

SYLLABUS

as of 10/8/2008

IGA-312

Pro-Seminar in ECONOMICS AND SECURITY

Fall Term, 2008

Prof. Richard Rosecrance Tues-Thurs – 10:10-11:30 – Littauer 382

Office: Littauer 325 | Telephone 495-2715

Office hours Tuesday 11:30-12:15pm; Thursday 11:30-12:15pm

Faculty Assistant: Michael Johnson, L-211A, 617-495-9455

**General Information:** The relationship between economics and security (in international relations) is complex; it may be direct, inverse or curvilinear, depending on circumstances. For example, fighting terrorism may have a very different effect on the economy than fighting major war. Fighting a host of smaller wars over time will have a different effect than one big war. We will attempt to look at important analytic issues and historical cases which demonstrate the complicated relationship involved. The objective is to gain information and evidence which can help us chart a desirable course for the United States and for other countries under present and future conditions.

Students will write one paper during the term and another in the reading period, due JAN 9TH. The first will related to the arguments of a major theorist (1500 to 2000 words). The second will be the student's own theory or theoretical application relating economics to security in a (1) temporal-historical; (2) regional; (3) or theoretical context (3000 to 4500 words). Since class discussion will depend on them, it is assumed that the readings for the meeting in question will be absorbed prior to seminar.

In addition we shall have the benefit of presentations by experts, including Ernest May and Niall Ferguson. Additional reading will be suggested for the final paper.

Required books available at the COOP

- Mearsheimer, John, *The Tragedy of Great Power Politics* (Norton)
- Ferguson, Niall, *The Cash Nexus* (Basic Books)
- Joseph Nye, Jr. *The Powers to Lead* (Oxford, 2008)
- F. Crouzet and A Clesse, eds. *Leading the World Economically* (Purdue Univ. Press, 2003)
- National Commission on Terrorist Attacks upon the United States, *The 9/11 Commission Report*(2004)
- T.V. Paul, J.J. Wirtz, and M. Fortmann, eds. "Balance of Power"(Stanford 2004)

There are also packets of assigned articles and other readings available from the CMO.

## SYLLABUS

### Sept 11 INTRODUCTION—Bases for Appraisal

- Richard Rosecrance, “Economics and Security” with rejoinders by Gilpin & Lake, *Security Studies for the 21<sup>st</sup> Century* (Richard Schultz, ed.; Brassey’s 1997), pp. 209-252;
- Ferguson, *The Cash Nexus*, Introduction, chapter 1
- Ferguson, *The War of the World*, “Introduction.”

### Sept 16 History — Truman, Eisenhower, Kennedy

- Fred Block, *The Origins of International Economic Disorder*, pp. 1-137
- Stein, Herbert, *Presidential Economics: The Making of Economic Policy from Roosevelt to Clinton*, (Washington, American Enterprise Institute, 1994), chapters 1-4 (pp. 15-131).
- Maurice Obstfeld and Alan Taylor, *Global Capital Markets*, (Cambridge, 2004): chapter 4: “Globalization in Capital Markets: A Long Run Narrative.”

### Sept 18 History—Nixon-Ford-Carter

- Block, Fred, *The Origins of International Economic Disorder: A Study of United States International Monetary ...*, (Berkeley: University of California Press, 1977), pp. 1-137.
- Block, Fred, *The Origins of International Economic Disorder: A Study of United States International Monetary ...*, (Berkeley: University of California Press, 1977), "Part II: The Unmaking of an International Economic Order", pp. 139-254.
- Eichengreen, Barry J., *Globalizing Capital: A History of the International Monetary System*, (Princeton: Princeton University Press, 1998), "The Bretton Woods System", pp. 93-135.
- Eichengreen, Barry J., *Globalizing Capital: A History of the International Monetary System*, (Princeton: Princeton University Press, 1998), "From Floating to Monetary Unification," pp. 136-191.
- Stein, Herbert, *Presidential Economics: The Making of Economic Policy from Roosevelt to Clinton*, (Washington: American Enterprise Institute, 1994), pp. 133-233 (chaps 5-6).

### Sept 23 History—Reagan

- Feldstein, Martin, *American Economic Policy in the 1980s*, "American Economic Policy in the 1980s: A Personal View," pp. 1-79, edited by Martin Feldstein (Chicago, University of Chicago Press, 1994).
- Kenen, Peter B., *The International Economy [3rd edition]*, (New York, Cambridge University Press, 1994), pp. 501-525.

