

International Political Economy

U6233

Summer 2004
Columbia University

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This course serves as an introduction to the politics of international economic relations. It examines the principal conceptual approaches in the field of international political economy and basic elements of its key substantive issue areas, namely, international monetary relations, trade, and north-south relations. In addition, we analyze several contemporary issues, such as the impact of globalization, strategic trade policy, structural adjustment, and emerging market financial crises.

The assignments for this course are a take-home midterm exam and a ten-page policy paper or take-home final exam. Each assignment counts for 40% of your grade. Class participation accounts for the remaining 20%.

The following books should be considered for purchase:

Eichengreen, Barry. *Globalizing Capital*. Princeton University Press, 1996.

Fishlow, Albert and Karen Parker, eds. *Growing Apart: Causes and Consequences of Global Wage Inequality*. Council on Foreign Relations, 1999.

Rodrik, Dani. *Has Globalization Gone Too Far?* Institute for International Economics, 1997.

Additional readings listed in the syllabus are available in the course reader.

READING ASSIGNMENTS AND CLASS SCHEDULE

I. Theories Of International Political Economy

Week 1 Introduction: Three Models of Political Economy and the Dilemmas of Collective Action

Oye, Kenneth. "Explaining Cooperation Under Anarchy."

Stein, Arthur. "The Hegemon's Dilemma." *International Organization*, 1984.

Moravcsik, Andrew. "A Liberal Theory of International Politics." *International Organization*, 1997.

Recommended:

Krasner, Stephen. "State Power and the Structure of International Trade." *International Organization*, 1985.

Cohen, Benjamin. *The Question of Imperialism*. Chap. 2.

Keohane, Robert. *After Hegemony*.

Week 2 "Domestic Structures" and "Transnational Actors"

Ikenberry, G. J., D. Lake, and M. Mastanduno. "Approaches to Explaining American Foreign Economic Policy."

Gourevitch. "International Trade, Domestic Coalitions, and Liberty."

Katzenstein, Peter. "Domestic Structures and Strategies of Foreign Economic Policy."

Frieden, Jeffry. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance"

Photocopied articles from *Financial Times*, *New York Times*, and *Wall Street Journal*.

Recommended:

Putnam, Robert. "Diplomacy and Domestic Politics." *International Organization*, 1988.

Milner, Helen. "Resisting the Protectionist Temptation." *International Organization*, 1987.

II. The International Monetary System

Week 3 The Basics of International Monetary System and its Historical Roots

Eichengreen. *Globalizing Capital*. Introduction and Chaps. 1-3.

Recommended:

Eichengreen, Barry. *Golden Fetters*.

Week 4 The Post World War II International Monetary System

Eichengreen. *Globalizing Capital*. Chaps. 4-6.

Recommended:

Ruggie, John. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order."
 Calleo, David. "The Atlantic Alliance and the World Economy."

Week 5 Contemporary Financial Policy Issues

Caramazz, F. and J. Aziz. "Fixed or Flexible: Getting the Exchange Rate Right in the 1990s."
 IMF. "Liberalizing Capital Movements: Some Analytical Issues."
 Eichengreen, B. "Capital Controls: Capital Idea or Capital Folly?"
 Eichengreen, Barry. *Toward a New International Financial Architecture*. Chaps. 2 and 6.

Photocopied articles from *Financial Times*, *New York Times*, and *Wall Street Journal*.

Recommended:

Goldstein, Morris. *The Case for an International Banking Standard*.
 Kaminsky, G. and C. Reinhart. "The Twin Crises: The Causes of Banking and Balance-of-Payments Problems."

Assignment: Take-home midterm exam due the following week

III. States And Markets**Week 6 States, Markets, and Trade: Trade Policy Debates**

Krugman, Paul. "Targeted Industrial Policies: Theory and Evidence."
 Tyson. *Who's Bashing Whom?* Chap. 7.
 Krugman, Paul. *Pop Internationalism*. Chap. 1.
 Stokes, Bruce. *Future Visions of U.S. Trade Policy*. "Memorandum to the President."

Recommended:

Krugman, ed., *Strategic Trade Policy and the New International Economics*.
 Moran, Theodore. "Power and Plenty in Grand Strategy." *International Organization*, 1996.

IV. Globalization**Week 7 The Dynamics and Consequences of Globalization**

Andrews, David. "Capital Mobility and State Autonomy."
 Berger. "Introduction." In Berger and Dore, eds., *National Diversity and Global Capitalism*.
 Wade. "Globalization and its Limits." In Berger and Dore, op. cit.
 Pauly, L. and S. Reich. "National Structures and Multinational Corporate Behavior: Enduring Differences in the Age of Globalization."
 Fishlow, A. and Parker, K. "Introduction." In *Growing Apart*.
 Blanchflower and Slaughter. "The Causes and Consequences of Changing Income Inequality." In *Growing Apart*.

Recommended:

Gourevitch. "The Macropolitics of Microinstitutional Differences in the Analysis of Comparative Capitalism." In Berger and Dore, op. cit..
 Garret, Geoffrey. *Partisan Politics*.

Week 8 Policy Responses to Globalization

Rodrik. *Has Globalization Gone Too Far?* All.
 Lynch. "What Can We Do? Remedies for Reducing Inequality." In *Growing Apart*.
 World Bank. *World Development Report, 1997*. Overview and chaps. 1, 2, and 9.

Photocopied articles from *Financial Times*, *New York Times*, and *Wall Street Journal*.

Recommended:

Mittelman, James. *The Globalization Syndrome*.

V. The Political Economy Of North-South Relations**Week 9 North-South Relations**

Summers and Thomas. "Recent Lessons of Development." In *FL*.
 Evans, Peter. *Dependent Development*. Chap. 1.
 Wade, R. and F. Veneroso. "The Gathering World Slump and the Battle over Capital Controls."

Recommended:

Krasner, Stephen. *Structural Conflict*.
 Rothstein, Robert. "Epitaph for a Monument to a Failed Protest." *International Organization*, 1988.

Week 10 Development Strategies and Structural Adjustment

World Bank, *World Development Report, 1987*. Chaps. 5 and 6.
 Wade, Robert. "Managing Trade: Taiwan and South Korea as Challenges to Economics and Political Science." *Comparative Politics*, 1993.
 Haggard, S. and R. Kaufman. "Institutions and Economic Adjustment."
 Pastor. "Latin America, the Debt Crisis and the IMF."

Photocopied articles from *Financial Times*, *New York Times*, and *Wall Street Journal*.

Recommended:

World Bank. *The East Asian Miracle*.

Assignment: Take-home final exam or policy paper due in one week.