

Professor Christina J. Schneider

Office: SSB 321

Office Hours: Friday 10-12am

E-mail: cjschneider@ucsd.edu

Office Phone: 858-246-1009

DESCRIPTION: The current financial crisis which has been one of the worst financial crises since the end of the second World War has sparked renewed debate about the pros and cons of economic globalization. Why do governments adopt the economic policies they do? Why do they manage to cooperate economically in some cases but not others? And why do governments promote or oppose globalization under different circumstances?

This course serves as an introduction to the study of international political economy (IPE). We will examine the evolution of international economic relations and discuss different explanations for its likely causes and consequences. The course is divided in several sections. After an introduction to the main analytical approaches we will explore political economy explanations to policy outcomes in different issue areas: trade, finance, monetary relations, development, and the consequences of globalization. We will make extensive use of the insights from economics and political science to understand how international economic interactions affect the incentives faced by political actors (voters, interest groups, parties, and politicians), and how the behavior of those political actors under different political institutions shape political and economic outcomes.

PREREQUISITES: This is an advanced undergraduate course and correspondingly the reading load is not light. Students should have taken at least the introduction course to international relations.

TEACHING ASSISTANTS:

Daniel Maliniak

Office: SSB 351

Office Hours: Wednesday 10-12am

E-mail: dmaliniak@ucsd.edu

REQUIREMENTS: The course requirements consist of a midterm exam (30%), a final exam (45%), and an essay (25%).

Exams. The exams will consist of identification, short-answer, and essay questions, and will be administered in class. The final will be comprehensive. You must take both exams to receive a passing grade for the course. The format for both exams will be the same. **Dates of the exams:**

Midterm exam: October 27th, 9-9:50, SOLIS 104

Final exam: December 8th, 8-11am, TBA

Written Essay. The essay topic will be given in class on October 29th, and the essays will be **due at the beginning of class on November 12th**. Grading will be based on the clarity of the position taken, concise writing, well reasoned support of the argument, and inclusion of concepts from the relevant literature covered in the course. Late essays will incur a 20% grade penalty for each day after the deadline. The essay should be typed, double-spaced, with at least 1-inched margins all around, typeface of at least 11 point, and between 5-8 pages in length.

Missed Exams. Essay extensions and make-up exams will only be given under valid, documented, and extreme circumstances. If you know you will miss an exam for a legitimate reason, notify me at least a week in advance. E-mail is perfectly acceptable. If you are not able to contact me in advance, you must do so as soon as possible. I am a reasonable person and will work with you to resolve reasonable problems. It is your responsibility to arrange with me to take a make-up exam.

Attendance. Class attendance will be important for your performance on the exams. Much of the material that we shall cover may not be in the readings. Taking notes will help you structure the substance.

Academic Integrity. You are expected to do your own work. Students caught cheating on exams or plagiarizing their essays will receive a failing grade for the course and will be turned over to the dean of their college for administrative sanctions.

Students agree that by taking this course all required papers will be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. Use of the Turnitin.com service is subject to the terms of use agreement posted on the Turnitin.com site.

Grade Appeals. You can expect to be graded solely on your academic performance. This includes clarity of thought, knowledge of the material, composition, spelling, and grammar. Students who believe to have received an incorrect grade or a grade based on non-academic criteria should formally appeal it to me. The appeal will consist of a single typed page that identifies the problem and presents a reasoned argument that the grade fits the appeal criteria listed above.

READINGS: The course readings will be drawn from a textbook and a number of articles. I recommend you to purchase the following book which is available for purchase at the bookstore:

- Thomas Oatley, 2010: International Political Economy (4th edition), New York: Longman.

The book will also be on reserve at the SSH library. **All other readings will be available on WebCT.**

SCHEDULE: The weekly schedule is subject to change. Make sure to check the page numbers that you are required to read; for most of the articles you are only required to read a fraction of the text!

PART 1: INTERNATIONAL TRADE

Friday, September 24th: Course Introduction

- Oatley, pp. 1-21.

Monday, September 27th: Why do states trade?

- Oatley, pp. 46-59.

Wednesday, September 29th: Why is protectionism costly?

