

PSCI 3213-100: International Political Economy

Spring 2020

BESC 185 | T & Th 12:30-1:45

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Office Location: Ketchum 236
Office Hours: T 2-3PM; W 12-1PM
(& by appointment)

COURSE DESCRIPTION

This is an advanced undergraduate course in the subfield of international political economy (IPE). In many ways, this is a course about the politics of economic globalization. Whether you are aware of it or not, the coffee you drank this morning likely came from places as distant as Colombia and Ethiopia. Your access to student loans was made possible by the decisions of financial investors in London and Singapore. And the success of your favorite sports team likely depends on the talents of migrants born far outside the United States. These examples demonstrate how the increasing interconnectedness of national economies can positively shape our lives. However, globalization still carries costs and has encountered intense opposition around the world. The extent of globalization has also changed considerably over the past two centuries—and not always in a linear direction.

This course seeks to explain the political causes and consequences of globalization over time. The course is broadly divided into three substantive areas: (1) international trade; (2) international finance and monetary relations; and (3) international migration. For each of these issue areas, we will look at how politics shape the foreign economic policies pursued by governments as well as how changes in the global economy affect the preferences and bargaining power of state and non-state actors. We will conclude the course by tackling the question of how globalization should be reconciled with democratic politics moving forward.

A NOTE ON COURSE PREREQUISITES

Although there is no formal prerequisite for this course, I highly recommend that students obtain a sufficient background in international relations (either through PSCI-2223 or IAFS-1000) before enrolling. Prior knowledge of international economics will also prove helpful for some classes but is by no means required. When necessary, I will be sure to explain terms and concepts from macroeconomics. Students are also encouraged to come to office hours if they require additional help.

REQUIRED MATERIALS

- Oatley, Thomas. 2018. *International Political Economy (6th Edition)*. Pearson Education: New York, NY.
- I will post all journal articles and book chapters on Canvas. Otherwise, most of these readings are easily accessible through Google Scholar and/or the Norlin Library.

GRADING

Letter grades for the course are computed as follows: **A** = 94-100; **A-** = 90-93; **B+** = 87-89 ; **B** = 83-86; **B-** = 80-82; **C+** = 77-79; **C** = 73-76; **C-** = 70-72 ; **D+** = 67-69; **D** = 64-66; **F** = <64.

Your grade for the course is comprised of the following criteria:

Exam 1 (Feb 27)	25%
Exam 2 (TBA)	25%
Reading Journal	10%
Participation & Attendance	10%
Prisoner's Dilemma Competition (Feb 6)	5%
Paper Outline (Mar 5)	5%
Final Paper (Apr 9)	20%

Exams (50% total). There are two non-cumulative exams for this course. Both exams consist of two parts. For the first part, you will be given a set of IPE terms and be asked to define them in 2-3 sentences. For the second part, you will be given a selection of short response questions to answer in roughly a paragraph. Generally, the exams will test your knowledge of key concepts in IPE as well as your ability to relate the concepts and readings to real world problems. Prior to each exam, I will distribute a study guide containing all possible terms that may show up on the exam.

Reading Journal (10% total). To encourage meaningful reflection on the readings, all students are required to keep a virtual journal (as an editable Word document). You should have one journal entry (approx. 1-2 paragraphs) for each week that records your thoughts about that week's readings. There are no strict requirements for what you should write about, but some examples might include: Things you find puzzling about a topic, unanswered questions you have about the readings, things you disagree/agree with, how the readings relate to something discussed earlier in the course, related ideas you have for future research (or your final paper), policy implications you draw from the readings, etc. I will collect your reading journals and assign a grade to them at two different points during the semester (Mar 12; April 30).