- Feldstein vol. chaps , Kenen, 501-525
- Findlay, Ronald and Kevin H. O'Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*, (Princeton: Princeton University Press, 2007), "Reglobalization: The Late Twentieth Century in Historical Perspective," pp. 473-526.

Sept 25 Bush Clinton-Bush

- Frankel, Jeffrey and Peter Orszag, *American Economic Policy in the 1990s*, "Introduction," pp. 1-16, edited by Jeffrey Frankel (Cambridge, MIT Press, 2002). [Also, chapters 2, 3, 4, 6; the book is on reserve in the HKS library.]

Sept 30 The New Economy and the Third World

- Pam Woodall, "The Unfinished Recession," *The Economist*, September 28th, (New York: The Economist Newspaper Group, © 2002), pp. 3-5.  
<http://ezp-prod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=7409158&site=ehost-live&scope=site>
- Thurow, Lester C., *The Future of Capitalism*, (New York: William Morrow and Company, 1997), "Economic Instability," pp. 211-231, chap 11 (pp. 211 – 232).
- See also Ferguson, Ferguson, Niall, *Colossus: The Price of America's Empire*, (New York: The Penguin Press, 2004), "The Closing Door," pp. 258-285.
- Collier, Paul, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It*, (New York: Oxford University Press, 2007), "Preface," pp. ix-xiii.
- Collier, Paul, *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done about It*, (New York: Oxford University Press," 2007), "Falling Behind and Falling Apart: The Bottom Billion", pp. 3-13.

Oct 2 The Realist State I

- Waltz, Kenneth N., *Theory of International Politics*, (New York: Addison-Wesley, 1979), "Structural Causes and Military Effects," pp. 161-183.
- Mearsheimer, Chaps 2 and 5.
- TV Paul et al., "*Balance of Power*, Intro and Chap 1.

Oct 7 The Realist State II

- Walt, Stephen M., *The Origins of Alliances*, (Ithaca: Cornell University Press, 1987): "Introduction: Exploring Alliance Formation," pp. 1-16; "Explaining Alliance Formation," pp. 17-49; "Conclusion: Alliance Formation and the Balance of World Power," pp. 262-285.

- Rosecrance, Richard and Chih-Cheng Lo, "Balancing, Stability and War: The Mysterious Case of the Napoleonic International System," *International Studies Quarterly*, 40, (Malden, 1996), pp. 479-500. "The Strange Case of the Napoleonic International System."  
<http://ezp-prod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=9707254636&site=ehost-live&scope=site>
- Rosecrance, Richard, *Realism and the Balancing of Power: A New Debate*, "Is There a Balance of Power?", pp. 154-165, edited by John A. Vasquez, et al. (Upper Saddle River, Prentice Hall, 2003)
- Mearsheimer, Chap 6.
- Vasquez, John A., "The Realist Paradigm and Degenerative versus Progressive Research Programs", *American Political Science Review*, 91(4), (Washington, 1997), pp. 899-912.  
<http://www.jstor.org.ezp-prod1.hul.harvard.edu/stable/pdfplus/2952172.pdf>
- TV Paul, et al, Chaps 2-6

#### Oct 9 The Liberal State I

- Crouzet and Clesse, chaps 7-8, 10,11,12
- Doyle, Michael W., "Kant, Liberal Legacies, and Foreign Affairs, Part 2," *Philosophy and Public Affairs*, 12(4), (Malden, Princeton University Press, 1983), pp. 323-353
- Carl Kaysen, "Is War Obsolete?" *International Security*, 14(4), (Cambridge, 1990), pp. 42-64.  
<http://www.jstor.org.ezp-prod1.hul.harvard.edu/stable/pdfplus/2538750.pdf>
- Mueller, John, *The Remnants of War*, (Ithaca: Cornell University Press, 2004), Chap 1: "Criminal and Disciplined Warfare," pp. 8-23.  
Rosecrance, Richard and Peter Thompson, "Trade, Foreign Investment, and Security," *Annual Review of Political Science*, 6(1), (Palo Alto: Annual Reviews Inc., 2003), pp. 377-398.  
<http://ezp-prod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=10609407&site=ehost-live&scope=site>

#### Oct 14 The Liberal State II

- Mansfield, Edward D., *Economic Interdependence and International Conflict: New Perspectives on an Enduring Debate*, "Preferential Peace: Why Preferential Trading Arrangements Inhibit Interstate Conflict", pp. 222-236, edited by Edward D. Mansfield, et al. (Ann Arbor, University of Michigan Press, 2003).
- Findlay, Ronald, *The Political Economy of Conflict and Appropriation*, "Towards a Model of Territorial Expansion and the Limits of Empire", pp. 41-56, edited by Michelle R. Garfinkle, et al. (New York, Cambridge University Press, 1996) .

