

International Political Economy

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 Office Hours: Tuesday 2-4 or by appointment.

Mon/Wed/Fri 10.30-11.25
 Hubbard Conf. West

The course analyses contemporary problems in the world political economy and provides a historical and theoretical background for thinking about the issues.

Among the questions asked are:

- What is good about international free trade and the free-market system, and what are the problems?
- What explains why the gains from trade are sometimes achieved and sometimes not?
- What is “globalization” and what impact - if any - does it have on the ability of sovereign nation-states to provide for the needs of their citizens?
- What are the moral issues raised by globalization, for example on Third World development, workers’ rights, or the environment?
- What are the implications of the fact that although there is a world economy, there is not a world government? Who or what will provide the leadership at an international level that is provided by governments at the national level?

Readings

The following are available for purchase at the Bowdoin Textbook store. These texts are also available on reserve at the Hawthorne-Longfellow Library.

Jeff Frieden and David Lake (eds) International Political Economy 4th Edition 1999

Thomas Larson and David Skidmore International Political Economy 2nd Edition 1993

William Grieder One World, Ready or Not 1996

J.K. Galbraith A Short History of Financial Euphoria (Whittle Books, 1990)

Gary Burtless et al. Globophobia (Brookings Institution) 1998

Foreign Affairs Reader “Is Global Capitalism Working?” 1999

Suggested: Jerry Mander and Ed Goldsmith The Case Against the Global Economy (Sierra Club 1996) – this is a collection of 43 different short pieces pointing out the problems in global capitalism. All are valuable, interesting and accessible, but I will only be assigning about 10 articles, so don’t buy it if you’re not interested in the rest of the contents).

In addition, there will be shorter readings placed on reserve at Hawthorne-Longfellow Library.

“Economist” Subscription

You will be expected to follow world news on a regular basis, and in my opinion the best news source is the “Economist” weekly magazine. Subscriptions are available at educational discount for the semester thru the bookstore.

Requirements:

- 1) Attend all class sessions, and participate in class discussions. Read all required readings by the session of the week for which they are set, usually Friday . There will be occasional in-class writing and debating assignments.
- 2) In class midterm. This will include short IDs, questions on current affairs, and an essay.
- 3) Short Papers: 3 Papers, about 5 pages each, answering one question from a list of study questions. Six questions (or sets of questions) will be spaced throughout the course (approximately one every 3-4 weeks), and are due according to schedule below. You can pick which three you write on, but you must write on at least one from topics 1-3, and at least one from topics 4 to 6. Questions will be distributed at least a week before the papers are due, and you will have some choice of questions/topics. Questions will be set around the assigned readings, and answers are therefore expected to discuss most or all of the relevant readings. This will usually require knowledge of at least two full week’s readings, and sometime more. These papers will also require integration of some aspect of current or recent events to illustrate the answer.

Papers will be due in my mailbox at 38 College St. by 5.00 pm on the day in question, but I will allow a 24 hour “grace period” for printer problems, etc. Papers more than 24 hours late will be docked 1/3 of a letter grade per day late. However, for one (and ONLY one) of your 3 papers you may take an automatic, no-questions asked, don’t-bug-me-with-the-sob-story 1 week extension. Note that this extension is in addition to those granted due to circumstances serious enough to warrant a Dean’s Letter, eg serious illness.

Topic 1 (Trade I, wks 1-3) by Feb 14th
 Topic 2 (Trade II wks 4-6) by Feb 28th
 Topic 3 (Money, wks 7-9) by April 10th

Topic 4 (Third World, wks 10-11) by April 24th
 Topic 5 (Environment, wk 12,) by May 1st
 Topic 6 (Hegemony today, wks 13-14) by May 12th

- 4) In-Class Final. Optional for anyone with a grade of B or better.

Grading

In-class midterm 15%

Final Exam:	15%
Short papers 3 x 20% =	60%
Class participation	10%

ACADEMIC HONESTY

All work you submit is assumed to be your own unless you cite another source of assistance appropriately. Any breach of the Bowdoin Academic Honor Code will result in an “F” grade for the course, and referral to the Judicial Board. Please see the instructor if you are uncertain about the rules on appropriate citation and plagiarism.

A NOTE ON THE READINGS:

There are a lot of readings assigned here, for two reasons: First, this is an enormous, complex and fast-changing subject, and even these readings only begin to scratch the surface of the topic. Second, you all have different levels of background knowledge, preparation, and experience. What will be familiar and obvious to some of you will be new for others. Accordingly, I have assigned “maximally”, assuming that you will take responsibility to skim or skip material that seems familiar or repetitive, and delve deeper into material that’s new to you. I will try to give you pointers week-by-week on which readings do what, and how to prioritize. For now and by default, the following rules apply:

* Starred = Essential readings: These are the absolutely essential, top-priority pieces. We will discuss them in class (usually on Fridays) and I expect everyone to be familiar with them. Naturally, understanding of them is also expected for papers and exams.

