

Foundations of the Politics of International Economic Relations
Political Science 5710/6710

Fall 2005

Monday-Wednesday, 8:05-9:25

Room: BEH S 109

Graduate Syllabus

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Purpose of the Course: The increasingly rapid integration of once separate economic systems has had far reaching consequence for international politics. In order to better understand how these forces effect our world it is first necessary to examine the rise of the current Western political economic system. The roles of both domestic and systemic forces are explored as we attempt to understand the sources of economic, political and financial policy. These basic concepts are also critical to understanding current questions regarding the prospects for growth in the global South, the place of economic influence in diplomacy and the future of globalization.

Course Requirements: Reading constitutes the bulk of this classes course work. This is a heavy reading class, and it is essential to complete the required readings. There will be a take-home final distributed November 30th, due in class on Dec. 7. As always, students may feel free to consult their notes and the literature, but not other individuals.

Graduate students are also expected to produce a major research paper on some topic within the field of political economy. A draft of the research paper is due in class on November 9th. I will offer commentary and criticisms of this draft. The final version is due by 12:00 on December 9th, the last day of class. Please note that this is the same day that the take-home final is due and arrange your schedule accordingly. As I will have already seen a prior draft of the paper no extensions will be granted for this assignment. Students not submitting final versions of their work will be graded on basis of the prior draft copies.

Papers should be of article length (no more than 30 pages please). Papers are expected to formulate a hypothesis, grounded in the appropriate literature, illustrate the argument or puzzle using qualitative evidence, and then test the hypothesis empirically. While statistical tests are always welcome, and encouraged if students can produce relevant data, it should be remembered that “empirical” is not the same as “mathematical.” Single

case studies, multiple case studies, ethnography and “process tracing” are all examples of other acceptable ways of testing a theory within the empirical tradition. The most important thing is to formulate a proper test for the sort of theory that you wish to examine. This may vary by subject matter or available data. Students should consider these issues carefully and consult with the professor when outlining their research plan. I will set up special office hours for this purpose if needed.

Grading will be as follows: 60% Research paper, 30% final, 10% class participation.

New York Times: While many of the readings for this class are historical in nature, we are not primarily interested in history itself. Rather we wish to develop a body of theory and use that to understand the world, both today and in the near future. As such students are also required to read the New York Times daily and be prepared to discuss its coverage of relevant events in class or in the assignments. The *New York Times* provides the best daily coverage of international events of any American newspaper. The easiest way to get the times is to visit their web-page (nytimes.com). Registration is required, but it is easy and free. Alternatively, student may choose to read the *Financial Times*. This British newspaper provides the outstanding international coverage of economic and business news, as well as excellent coverage of international events. It can be found at <http://news.ft.com/home/uk>.

Readings:

All required reading are on reserve in the library. The following books are available at the bookstore and are strongly recommended for purchase:

Douglass C. North and Robert Paul Thomas. 1976. *The Rise of the Western World : A New Economic History*. Cambridge: Cambridge University Press.

Ronald Rogowski. 1990. *Commerce and Coalitions*. Princeton: Princeton University Press.

Walter Mattli. 1999. *The Logic of Regional Integration: Europe and Beyond*. Cambridge: Cambridge University Press.

Robert J. Barro. 1998. *Determinants of Economic Growth: A Cross-Country Empirical Study*. Boston: MIT Press.

William Easterly. 2002. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Boston: MIT Press.

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

Jon Elster. 1989. *Nuts and Bolts for Social Scientists*. Cambridge University Press. ISBN: 0521376068

Robert H. Bates. 1984. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. University of California Press. ISBN: 0520052293

Joanne Gowa. 1995. *Allies, Adversaries, and International Trade*. Princeton: Princeton University Press. ISBN: 0691033552

On-line Class Discussion: Part of the class participation grade is based on the students' participation in the on-line discussion forum. Each student is expected to post at least once a week. You may either respond to the discussion questions I post, critique another student's response, or pose a question yourself based on the readings in class and the NY Times. I will monitor the discussion and reserve the right to remove posts. As always you should be courteous in your discussions with fellow classmates and avoid personal insults or name calling. Feel free to reference outside sources with appropriate citations.

Course Style and University Resources

All written work must be typed and double-spaced with one-inch margins. Students are free to use the Chicago Manual of Style, MLA or any other format that they are comfortable with. However, you must be consistent in your use of citation throughout a paper.

If you want to improve your writing you might want to get a copy of William Strunk and E.B. White, The Elements of Style (New York: Macmillan). Alternatively the **University Writing Center**, located on the 3rd floor of the Marriot Library ((801) 587-9122) is always willing to help students wish to work on their writing skills. Call for an appointment early in the semester if you think you might need assistance and they will work with you throughout the class. The writing center does have special programs to help graduate students writing graduate level papers and even dissertations.