Prisoner's Dilemma Competition (5% total). During normal class time on Thursday, February 6, all students will participate in a group exercise where they will compete against other teams in a simulated game of international trade. Your grade for this assignment will be based on effort and participation rather than performance per se, but I will be offering extra credit points for

“winners” of the game. I will provide more concrete instructions as we get closer. If students do not attend lecture this day, they will be responsible for making up the assignment outside of normal class time. **Please reach out to me if you foresee any problems attending class on this day.**

Participation and Attendance (10%). Students are expected to regularly attend class and participate throughout the course. At the end of the semester, I will assign you a letter grade according to the quantity and quality of your participation throughout the term. In my experience, students that keep up with the readings and prepare questions/notes before each class tend to receive the highest participation/attendance grades.

Policy Analysis Paper (25% total). Each student is required to write a short analytical paper on a foreign economic policy of their choice. In no more than five double-spaced pages, you will have to provide background on a policy, develop a political argument for why that policy was chosen over proposed alternatives, and defend your argument using empirical evidence gathered from your research. You should refer to the separate assignment sheet (posted on Canvas) for more in-depth instructions.

All students must approve a topic with me by submitting a typed bullet-point 1-2 page (double-spaced) outline by **Thursday, March 5th**. Your outline should address the following bullet points:

- What is the foreign economic policy that your paper seeks to explain?
- Why is this policy important or worth analyzing? For instance, maybe a country is following a trade policy that is very different from its neighbors. Alternatively, maybe the policy represents an abrupt change from a country’s past policies.
- What was a proposed alternative (or alternatives) to the policy that was ultimately chosen?
- Who were the “winners” and “losers” of the policy? In other words, which actors stood to gain from the policy and which actors were hurt by the policy?
- What is your argument for why the policy was chosen over proposed alternatives. Your argument must be *political* in nature and should refer to the role of one (or more) of the following: domestic interests, the bargaining power of actors, political institutions, economic ideas, and exogenous shocks or changes to the international system (e.g., commodity price shocks, technological change, etc.). Note that “policy A was chosen because it was better for economic growth than policy B” is not a convincing argument.
- A preliminary works cited page stapled to the back.

Ideally, students at the end of the semester will have a polished writing sample that they can use for applying to internships, jobs, and other opportunities beyond their time at CU. The word limit for the final paper is five double-spaced pages. All papers should be stapled and use 12pt Times New Roman font. Papers that exceed the page limit or do not follow these directions will be penalized. The deadline for papers is **Thursday, April 9**. You must submit both a hard and an electronic copy (through Canvas).

OFFICE HOURS AND EMAIL POLICY

My office and office hours are located at the top of this syllabus. However, if you have classes, sports, or any other obligations that conflict with my regular office hours, I am always open to scheduling individual appointments that work best for you.

Office hours are always superior to talking over email. Nevertheless, I am also readily accessible through email (brendan.connell@colorado.edu) if you have any brief questions to ask me. Note that any grade disputes will not be discussed over email and will require an in-person appointment.

CLASSROOM ETIQUETTE

Students and faculty each have responsibility for maintaining an appropriate learning environment. Students who fail to adhere to such behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat all students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which they and their students express opinions. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veteran's status, sexual orientation, gender, gender identity and gender expression, age, disability, and nationalities. Class rosters are provided to the instructor with the student's legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html>.

CHEATING AND PLAGIARISM

I take cheating and plagiarism very seriously. All written assignments must be submitted electronically through Canvas. The penalty for plagiarism — purposeful or accidental — carries the penalty of a "0" for the assignment. A second violation automatically results in an "F" for the course. If you have any questions concerning the ground rules for what qualifies as plagiarism, please consult me in advance.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. All incidents of academic misconduct shall be reported to the Honor Code Council (honor@colorado.edu; 303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Other information on the Honor Code can be found online.

UNIVERSITY POLICIES

Students with Disabilities

According to the Americans with Disabilities Act, students with disabilities should ask for “reasonable and timely” accommodations. If you qualify for accommodations because of a disability, please submit to me a letter from Disability Services in a timely manner (for exam accommodations provide your letter at least one week prior to the exam) so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact Disability Services at 303-492-8671 or by e-mail at dsinfo@colorado.edu. If you have a temporary medical condition or injury, see Temporary Injuries under Quick Links at Disability Services website and discuss your needs with me.

