

## International Political Economy

All readings on this list are required and are contained in the following books, which are available for purchase at the Coop:

Jeffrey Frieden and David Lake, Editors, *International Political Economy: Perspectives on Global Power and Wealth* Fourth edition (New York: St. Martin's Press, 2000).

Joseph Grieco and John Ikenberry, *State Power and World Markets: The International Political Economy* (New York: W. W. Norton, 2003)

Thomas Oatley, *International Political Economy: Interests and Institutions in the Global Economy* (New York: Pearson Longman, 2004)

The required texts are also on reserve at Lamont Library. The following books may be useful, and are available at the Coop:

Graham Bannock, R.E. Baxter, and Evan Davis, *The Penguin Dictionary of Economics* sixth edition (New York: Penguin, 1999)

Randy Charles Epping, *A Beginner's Guide to the World Economy* third edition (New York: Vintage, 2001)

**Please note:** Given the nature of the course and of the examinations, you are *strongly urged* to do all reading in advance, as assigned on the reading list. Failure to do so will impede your ability to profit from the lectures, and to perform well in section participation and on the examinations. Notice that the quantity of readings varies from topic to topic. You are strongly urged to read ahead when the reading load is lighter.

Requirements for the course are as follows:

**Two take-home essays.** These will be papers of 2500-3000 words (seven to ten pages) each, in which you will be asked to discuss issues raised by lectures and readings. They are due at the start of class five days after paper topics are assigned. The first topic will be handed out March 10, and the paper is due March 15. The second topic will be handed out April 28, and the paper is due May 3. For both assignments you will be asked to answer one of two questions. Each essay will count for 30 percent of your final grade.

**A three-hour final examination.** This will have two parts, each of which will count for one-half of the final exam grade. The first part will ask you to identify and discuss the significance of important events, processes, and concepts contained in the course. The second part will consist of an essay question, similar to the take-home examination questions. You will be asked to answer one of two questions. The final examination will count for 30 percent of your final course grade.

**Section attendance and participation.** Section attendance is strongly recommended. In section you will have an opportunity to ask clarifying questions regarding specific readings, lectures, and concepts. Section will include critical discussion of the readings, and a review of potential IDs. Section attendance and participation will count for 10 percent of your final grade. Sections start meeting after shopping period, for an hour and a half weekly thereafter. Optional review sections will be held prior to the final.

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## Course Outline and Reading Assignments

### February 4                      Introduction: Markets and Politics

Oatley, chapter 1

Grieco and Ikenberry, chapter 1

Frieden and Lake, pp. 1-16:

Frieden and Lake, "Introduction: International Politics and International Economics," pp. 1-16

### February 9 and 11              The Rise of the Modern World Economy, 1500-1914

Frieden and Lake, pp. 69-108 and 199-244:

Frieden and Lake, "Historical Perspectives," pp. 69-71.

Charles Kindleberger, "The Rise of Free Trade in Western Europe," pp. 73-89

Peter Gourevitch, "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896," pp. 90-108

Lawrence Broz, "The Domestic Politics of International Monetary Order: The Gold Standard," 199-219

Barry Eichengreen, "Hegemonic Stability Theories of the International Monetary System," pp. 220-244

***NO CLASS FEBRUARY 16 – PRESIDENTS' DAY***

### February 18 and 23              Perspectives on the International Political Economy

Grieco and Ikenberry, chapter 4

Frieden and Lake, pp. 17-68:

Frieden and Lake, "Contending Perspectives," p. 17

Stephen Krasner, "State Power and the Structure of International Trade," pp. 19-36

Barry Eichengreen, "The Political Economy of the Smoot-Hawley Tariff," pp. 37-46

Douglass North, "Institutions and Economic Growth: A Historical Introduction," pp. 47-59

Susan Strange, "States, Firms, and Diplomacy," pp. 60-68

**February 25 and March 1                      Origins and Overview of the Contemporary  
International Economic Order**

Grieco and Ikenberry, chapter 5

Frieden and Lake, pp. 127-140:

David A. Lake, "British and American Hegemony Compared:  
Lessons for the Current Era of Decline," pp. 127-140