Persons with disabilities requiring special accommodation are encouraged to bring this to the instructor's attention at your first convenience. Written documentation of the disability and a request for special accommodation should be submitted in the first week of the semester. The Center for Disabled Students Services, 160 Union, (801) 581-5020, can answer all of your questions on this matter and help you to arrange the details.

Students will be held responsible for all academic policies and procedures listed in the student handbook. **Plagiarism** is taken very seriously in the political science department. Ideas are the only property of value in academics, and taking someone else's ideas without properly citing them is *theft*. Always be sure to include proper citations including quotation marks when applicable. Students should be prepared to submit, upon request, an electronic copy of any writing they compose for this class so that it can be tested for originality.

Course Outline :

Part 1: Basic Concepts and the Development of the Western World

Wed., August 24: Historical introduction and the problem of institutional change.

Douglass C. North and Robert Paul Thomas. 1976. *The Rise of the Western World : A New Economic History*. Cambridge: Cambridge University Press.
Chapters 1-5

Monday, August 29: Government and the evolution of public and private goods.

North & Thomas 6-12

Wed., August 31: **Class Canceled** (away for conference): Keep reading!

Elster. *Nuts and Bolts for Social Scientists*, 1st half

Monday, September 5: **Class Canceled** (Labor Day): Fiscal Policy and the effects of governance. (Keep Reading!)

Elster. *Nuts and Bolts for Social Scientists*, 2nd half

Paul Krugman. 1994. "The Myth of Asia's Miracle." *Foreign Affairs*. November/December. <http://www.econ.umn.edu/~valeriu/krugman.pdf>

Wed., September 7: Efficient Property Rights and the Impact of Governance on Development.

Class Discussion of North and Thomas.

Further Recommended Readings:

Karl Polanyi. 1980. *The Great Transformation*. Beacon Press.

Paul Kennedy. 1987. *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500-2000*. New York: Random House.

Mancur Olson. 1982. *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities*. New Haven: Yale UP.

Part 2: Systemic Sources of Political Economy

Monday, September 12: Hegemonic systems and international cooperation.

Krasner. 1976. "State Power and the Structure of the International Trading System." *World Politics*, 28, April. 317-343.

Keohane, Robert O. 1984. *After Hegemony: Cooperation and Discord in the World Political Economy*. Princeton: Princeton UP. Chapters 3,8.

Joanne Gowa. 1995. *Allies, Adversaries, and International Trade*. Princeton: Princeton University Press
(try to finish this book over the next two weeks).

Wed., September 14: Hegemonic cooperation in the American Epoch?

David Lake. 1983. "International Economic Structures and American Foreign Economic Policy, 1887-1934," *World Politics* 35 (July): 517-543

Executive Office of the President, *National Security Strategy of the United States*, December 2001. Available at:
<http://www.whitehouse.gov/nsc/nssall.html>

Monday, September 19: Criticisms and failings of Hegemonic Stability Theory.

Arthur Stein. 1984. "The Hegemon's Dilemma" *International Organization* v. 38, spring.

Duncan Snidal. 1985. "The Limitations of Hegemonic Stability Theory." *International Organization* 39: 579-614.

Bruce Russett. 1985. "The Mysterious Case of Vanishing Hegemony: or is Mark Twain Really Dead?" *International Organization* 39.

Susan Strange. 1987. "The Persistent Myth of Lost Hegemony." *International Organization*. 41:4 pp. 551-74

Further Recommended Readings:

David Lake. *Power, Protection and Free Trade*.

Grundberg. 1990. "Exploring the Myth of Hegemonic Stability." *International Organization*. 44 (Autumn)

B. and R. Yarbrough. *Cooperation and Governance in International Trade*. Chapters 1-3.

Keohane. 1997 "Responses and Musings on Krasner." *World Politics*.

Wed, September 21: Cooperation and anarchy in world politics.

Arthur Stein. 1982. "Coordination and collaboration: Regimes in an anarchic world." *International Organization*. 36:2 (Spring) 299-324

Axelrod, Robert, and Robert O. Keohane. 1985. "Achieving Cooperation Under Anarchy: Strategies and Institutions." *World Politics* 38 (October), 226-54.

Joseph M. Grieco. 1988. "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism." *International Organization*. 42:3 (Summer), 485-507.

Helen Milner. 1991. "The Assumption of Anarchy in International Relations Theory: A Critique." *Review of International Studies*. 17 (1): 67-85.