- Brooks, Stephen G., "The Globalization of Production and the Changing Benefits of Conquest", *Journal of Conflict Resolution*, 43(5), (Thousand Oaks: Sage Publications, © 1999), pp. 646-670.  
<http://www.jstor.org.ezp-prod1.hul.harvard.edu/stable/pdfplus/174658.pdf>

#### Oct 16 Terrorism and Empire

- 9/11 Report (skim—particularly Khaled Sheik Mohammad portions)
- van Creveld, Martin, *The Transformation of War*, (New York: The Free Press, 1991), "Future War," pp. 192-223.
- Ferguson, Niall, "2011", *The New York Times Magazine*, 12/2, (New York, 2001), pp. 76, 78, 79.  
[http://63.151.44.241/request/pdfs/view\\_excerpt.cfm?excerpt\\_id=15598&show\\_q\\_file=false&show\\_image=true](http://63.151.44.241/request/pdfs/view_excerpt.cfm?excerpt_id=15598&show_q_file=false&show_image=true)

[http://www.lexisnexis.com.ezp1.harvard.edu/us/lnacademic/api/version1/sr?sr=t&csi=6742&sr=HLEAD\(2011\)+AND+DATE+IS+12/02/2001](http://www.lexisnexis.com.ezp1.harvard.edu/us/lnacademic/api/version1/sr?sr=t&csi=6742&sr=HLEAD(2011)+AND+DATE+IS+12/02/2001)

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- Ferguson, Niall, *Colossus: The Price of America's Empire*, (New York: The Penguin Press, 2004), Chapter 5: "The Case for Liberal Empire", pp. 169-199.
- T.V. Paul, chaps 3, 5

#### Oct 21 Hegemonic Stability Theory

- Krasner, Stephen D., "State Power and the Structure of International Trade," *World Politics*, 28(3), (Baltimore, 1976), pp. 317-347.  
<http://www.jstor.org.ezp-prod1.hul.harvard.edu/stable/pdfplus/2009974.pdf>
- Kindleberger, Charles P., "Dominance and Leadership in the International Economy", *International Studies Quarterly*, 25(2), (Malden, 1981), pp. 242-254.  
<http://www.jstor.org.ezp-prod1.hul.harvard.edu/stable/pdfplus/2600355.pdf>

#### Oct 23 Hegemonic Stability: Critiques

- Keohane, Robert O., "Problematic Lucidity: Stephen Frasier's", *World Politics*, 50(October), (Baltimore, 1997), pp. 150-170.  
[http://muse.jhu.edu.ezp-prod1.hul.harvard.edu/journals/world\\_politics/v050/50.1keohane.html](http://muse.jhu.edu.ezp-prod1.hul.harvard.edu/journals/world_politics/v050/50.1keohane.html)
- Snidal, Duncan, "The Limits of Hegemonic Stability Theory", *International Organization*, 39(4), (Cambridge, 1985), pp. 579-614 (See also Crouzet and Clesse, passim.)

FIRST PAPER DUE OCT 23rd

Oct 28 Multipolar Stability: War?

- Mearsheimer, review chaps 5-6, read chap 9
- Marc Trachtenberg, "The Question of Realism: A Historian's View," *Security Studies*, 13(1), (London, Frank Cass Publishers, 2003), pp. 156-194.
- Quester, George H., *Offense and Defense in the International System*, (New York: Transaction Books, 1977), "Offense and Defense," pp. 1-12.

Oct 30 Multipolar Stability: Peace?

- Schroeder, Paul W., "The Nineteenth Century System: Balance of Power or Political Equilibrium?," *Review of International Studies*, 15, (New York: Cambridge University Press, 1992), pp. 135-153.
- Fearon, James D., "Rationalist Explanations for War", *International Organization*, 49(3), (Cambridge: MIT Press, 1995), pp. 379 - 414.  
<http://ezp-prod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=mth&AN=9510105591&site=ehost-live&scope=site>
- Rosecrance, Richard, *Cooperation in a World Without Enemies: Solving the Public Goods Problem in International Relations*, pp. 1-54, edited by Richard Rosecrance (Los Angeles, Burkle Center for International Relations, 1992) .