Religious Observances

Campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly deal with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. Students in this situation can ask for “reasonable and timely” accommodations. Please review the syllabus closely and try to find out whether you have time conflicts with any of the assignments. I encourage you to do so in the first two weeks of the semester and inform me about your concerns either during my office hours or after lecture.

Discrimination and Harassment

The University of Colorado at Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127 or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

COURSE SCHEDULE

Note: Following along with the readings is essential for doing well in this course! While I may not touch on everything in the readings during class, all terms and examples from the assigned readings are fair game on the exams and quizzes.

PART I: INTERNATIONAL TRADE

Week 1, 01/13 - 01/17: Introduction

Tuesday, January 14 — Syllabus and Course Overview

Key Questions: What is IPE? What should you expect to gain from this course?

- Syllabus

Thursday, January 16 — Globalization and the Case for Free Trade

Key Questions: What is globalization and how has it changed over time? What is so good about free trade?

- Frieden, Jeffrey A. 2007. *Global Capitalism: It's Rise and Fall in the Twentieth Century*. W. W. Norton & Company: New York, NY. Chapter 1.
- Oatley Textbook, pp. 47-54.

Week 2, 01/20 - 01/24: Trade and Society

Tuesday, January 21 — Public Opinion & Free Trade

Key Questions: How should we build our theories and arguments in IPE? Why do individuals differ in their opinions toward free trade?

- Oatley Textbook, pp. 70-80.

Thursday, January 23 — Public Opinion & Free Trade (A Critique)

Key Questions: Are trade preferences really driven by economic self-interest? What explains deviation from the HO and RV models?

- Rho, Sungmin, and Michael Tomz. 2017. "Why Don't Trade Preferences Reflect Economic Self-Interest?" *International Organization* 71 (S1): S85-S108.

Week 3, 01/27 - 01/31: Domestic Institutions & Free Trade

Tuesday, January 28 — U.S. Trade Policymaking, Smoot-Hawley, and the RTAA

Key Questions: How do policymakers weigh the preferences of the "winners" and "losers" of free trade? Why did the U.S. shift to free trade policies following the Great Depression?

- Oatley Textbook, pp. 82-92.
- Bailey, Michael A., Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." *World Politics* 49: pp. 309-329.

Thursday, January 30 — Democracy and Trade Policy

Key Questions: Do free trade and democracy go together? Does public opinion matter for trade policy?

- Guisinger, Alexandra. 2009. "Determining Trade Policy: Do Voters Hold Politicians Accountable?" *International Organization* 63: 533-557.

Week 4, 02/03 - 02/07: Global Trade Governance**Tuesday, February 4 — The GATT and World Trade Organization**

Key Questions: Why did states create the GATT/WTO? Does the WTO operate at the detriment of labor rights and the environment?

- Oatley Textbook, pp. 22-37 and pp. 59-68.

Thursday, February 6 — Prisoner's Dilemma Competition

Key Questions: How does the WTO promote and sustain trade liberalization? What are the limits of the WTO?

- None

Week 5, 02/10 - 02/14: The Rise of PTAs and Trade Wars**Tuesday, February 11 — Preferential Trade Agreements**

Key Questions: What explains the proliferation of PTAs and regional economic blocs? Do PTAs complement or contradict multilateralism?

- Oatley Textbook, pp. 37-44.
- Bhagwati, Jagdish. 2008. *Termites in the Trading System: How Preferential Agreements Undermine Free Trade*. Oxford University Press. Chapter 3.

Thursday, February 13 — Trade Wars

Key Questions: Who is "winning" the US-China trade war? How can trade wars be resolved?

- Shan, Weijian. "The Unwinnable Trade War." *Foreign Affairs*. November/December 2019.

Week 6, 02/17 - 02/21: Trade and Economic Development**Tuesday, February 18 — Developing Countries and Alternatives to Free Trade**

Key Questions: Is free trade necessarily good for poor countries? What explains why developing countries failed to pursue liberal trade policies following WWII?

