**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:**

**Jong Lee**  
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**REQUIREMENTS:** The course requirements consist of a midterm exam (50%) and a final exam (50%).

*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:**

*Updated: March 30, 2013*
Midterm exam: May 1st, 9-9:50, PCYNH 122

Final exam: June 12th, 9-10.30am, TBA

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 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 will receive a failing grade for the course and will be turned over to the dean of their college for administrative sanctions.

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 the Teaching Assistant(s). 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:


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

*Monday, April 1st: Course Introduction*
  - Oatley, pp. 1-20.

*Wednesday, April 3rd: Why do states trade?*
  - Oatley, pp. 46-53.

*Friday, April 5th: Why is protectionism costly?*

*Updated: March 30, 2013*
Monday, April 8th: Why do states want to restrict trade: The factor and sector model of trade policy preferences.
- Oatley, pp. 69-79

Wednesday, April 10th: Why do states restrict trade? The collective action approach.

Friday, April 12th: Why do states restrict trade? The state-centered approach.
- Oatley, pp. 89-110.
- NYT 09/2010: WTO Said To Find Improper Subsidies for Boeing.

Monday, April 15th: 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.

Wednesday, April 17th: 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

Friday, April 19th: Do international trade institutions promote trade?

Topic 2: International Investment

Monday, April 22nd: Why do firms go multinational?
- Oatley, pp. 158-179.

Wednesday, April 24th: Should multinational corporations be regulated?
- Spar/Yoffie vs. Drezner: The Multinational Corporation Race To The Bottom v. The Myth of the Multinational Corporation Race to the Bottom.
- NYT 10/2010: Chavez Reopens Oil Bids to West as Prices Plunge.

Friday, April 26th: NO CLASS (professor at conference)
- No readings.

Monday, April 29th: Why is there no international investment organization
Wednesday, May 1st: MIDTERM EXAMINATION
– No readings.

**Topic 3: International Finance**

*Friday, May 3rd: Introduction to international finance*

*Monday, May 6th: Why do states have different exchange rate systems?*
– Oatley, pp. 249-297.

*Wednesday, May 8th: The international monetary system.*
– Oatley, pp. 212-224.

*Friday, May 10th: 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.

*Monday, May 13th: What are the causes of the current financial crisis?*

*Wednesday, May 15th: What are the causes of the current financial crisis?*
– Telegraph 1/2013: What’s the Greek Debt Crisis All About?

*Friday, May 17th: NO CLASS (Sun God Festival)*
– No readings.

*Monday, May 20th: What is the role of the International Monetary Fund?*

*Wednesday, May 22nd: Why is there so much variation in the success of the IMF?*

*Updated: March 30, 2013*
Topic 4: International Development

Friday, May 24th: Globalization and Inequality.
- Oatley, pp. 346-358.

Monday, May 27th: NO CLASS (Memorial Day)
- No readings.

Wednesday, May 29th: Why is there so much variation in the level of economic development?

Friday, May 31st: Why do states give foreign aid and to whom?
- Dollar vs. Easterly: Foreign Aid Promotes Development v. Foreign Aid is Ineffective.

Monday, June 3rd: Economic Development in Africa.
- No readings

Wednesday, June 4th: Economic Development in Africa II.
- No readings

Friday, June 7th: Final Review
- No readings.

Wednesday, June 12th: FINAL EXAMINATION
- No readings.

Updated: March 30, 2013