Nov 4 Norms and Stability I

- Hardin, Russell, *Collective Action*, (Washington: Johns Hopkins University Press, 1982), "Contract by Convention," pp. 155-172.
- North, Douglass C., *Structure and Change in Economic History*, (New York: W. W. Norton & Company, Inc., 1981), "The Issues," pp. 3-12.
- Rosecrance, Richard and Barbara Koremenos, et al , *On the Origins of Norms in International Politics and Possible Applications*, (Los Angeles, Burkle Center for International Relations, 1999), pp. 1-32.

Nov 6 Norms and Stability II

- Olson, Mancur, *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships*, (New York: Basic Books, Inc., 2000), "Coaseian Bargains, Transactions Costs, and Anarchy", pp. 45-67; *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships*, pp. 68-88.
- Rosecrance, "Size Matters" *The American Interest*, July, 2008
- Rosecrance and Stein, "Separatism's Final Country," *Foreign Affairs*, July, 2008  
<http://ezp-prod1.hul.harvard.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=32556035&site=ehost-live&scope=site>
- Barnett and Finnemore, *Rules for the World: "Bureaucratizing World Politics"*

Nov 13 Institutions and Stability I

- L. Gruber, "Ruling the World" chap 1
- Rosecrance, "Has Realism Become Cost Benefit?"
- Keohane, Robert O. and Lisa L. Martin, "The Promise of Institutional Theory", *International Security*, 20(1), (Cambridge, 1995), pp. 39-51.
- Mearsheimer, John J., "The False Promise of International Institutions", *International Security*, 19(3), (Cambridge, 1995), pp. 5-49.

Nov 18 Institutions and Stability II

- Stein, Arthur A., *The New Great Power Coalition: Toward a World Concert of Nations*, "Introduction", pp. 1-17, edited by Richard Rosecrance (Lanham : Rowman & Littlefield Publishers, Inc., 2001)
- Buchanan, James M., "An Economic Theory of Clubs," *Economica*, 32(125), (Malden, 1965), pp. 1-14.
- Kagan, Konrad, "The Myth of the European Concert", *Security Studies*, 7(2), (Ilford, Essex, 1997), pp. 1-57.
- Schroeder, Paul, "Historical Reality vs. Neorealist Theory." *International Security*, 19(1), (Cambridge: MIT Press Journals, 1994), pp. 108-148.

Nov 20 Economics and Restraint I

- Piore, Michael J. and Charles F. Sabel, *The Second Industrial Divide: Possibilities for Prosperity*, (New York: Basic Books, Inc., 1984), "Possibilities for Prosperity: International Keynesianism and Flexible Specialization", pp. 251-280.
- O'Rourke, Kevin H. and Jeffrey G. Williamson, *Globalization and History*, (Cambridge: MIT Press, 2000), "Globalization and History," pp. 1-4.
- O'Rourke, Kevin H. and Jeffrey G. Williamson, *Globalization and History*, (Cambridge: MIT Press, 2000), "Convergence in History," pp. 5-28, 295.
- O'Rourke, Kevin H. and Jeffrey G. Williamson, *Globalization and History*, (Cambridge: MIT Press © 2000), "Lessons from History," pp. 269-287, 306.
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- Krugman, Paul, "Increasing Returns and Economic Geography", *Journal of Political Economy*, 99(3), (Chicago, 1991), pp. 483-499 (skim).

- Beinart, Peter, "An Illusion for Our Time: The False Promise of Globalization", *The New Republic*, 10/20, (Washington, 1997), pp. 20-24. [cf. Rosecrance and Thompson]
- Rosecrance, Richard and Peter Thompson, "Trade, Foreign Investment, and Security", *Annual Review of Political Science*, 6(1), (Palo Alto: Annual Reviews Inc., 2003), pp. 377-398.



Nov 25 Economics and Restraint II

- Summers in Frankel volume, pp. 260-264
- Olson, *Rise and Decline of Nations*, pp. 1-35

Dec 2 Guest speaker Amb. Nicholas Burns

Dec 4 Guest speaker Mr David Richards, independent investor

Dec 9 Conclusion

- Rosecrance, Appendix to “Virtual State”
- Lomborg, “The Structure of Solutions in the Iterated Prisoner’s Dilemma”
- Hirshleifer and Coll, “What Strategies Can Support the Evolutionary Emergence of Cooperation?”

Reading Period paper—

Consult

Amy Chua, *Day of Empire*

Robert Schapiro, *Futurecast*

R. Kagan, *The Return of History*

Parag Khanna, *The Second World*

John Hicks, *A Theory of Economic History*

FINAL PAPER DUE JAN 9, 2009