- Oatley, pp. 51-53 (start from "How large are the costs..."), 59-63, and 72-73.
- Kimberly A. Elliott, 2005: Big Sugar and the Political Economy of US Agricultural Policy. Center for Global Development Brief.
- Center for Global Development, 2006: Global Trade, Jobs and Labor Standards.

Friday, October 1st: Why do states want to restrict trade: The factor and sector model of trade policy preferences.

- Oatley, pp. 71-74, 76-80

Monday, October 4th: Why do states restrict trade? The collective action approach.

- Oatley, pp. 59-64, 80-93.

Wednesday, October 6th: Why do states restrict trade? The state-centered approach.

- Oatley, pp. 94-107.
- NYT 09/2010: WTO Said To Find Improper Subsidies for Boeing.

Friday, October 8th: What is the role of the World Trade Organization?

- Oatley, pp. 21-41, 59-70.
- Meredith A. Crowley, 2003: An Introduction to the WTO and GATT, Economic Perspectives, 42-57.

Monday, October 11th: Why do states enter regional trade agreements?

- Edward D. Mansfield and Helen V. Milner, 1999: The New Wave of Regionalism, International Organization 53(3), 589-627.

Wednesday, October 13th: Do international trade institutions promote trade?

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

TOPIC 2: INTERNATIONAL INVESTMENT

Friday, October 15th: Why do firms go multinational?

- Oatley, pp. 164-182.

Monday, October 18th: Should multinational corporations be regulated?

– Oatley, pp. 162-204.

Wednesday, October 20th: NO CLASS (professor at conference)

– No readings.

Friday, October 22nd: NO CLASS (professor at conference)

– No readings.

Monday, October 25th: Why is there no international investment organization?

– Oatley, pp. 205-212.

Wednesday, October 27th: MIDTERM EXAMINATION

– No readings.

Friday, October 29th: ESSAY RESEARCH HELP

– No readings.

TOPIC 3: INTERNATIONAL FINANCE

Monday, November 1st: Introduction to international finance

– Oatley, pp. 214-224.

Wednesday, November 3rd: Why do states have different exchange rate systems?

– Oatley, pp. 260-304.

Friday, November 5th: The international monetary system.

– Benjamin Cohen, 2010: The Triad and the Unholy Trinity: Problems of International Monetary Cooperation, in: Frieden/Lake/Broz (eds.), International Political Economy, New York: Norton.

– NYT 09/2010: U.S. Adopts Tougher Stance on China.

Monday, November 8th: Why do financial crises occur?

– Oatley, pp. 306-313, 315-320, and 332-342.

– NYT: Greek Debt Woes Ripple Outward.

– NYT: Greek vs. U.S. Debt Crisis.

Wednesday, November 10th: What are the causes of the current financial crisis?

– No readings.

Friday, November 12th: What are the causes of the current financial crisis?

– No readings.

Monday, November 15th: What is the role of the International Monetary Fund?

– Oatley, pp. 313-314, 320-330, and 342-348.

Wednesday, November 17th: Why is there so much variation in the success of the IMF?

- Randall W. Stone, 2004: The Political Economy of IMF Lending in Africa, *American Political Science Review* 98, pp. 577-581, 590.

TOPIC 4: INTERNATIONAL DEVELOPMENT

Friday, November 19th: Globalization and Inequality.

- Oatley, pp. 356-370.

Monday, November 22th: Why is there so much variation in the level of economic development?

- David Dollar, 2010: Globalization, Poverty, and Inequality since 1980, in: Frieden/Lake/Broz (eds.), *International Political Economy*, New York: Norton.

Wednesday, November 24th: Why do states give foreign aid and to whom?

- Oatley, pp. 348-355.
- Steven Radelet, 2006: A Primer on Foreign Aid, Center of Global Development Working Paper 92.

Friday, November 26th: THANKSGIVING

- No readings

Monday, November 29th: Economic Development in Africa.

- No readings

Wednesday, December 1st: Economic Development in Africa II.

- No readings

Friday, December 3rd: Final Review

- No readings.

Wednesday, December 8th: FINAL EXAMINATION

- No readings.