**March 3, 8, and 10                      International Trade and its Effects**

Grieco and Ikenberry, chapter 2

Oatley, chapters 2 and 3

Frieden and Lake, pp. 299-376, and 19-46 (review)

Frieden and Lake, "Trade," pp. 299-302

Cletus C. Coughlin, K. Alec Chrystal, and Geoffrey E. Wood,  
"Protectionist Trade Policies: A Survey of Theory, Evidence,  
and Rationale," pp. 303-317

Ron Rogowski, "Commerce and Coalitions: How Trade Affects  
Domestic Political Alignments," pp. 318-326

James E. Alt and Michael Gilligan, "The Political Economy of  
Trading States: Factor Specificity, Collective Action  
Problems, and Domestic Political Institutions," pp. 327-342

Richard B. Freeman, "Are Your Wages Set in Beijing?" pp. 343-352

Edward D. Mansfield and Marc L. Busch, "The Political Economy of  
Nontariff Barriers: A Cross-national Analysis," pp. 353-365

Ronald W. Cox, "Explaining Business Support for Regional Trade  
Agreements," pp. 366-376

Re-read pp. 19-46

***FIRST PAPER TOPICS DISTRIBUTED AT END OF CLASS MARCH 10,  
DUE AT START OF CLASS MARCH 15***

**March 15                                      International Trade and the Developing Countries**

Oatley, chapter 4

**March 17, 22, and 24      International Financial and Monetary Relations**

Grieco and Ikenberry, chapter 3

Oatley, chapters 6 and 7

Frieden and Lake, pp. 193-298:

Frieden and Lake, "Money and Finance," pp. 193-197

Benjamin J. Cohen, "The Triad and the Unholy Trinity: Problems of International Monetary Cooperation," pp. 245-256

Charles Wyplosz, "EMU: Why and How it Might Happen," pp. 270-279

John Goodman and Louis Pauly, "The Obsolescence of Capital Controls? Economic Management in an Age of Global Markets," pp. 280-298

Re-read pp. 199-244

**April 5 and 7                      International Finance and Development**

Oatley, chapter 8

Frieden and Lake, pp. 417-430:

Stephan Haggard, "Inflation and Stabilization," pp. 417-430

**April 12, 14 and 19 Multinational Corporations and the Internationalization of Production**

Oatley, chapter 5

Frieden and Lake, pp. 141-192:

Frieden and Lake, "Production," pp. 141-144

Richard Caves, "The Multinational Enterprise as an Economic Organization," pp. 145-155.

Shah Tarzi, "Third World Governments and Multinational Corporations: Dynamics of Host Bargaining Power," pp. 156-166

David Fieldhouse, "'A New Imperial System'? The Role of the Multinational Corporations Reconsidered," pp. 167-179

Jeffrey Hart and Aseem Prakash, "Strategic Trade and Investment Policies: Implications for the Study of International Political Economy," 180-192.

**April 21 and 26**

**Problems of Development and Transition**

Grieco and Ikenberry, chapter 8

Oatley, chapter 9

Frieden and Lake, pp. 377-404:

Frieden and Lake, "Economies in Development and Transition,"  
377-381

Joseph E. Stiglitz and Lyn Squire, "International Development: Is it  
Possible?" pp. 383-391

Robin Broad, John Cavanagh, and Walden Bellow, "Development:  
The Market is Not Enough," pp. 392-404

**April 28 and May 3 Globalization and Current Problems in  
International Political Economy**

Grieco and Ikenberry, chapters 7 and 9

Frieden and Lake, pp. 405-416 and 431-470:

Jeffrey A. Williamson, "Globalization and Inequality, Past and Present," pp.  
405-416.

Frieden and Lake, "Current Problems in International Political Economy,"  
431-432

Alison Butler, "Environmental Protection and Free Trade: Are They  
Mutually Exclusive?" pp. 433-445

Philip G. Cerny, "Globalization and the Changing Logic of Collective  
Action," pp. 446-460

Dani Rodrik, "Sense and Nonsense in the Globalization Debate," pp. 461-  
470

***SECOND PAPER TOPICS DISTRIBUTED AT END OF CLASS APRIL 28,  
DUE AT START OF CLASS MAY 3***

**May 5**

**Conclusions**

Grieco and Ikenberry, chapter 10