- Oatley Textbook, Chapter 6.

Thursday, February 20 — The WTO and Developing Countries

Key Questions: Is the WTO good or bad for developing countries? What explains developing countries' low participation rate in the WTO's DSM?

- Elsig, Manfred, and Philipp Stucki. 2012. "Low Income Developing Countries and WTO Litigation: Why Wake Up the Sleeping Dog?" *Review of International Political Economy* 19 (2): pp. 292-316 (you may just skim the empirical discussion).

PART II: INTERNATIONAL FINANCE AND MONETARY RELATIONS

Week 7, 02/24 - 02/28: The Impossible Trinity

Tuesday, February 25 — Exchange Rates, Monetary Policy, and the Impossible Trinity

Key Questions: What is the purpose of monetary policy? What are the trade-offs that governments face when managing monetary policy?

- Oatley Textbook, pp. 207-217 and “The Unholy Trinity” pp. 255-257.

Thursday, February 27 — EXAM 1

- No lecture or readings
- A study guide will be distributed a week prior to the exam date.

Week 8, 03/02 - 03/06: The Politics of International Monetary Cooperation

Thursday, March 3 — The Politics of the Trinity and the Classical Gold Standard

Key Questions: How do states choose sides along the impossible trinity? Could the gold standard exist today?

- Oatley Textbook, Chapter 12 and “The Classical Gold Standard” pp. 213-215.
- Shelton, Judy. “Capitalism Needs a Sound-Money Foundation.” *Wall Street Journal*. February 11, 2009.

Thursday, March 5 — The Rise and Fall of Bretton Woods

Key Questions: Why did the Bretton Woods system look the way it did? What are the factors that caused its collapse?

- Oatley Textbook, pp. 217-229.
- **PAPER OUTLINES DUE AT 12:30 PM (E-COPY AND HARD COPY)**

Week 9, 03/09 - 03/13: The Politics of Economic Crisis

Tuesday, March 10 — The IMF and Financial Crises

Key Questions: Is the IMF a biased organization? What is conditionality and why is it politically unpopular in borrowing countries?

- Oatley Textbook, Chapter 14.

Thursday, March 12 — The Sovereign Debt Puzzle

Key Questions: Why do most countries pay their debts in a system without centralized enforcement? What effects does the rise of international finance have on democracy?

- Roos, Jerome. 2019. *Why Not Default? The Political Economy of Sovereign Debt*. Princeton University Press: Princeton, NJ. Chapter 1.
- **READING JOURNALS DUE AT 12:30PM (E-COPY)**

Week 10, 03/16 - 03/20: The Eurozone

Tuesday, March 17 — European Economic Integration and the Euro

Key Questions: Why did European states create the Euro? Is monetary union a good or bad idea for Europe?

- Oatley Textbook, pp. 247-253.
- Blyth, Mark. 2013. *Austerity: The History of a Dangerous Idea*. Oxford University Press. Chapter 3.

Thursday, March 19 — The Eurozone in Crisis

Key Questions: Why did the Eurozone Crisis happen? Who wins and loses from austerity?

- Blyth, Mark. 2013. *Austerity: The History of a Dangerous Idea*. Oxford University Press. Chapter 3.

Week 11, 03/23 - 03/27: Foreign Direct Investment

Tuesday, March 24 — Supply and Demand for FDI

Key Questions: What motivates FDI? How can developing countries attract FDI?

- Oatley Textbook, Chapter 9.

Thursday, March 26 — The Domestic Politics of FDI

Key Questions: Is FDI good or bad for the poor? What are the distributional implications of FDI inflows?

Pick one:

- Pandya, Sonal S. 2010. "Labor Markets and the Demand for Foreign Direct Investment." *International Organization* 64: 389-409.
- Rudra, Nita, Meir Alkon, and Siddharth Joshi. 2018. "FDI, Poverty, and the Politics of Potable Water Access." *Economics & Politics* 30 (3): 366-393.

