. 158–179.

Li, Quan. 2006. Democracy, Autocracy, and Tax Incentives to Foreign Direct Investors: A Cross-National Analysis. *Journal of Politics* 68(1): 62–74.

Oct 19: Politics of Multinational Corporations.

Oatley, pp. 180–201.

Plümper, Thomas, Vera E. Troeger, and Hannes Winner. 2009. Why is there No Race to the Bottom in Capital Taxation? *International Studies Quarterly* 53(3): 761–786.

Oct 26: International Monetary System.

Oatley, pp. 202–224.

Leblang, David. 2003. To Devalue or to Defend? The Political Economy of Exchange Rate Policy. *International Studies Quarterly* 47(4): 533–560.

Nov 2: Monetary and Exchange Rate Policies I.

Oatley, pp. 249–272.

Bearce, David H. 2008. Not Complements, but Substitutes: Fixed Exchange Rate Commitments, Central Bank Independence, and External Currency Stability. *International Studies Quarterly* 52(4): 807–824.

Nov 9: Monetary and Exchange Rate Politics II.

Oatley, pp. 273–297.

Stone, Randall W. 2004. The Political Economy of IMF Lending in Africa. *American Political Science Review* 98(4): 577–591.

Nov 16: US Financial Crisis I.

Chinn and Frieden, Ch 1–2.

No class on Thursday, Nov. 19.

Nov 23: Thanksgiving break, no class.

Nov 30: US Financial Crisis II.

Chinn and Frieden, Ch 3–5.

Chinn and Frieden, Ch 6–8.

Dec 7: Globalization Consequences and Controversies.

Oatley, pp. 346–368.

Prakash, Aseem and Matthew Potoski. 2006. Racing to the Bottom? Trade, Environmental Governance, and ISO 14001. *American Journal of Political Science* 50(2): 350–364.

Dec 14: Finals Week.

Exam 2, Thursday, Dec 17, 7:30-9:30am.