DESCRIPTION: The current global 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:

Kelly Matush  
Office: SSB 343  
Office Hours: Wednesdays 10am-12pm  
E-mail: kmatush@ucsd.edu

Jack Zhang  
Office: SSB 329  
Office Hours: Fridays 10am-12pm  
E-mail: jjz007@ucsd.edu

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

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:

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Written Essay. The essay topic will be given in class on November 3rd, and the essays will be due at the beginning of class on December 1st. 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-inch margins all around, typeface of at least 11 point, and between 5-8 pages in length.

Missed Exams. 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 are 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.

Cell Phones/Texting. Please turn off cell phones and other distracting devices before entering class. Cell phones ringing and (especially) texting during class are very distracting to the professor and the other students.

Disability. If you are a student with a documented disability who will be requesting accommodations in my class, please make sure you are registered with the Office for Students with Disabilities (University Center 202; 858.534.4382) and provide me with documentation outlining your accommodations. I will be glad to meet with you privately during my office hours to discuss your special needs.

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:


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

**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, October 3rd: Course Introduction*

*Monday, October 6th: Why do states trade?*
  – Oatley, pp. 46-53.

*Wednesday, October 8th: Why is protectionism costly?*

*Friday, October 10th: Why do states want to restrict trade: The factor and sector model of trade policy preferences.*
  – Oatley, pp. 69-79

*Monday, October 13th: Why do states restrict trade? The collective action approach.*

*Wednesday, October 15th: Why do states restrict trade? The state-centered approach.*
  – Oatley, pp. 89-110.
  – NYT 09/2010: WTO Said To Find Improper Subsidies for Boeing.

*Friday, October 17th: What is the role of the World Trade Organization?*
  – Oatley, pp. 21-44, 58-63 (end at “The ability of governments...").
  – Busch, Marc and Eric Reinhardt, 2004: The WTO Dispute Settlement Mechanism and Development Countries.

*Monday, October 20th: What is the role of the WTO: Dispute Settlement*
  – Oatley, pp. 63-68 (start from “The ability of governments...").
  – Case summary: WTO Internet Gambling Case

*Wednesday, October 22nd: Do international trade institutions promote trade?

**Topic 2: International Investment**

*Friday, October 24th: Why do firms go multinational?*

*Monday, October 27th: Should multinational corporations be regulated?*
– NYT 10/2010: Chavez Reopens Oil Bids to West as Prices Plunge.

*Wednesday, October 29th: Why is there no international investment organization?*
– Oatley, pp. 194-201.

*Friday, October 31st: MIDTERM EXAMINATION*
– No readings.

*Monday, November 3rd: ESSAY RESEARCH HELP*
– No readings.

**Topic 3: International Finance**

*Wednesday, November 5th: Introduction to international finance*

*Friday, November 7th: Why do states have different exchange rate systems?*
– Oatley, pp. 249-297.

*Monday, November 10th: The international monetary system.*
– Oatley, pp. 212-224.

*Wednesday, November 12th: Why do financial crises occur?*
– Oatley, pp. 298-309, 323-345.
– NYT: Greek Dept Woes Ripple Outward.
– NYT: In Greek Debt Crisis, Some See Parallels to U.S.

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Friday, November 14th: NO CLASS (Professor at conference)
- No readings.

Monday, November 17th: What are the causes of the current financial crisis I?

Wednesday, November 19th: What are the causes of the current financial crisis II?

Friday, November 21st: Case Study: The European Debt Crisis
- Telegraph 1/2013: What’s the Greek Debt Crisis All About?

Monday, November 24th: What is the role of the International Monetary Fund?

Wednesday, November 26th: Why is there so much variation in the success of the IMF?

Friday, November 28th: NO CLASS (Thanksgiving)
- No readings.

**Topic 4: International Development**

Monday, December 1st: Globalization and Inequality.
- Oatley, pp. 346-358.

Wednesday, December 3rd: Why is there so much variation in the level of economic development?

Friday, December 5th: Why do states give foreign aid and to whom?
- Dollar vs. Easterly: Foreign Aid Promotes Development v. Foreign Aid is Ineffective.

Monday, December 8th: Economic Development in Africa.
- No readings
**Wednesday, December 10th: Economic Development in Africa II.**
- No readings

**Friday, December 10th: Final Review**
- No readings.

**Wednesday, December 17th: FINAL EXAMINATION**
- No readings.