Week 12, 03/30 - 04/03: SPRING BREAK

No Classes

Week 13, 04/06 - 04/10: The Rise of New Lenders

Tuesday, April 7 — Chinese Capital

Key Questions: Is there a "Beijing Consensus"? How does the rise of China affect the international politics of lending?

- Kaplan, Stephen B. 2016. "Banking Unconditionally: The Political Economy of Chinese Finance in Latin America." *Review of International Political Economy* 23 (4): 643-676.

- Kennedy, Scott. 2010. "The Myth of the Beijing Consensus." *Journal of Contemporary China* 19 (65): 461-477.

Thursday, April 9 — The Domestic Politics of BRICs Finance

Key Questions: How do governments choose whom to borrow from? How do BRIC loans affect development prospects in poor countries?

- Bunte, Jonas B. 2019. *Raise the Debt: How Developing Countries Choose Their Creditors*. Oxford University Press. Chapter 2.
- **POLICY ANALYSIS PAPERS DUE AT 12:30PM (E-COPY AND HARD COPY)**

PART III: INTERNATIONAL MIGRATION

Week 14, 04/13 - 04/17: Public Opinion and Immigration Policy

Tuesday, April 14 — Domestic Preferences Toward Immigration

Key Questions: What drives public attitudes toward immigration? Are preferences toward immigration different from preferences toward trade?

- Hainmueller, Jens, and Daniel J. Hopkins. 2014. "Public Attitudes Toward Immigration." *Annual Review of Political Science* 17: 225-249.

Thursday, April 16 — Explaining Shifts in Support for Immigration Policy

Key Questions: What explains cross-national and temporal variation in immigration policy? Does contact with immigrants increase or decrease anti-immigrant sentiment?

- Money, Jeannette. 1997. "No Vacancy: The Political Geography of Immigration Control in Advanced Industrial Countries." *International Organization* 51 (4): 685-720.

Week 15, 04/20 - 04/24: Migration Patterns and Policies

Tuesday, April 21 — The Decision to Migrate

Key Questions: What "push" and "pull" factors drive migration? How do remittances differ from other forms of foreign capital?

- Cornelius, Wayne A., and Idean Salehyan. 2007. "Does Border Enforcement Deter Unauthorized Immigration? The Case of Mexican Migration to the United States of America." *Regulation & Governance* 1: 139-153 (briefly skim the empirical results).
- Ratha, Dilip. "Dollars Without Borders." *Foreign Affairs*. October 16, 2009.

Thursday, April 23 — Migration and Foreign Policy

Key Questions: Is international migration connected to other foreign economic policies? If so, how?

Pick one:

- Bermeo, Sarah Blodgett, and David Leblang. 2015. "Migration and Foreign Aid." *International Organization* 69 (3): 627-657.

- Bernhard, William T., and David Leblang. 2016. "Sovereign Debt, Migration Pressure, and Government Survival." *Comparative Political Studies* 49 (7): 907-938.
- Connell, Brendan J., Samantha L. Moya, and Adrian J. Shin. 2019. "Migration and Economic Coercion." *Foreign Policy Analysis* 17 (3).
- Peters, Margaret E. 2015. "Open Trade, Closed Borders: Immigration in the Era of Globalization." *World Politics* 67 (1): 114-154.

Week 16, 04/27 - 05/01: Course Wrap-Up

Tuesday, April 28 — The Globalization Backlash

Key Questions: What is populism? How should policymakers respond to popular resistance to globalization?

- Scheve, Kenneth F., and Matthew J. Slaughter. 2018. "How to Save Globalization." *Foreign Affairs* 97 (6): 98-108.

Thursday, April 30 — Course Wrap-up and Review Session

Key Questions: "How do I not fail the final exam?!"

- No Readings
- **READING JOURNALS DUE AT 12:30PM (E-COPY)**

DATE TBA: FINAL EXAM

- A study guide will be distributed a week prior to the exam date.