Further Recommended Reading:

Robert Axelrod. 1985. *The Evolution of Cooperation*. Basic Books

Kenneth Oye. 1993. *Economic Discrimination and Political Exchange World Political Economy in the 1930s and 1980s*. Princeton: Princeton UP.

John G. Ruggie. 1993. "Multilateralism: The Anatomy of an Institution." In John G. Ruggie ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Form*. New York: Columbia University Press.

Lisa M. Martin. 1992. "The Rational State Choice of Multilateralism." *International Organization* 46:4 (Autumn).

Part 3: Domestic Sources of Political Economy

Monday, September 26: Trade, factors of production and change.

Ronald Rogowski. 1990. *Commerce and Coalitions*. Princeton: Princeton University Press.
Chapters 1-2

Wed., September 28: Class Conflict, Domestic Coalitions and Trade.

Rogowski, 3-end.

Monday, October 3: The Domestic sources of trade, Part I.

Helen Milner. 1998. "The Political Economy of International Trade." *Annual Review of Political Science*. V. 2
http://www.columbia.edu/%7Ehvm1/Research_files/petrade.pdf

Mansfield and Busch. 1995. "The Political Economy of Non-tariff Barriers: A Cross-National Analysis." *International Organization* v. 49:723-49.

Olson, Mancur. 1993. "Dictatorship, Democracy and Development." *American Political Science Review* vol. 87 (September) pp. 567-76.

Wed, October 5: The Domestic sources of trade, Part II.

Judith Goldstein. 1988. "Ideas, Institutions, and American Trade Policy." *International Organization* 42 (Winter): 179-217.

Edward D. Mansfield, Helen V. Milner, and B. Peter Rosendorf. 2000 "Free to Trade: Democracies, Autocracies and International Trade." *American Political Science Review* 94:2 (June): 305-322

Helen V. Milner and Benjamin N. Judkins. 2004. "Partisanship, Trade Policy, and Globalization: Is There a Left-Right Divide on Trade Policy?" *International Studies Quarterly*. Vol.48, No.1, 95-119.

Further Recommended Reading:

Gawande and Hanses. 1999. "Retaliation, Bargaining and the Pursuit of "Free and Fair" Trade." *International Organization*. V. 53 (Winter). 117-60.

Midford. 1993. "International Trade and Domestic Politics." *International Organization*. Vol 47 (Autumn) 535-64.

Lohmann and O'Halloron. 1994. "Divided Government and US Trade Policy." *International Organization*. (Autumn) Vol. 48: 595-632.

Milner.1988. *Resisting Protectionism*. Princeton: Princeton UP.

Part 4: Economic Statecraft: Influence, Power and Diplomacy

Monday, October 10: An overview of Economic Statecraft.

Hufbauer, Schott and Elliott. *Economic Sanctions Reconsidered, Volume I*. Second Edition. Washington, D.C.: Institute for International Economics.
Chapter 5 only (pp. 91-114)

Stefanie Ann Lenway. 1988. "Between war and commerce: Economic Sanctions as a tool of statecraft." *International Organization*. Vol. 42 No. 2 (Spring) 397-426.

Wed., October 12: Asking the right questions: not "Do sanctions work?" but "How do they work?"

Robert A. Pape. 1997. "Why Economic Sanctions Do Not Work." *International Security*, Vol. 22, No. 2 (Fall) 90-136.

David A. Baldwin. 1999. "The Sanctions Debate and the Logic of Choice." *International Security*, Vol. 24, No. 3 (Winter) 80-107.

Daniel W. Dresner. 2003. "How Smart are Smart are Smart Sanctions." *International Studies Review* 5, 107-110.
<http://www.danieldresner.com/research/smartsanctions.pdf>

Further Recommended Readings:

David Baldwin. 1985. *Economic Statecraft*. Princeton: Princeton UP.
Lisa L. Martin. 1992. *Coercive Cooperation*. Princeton: Princeton UP.
James W. Davis, Jr. 2000. *Threats and Promises*. Baltimore: Johns Hopkins UP.
Daniel W. Dresner. 1999. *The Sanctions Paradox: Economic Statecraft and International Relations*. New York: Cambridge UP.
Kenneth A. Schultz. 2001. *Democracy and Coercive Diplomacy*. New York: Cambridge UP.

Part 5: Non State actors in IPE: A changing landscape

Monday, October 17: Classical imperialism: Capital and Conflict.

Benjamin Cohen. 1973. *The Question of Imperialism* Basic Books
Chapter 2 only.

Wed., October 19: The "New" Imperialism: Dependency
theory and Multi-National Corporations.

