

**Foundations of the Politics of International Economic Relations**  
**Political Science 6710**

Spring 2007

Time: Wednesday 2:00-5:00

Room: OSH 101

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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 midterm (distributed Feb. 28th, due in class on March 7th) and final (distributed April 18, due in class on April 25th). 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 March 28<sup>th</sup>. I will offer commentary and criticisms of this draft. The final version is due by 12:00 on April 25<sup>th</sup>, the last day of class. Please note that this is the same day that the take-home final is due and schedule accordingly. *As I will have already seen a prior draft 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 25 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 evidence, 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 factors and feel free to consult with the professor when outlining their research plan.

If students feel that they need additional feedback or advice on their writing they may want to consider setting up an appointment with the University Writing Center, located on the 3<sup>rd</sup> floor of the Marriot Library ((801) 587-9122). They are always willing to help students wish to work on their writing skills. Either drop by or call for an appointment.

In addition to the reading and writing assignments graduate students are expected to participate enthusiastically in all in class discussion. 6710 is currently being offered as a seminar style course, and active participation on the part of all the students is often the determining factor in whether a three hour long class is an invigorating or draining experience. In order to achieve the maximum class participation score students must contribute at least two thoughtful comments per discussion. *Students not actively involved in the class discussion should not expect to receive an "A" in this course.*

To further stimulate student involvement and leadership in the seminar each student will be assigned to present their own 10-15 minute critique of the weeks reading assignment following the introductory lecture (50-60 minutes) by the professor. The student presenter should also prepare both a hand out summarizing the work in question, and 5 or six questions to help get the remainder of the seminar style discussion going. The remaining class time (50-60 minutes) will be dedicated to discussion of the readings.

Grading will be as follows: 10% Class Participation, 10% Rough Draft, 20% Midterm, 30% Final, 30% Research Paper.

**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>.

### **ADA statement**

The University of Utah seeks to provide equal access to its programs, services and activities for people with disabilities. If you will need accommodations in the class, reasonable prior notice needs to be given to the Center for Disability Services, 162 Union

Building, 581-5020 (V/TDD). CDS will work with you and the instructor to make arrangements for accommodations.

### **Student and Faculty Responsibilities.**

All students are expected to maintain professional behavior in the classroom setting, according to the Student Code, spelled out in the Student Handbook. Students have specific rights in the classroom as detailed in Article III of the Code. The Code also specifies proscribed conduct (Article XI) that involves cheating on tests, plagiarism, and/or collusion, as well as fraud, theft, etc. Students should read the Code carefully and know they are responsible for the content. According to Faculty Rules and Regulations, it is the faculty responsibility to enforce responsible classroom behaviors, and I will do so, beginning with verbal warnings and progressing to dismissal from the class and a failing grade. Plagiarism is perhaps the most commonly seen violation of the Student Code in upper-level classes like this. We in the Political Science Department take plagiarism very seriously, and it is the student's responsibility to make sure that they follow all appropriate guidelines for quoting and citing other authors work or ideas. Students have the right to appeal any such disciplinary action to the Student Behavior Committee.

### **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.

## Course Outline :

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

Week 1: Core Issues, International Political Economy and Power. Aug 24<sup>th</sup>.

Gilpin, Robert. 2005. "The Nature of Political Economy" in Art and Jervis eds. *International Politics*, 7<sup>th</sup> edition. Pearson Longman. Originally from *US Power and the Multinational Corporation* by Robert Gilpin, 1975.

Robert A. Dahl. 1957. "The Concept of Power." *Behavioral Science* (July). pp. 201-215

Peter Bachrach and Morton S. Baratz. 1962. "Two Faces of Power." *American Political Science Review* 57. 947-952.

#### Further Recommended Readings

Steven Lukes. 1974. *Power: A Radical View*. London.

Week 2: 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

Week 3: Property Rights, Transaction Costs and Economic Efficiency.

North & Thomas 6-12

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

#### 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

### Week 4: Hegemonic systems and international cooperation.

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

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

### Week 5: 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**

Week 6: Trade, factors of production and change.

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

Week 7: 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](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.

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: (Midterm distributed Feb. 28<sup>th</sup>, due March 7).**

Week 8: An overview of Economic Statecraft.

Hufbauer, Schott and Elliott. *Economic Sanctions Reconsidered, Volume 1*. Second Edition. Washington, D.C.: Institute for International Economics.

Chapter 5 only (pp. 91-114)

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**

### Week 9: Imperialism: Capital and Conflict.

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

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.

### Week 10: Regional Integration.

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

Moravcsik. 2005 "Europe Without Illusions." *Prospect* (July 2005)  
<http://www.princeton.edu/~amoravcs/papers.html>

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**

### Week 11: Introduction to Growth and Development Theory.

Robert H. Bates. 1984. *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. University of California Press.  
Chapter 1

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

Robert J. Barro. 1998. *Determinants of Economic Growth: A Cross-Country Empirical Study*. Boston: MIT Press.  
Chapter 1-3

### Week 12: Where practice and theory part ways. **Research paper draft due March 28th.**

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

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**

### Week 13: 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.

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**

Week 14: Globalization and its Discontents

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

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.

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

Week 15: Is There Only a Single Path to Globalization? (Final distributed April 18<sup>th</sup>, due April 25<sup>th</sup>)

Garrett Geoffrey and Peter Lange. 1991. "Political Responses to interdependence: What's left for the left." *International Organization* 45: 539-64

Garrett Geoffrey. 1995. "Trade, Capital Mobility and the Politics of Economic Policy." *International Organization* 49:657-87.

Garrett Geoffrey. 2004. "Globalization's Missing Middle." *Foreign Affairs* (November) pp. 84-96  
<http://yaleglobal.yale.edu/display.article?id=4812>

Week 16: The Internet and IPE: April 25<sup>th</sup>, Last Day of Class: **FINALS DUE**

Drezner, Daniel W. 2004. "The Global Governance of the Internet: Bringing the State Back In." *PSQ* 119(3) 477-498.  
<http://www.danieldrezner.com/research/egovernance.pdf>