Theotonio Dos Santos. 1970. "The Structure of Dependence." *American Economic Review*. Vol. 60 (May) 231-36.
<http://ideas.repec.org/a/aea/aecrev/v60y1970i2p231-36.html>

Moran. 1978. "Multinational Corporations and Dependency." *International Organization*. Vol. 32 (Winter). 79-100.

Monday, October 24: Regional Integration, Part I.

Walter Mattli. 1999. *The Logic of Regional Integration: Europe and Beyond*. Cambridge: Cambridge University Press.
Chapters 1-3

Moravcsik. *The Choice for Europe*. Chapters 1-2, 6-7. October 21-26.

Wed., October 26: Regional Integration, Part II.

Mattli, Chapters 3-End

Further Recommended Readings:

Moravcsik. *The Choice for Europe*.
J. A. Hobson. *Imperialism*.
V. I. Lenin. *Imperialism: The Highest Stage of Capitalism*.
Caves. *Multinational Enterprises and Economic Analysis*.
Vernon. *Sovereignty at Bay*.
Moran. *Multinational Corporations and the Politics of Dependence*.

Part 6: Economic Growth and Development in the Global South

Monday, October 31: Introduction to Growth and Development Theory.

Robert J. Barro. 1998. *Determinants of Economic Growth: A Cross-Country Empirical Study*. Boston: MIT Press.
Chapter 1

Robert H. Bates. 1984. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. University of California Press.
(Try to get through Bates this week).

Wed., November 2: Growth and the Role of Government.

Barro, Chapters 2-3, concluding observations

Wade. 1992. "East Asia's Economic Success." *World Politics*. Vol. 44 (January) 270-320.

Monday, November 7: Where practice and theory part ways, Part I.

William Easterly. 2002. *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. Boston: MIT Press.

Chapters 1-6

Wednesday, November 9th: Research paper draft due.

Practice and theory, Part II.

William Easterly, Chapters 5-7.

Monday, November 14:

William Easterly, Chapters 8-end.

Further Recommended Reading:

Haggard. *Pathways from the Periphery*. Especially 1-2, 8-10.
Sturzenegger and Tommasi. eds. *The Political Economy of Reform*.
P. Evans. *Embedded Autonomy*
Wade. *Governing the Market*.
Shafer. *Winners and Losers*.
K. Sikkink. *Ideas and Institutions*.

Part 7: Foreign Aid and Foreign Policy

Wed., November 16: Foreign Aid and Foreign Policy: Carrots not sticks.

Hans Morgenthau. 1962. "A Political Theory of Foreign Aid." *American Political Science Review*. Vol. 56 (June) 301-309.

Monday, November 21: Economic Aspects of Foreign Aid.

Helen V. Milner. 2004. "Why Multilateralism? Foreign Aid and the Domestic Principal Agent Problem" Typescript.
<http://www.wcfia.harvard.edu/seminars/pegroup/milner.pdf>

Craig Burnside and David Dollar. "Aid, Policies and Growth." *American Economic Review* 90 (4): 487-68
<http://econ.worldbank.org/docs/320.pdf>

Further Recommended Reading

James W. Davis, Jr. 2000. *Threats and Promises*. Baltimore: Johns Hopkins UP.

Part 8: The Future: Globalization and its Discontents

Wed., November 23: Globalization and the Developed World

Thomas Friedman and Ignacio Ramonet. 1999. "Dueling Globalizations" *Foreign Policy*, No. 116 (Fall), pp. 110-127

Monday, November 28th: Taking another Look at the Globalization Debate in the Developed World.

Dani Rodrik. 1997. *Has Globalization Gone too Far?* Washington, D.C.: International Institute for Economics.

Wed., November 30th: **Final Distributed.** Globalization, Imperialism and the Developing World.

David Dollar and Aart Kraay, "Spreading the Wealth," *Foreign Affairs*, vol. 81, January/February 2002, pp. 120-133.

Branko Milanovich. 2003. "The Two Faces of Globalization: Against Globalization as we know it." *World Development* 31:4 667-683.

Monday, December 5: The Globalization Backlash and the Future of the International System?

Samuel P. Huntington. 1993. "The Clash of Civilizations?" *Foreign Affairs*, Vol. 72, No. 3 pp. 22-49.

Responses to Huntington. 1993. *Foreign Affairs*, Vol. 72 No. 4 pp. 2-26

Samuel P. Huntington. 1993. "If Not Civilizations What?" *Foreign Affairs*, Vol. 72, No. 5 pp. 186-194.

Thursday, December 7: Last day of class: **FINALS DUE**

Further Recommended Readings:

Joseph E. Stiglitz. 2002. *Globalization and its Discontents*. New York: Norton.
O'Rourke and Williamson. 1997. *Globalization and History*. Cambridge: MIT.