Required readings: Knowledge of these is required for papers and exams, and is still expected for discussions. (Note: you will probably learn much more from the lectures and class discussions if you read them in by the date under which they appear in the syllabus – eg you’re strongly advised to read chapter 19n of Frieden and Lake BEFORE the lecture on protectionism on Feb 2nd)

[Squared bracketed] = Recommended Readings: Knowledge of these will add depth, perspective and analytic rigor to your understanding of the issues, and will therefore

improve the quality of your papers and exam answers. They should be accessible to all of you regardless of background, but may be harder going for some.

Lecture Timetable Spring 2000

1

Governments and Markets

- Jan 24 (M) Introduction
- Jan 26 (W) Free Markets and Market Failure
- Jan 28 (F) Governments and the Collective Action Problem

Larson and Skidmore ch 1 and 2
**Economist 11/12/99 ("The Real Losers")*
**Mazur Foreign Affairs Jan/Feb 2000*
[Recommended: F and L 3 (North)]

2

Free Trade and Protectionism

- Jan 31 (M) The Case for Free Trade
- Feb 2 (W) Explaining Protectionism
- Feb 4 (F) Global Government: Hegemonic Stability Theory

F/L 19 (Protectionist Trade Politcies)

**F/L 1 (Krasner) and 2 (Eichengreen)*
[Rec: F/L 20 (Rogowski), 21 (Alt and Gilligan)]

3

History of the World Economy

- Feb 7 (M) Globalization in the 19th Century
- Feb 9 (W) The Great Depression
- Feb 11 (F) Bretton Woods

Larson and Skidmore 3, 4
**F/L 8 (Lake)*
[Freiden and Lake 5 (Kindleberger) and 6 (Gourevitch)]

4

"Globalization" Today

- Feb 14 (♥) The Post-War System
- Feb 16 (W) Measuring Economic Integration

- Feb 18 (F) “One World”?
Lairson and Skidmore 5, 6
**Greider 1-3*
**F/L 31 (Rodrik)*
[Mander and Goldsmith 2,15]

5 **Trade, Jobs and Wages in the US**

- Feb 21 (M) Trade and Jobs
- Feb 23 (W) Competitiveness and Strategic Trade
- Feb 25 (F) Discussion: should we care about the trade deficit?
Lairson and Skidmore 7
*Burtless et al “Globaphobia” – entire (*But especially 1-3)*
F/L 22 (Freeman)
**Krugman: “What do Undergrads Need to Know about Trade” (handout)*

6 **The International Politics of Trade**

- Feb 28 (M) The WTO
Bruce Stokes: The Protectionist Myth (Foreign Policy Winter 1999)
- Mar 1 (W) Review Session
- Mar 3 (F) Midterm Exam

7 **Money Politics I: Currency and Exchange Rate Politics**

- Mar 6 (M) Exchange Rate Politics
F/L 167 (Frieden)
- Mar 8 (W) Exchange Rate Regimes (i) The Gold Standard
- Mar 10 (F) Exchange Rate Regimes (ii) The EMU
*Freiden and Lake *14, 17 [13, 15, 18]*
*Greider *11, + 12, 13, 14*

Money Politics II: The Power of International Capital

Mar 13 (M) How do Financial Markets Work?

Mar 15 (W) Mexico and the Third World Debt Crisis

Lairson and Skidmore: Ch 12
[Mander and Goldsmith 24 (Heredia/Purcell)]

Mar 17 (F) Are Financial Markets Rational?

**Galbraith "Financial Euphoria" – entire*
Michael Lewis "How the Eggheads Cracked" (the LTCM
collapse)
(NYT 1/24/99)
[Mander and Goldsmith 31 (Barnet/Cavanagh)]

Spring Break March 28th-April 2nd

9 **Money Politics III: Financial Reform**

Apr 3 (M) Rival Capitalisms: towards the Anglo-Saxon model?

Apr 5 (W) The Asian Crisis

Laurence: "Financial System Reform and the Asian Crisis"

Apr 7 (F) Discussion: the IMF: Kill or Cure?

**Foreign Affairs: Feldstein, Fisher, Hale*
George Soros "Capitalism's Last Chance" Foreign Policy Winter

98

[Mander & Goldsmith 32 (Bello)]

10 **Development**

Apr 10 (M) North-South Trade and Inequality

L and S Ch 8
F/L 27 (Williamson)

Apr 12 (W) Strategies of Development

L and S Chs 9, 10

- Apr 14 (F) Discussion: is free trade good for poor countries?
 * *F/L 25, 26*
[Mander and Goldsmith 22, 23]
- 11 **Globalization and Workers Rights**
- Apr 17 (M) MNCs, FDI, and the third world
Lairson and Skidmore Ch 11
F/L 10, 11
- Apr 19 (W) The Politics of the International Labor Movement
- Apr 21 (F) Discussion: what are your moral obligations to foreign workers?
 **Ted Fishman*
Greider chs 15-18
 * *Mander and Goldsmith 17 (Halstead/Cobb)*
- 12 **Globalization and the Environment**
- Apr 24 (M) Free trade and the Environment
- Apr 26 (W) Sustainable Development
- Apr 28 (F) Discussion: is “sustainable development” possible?
Greider 19
Lairson and Skidmore 13
*Mander and Golssmith *7, 16,18 [10,36]*
[F/L Ch by Butler]
- 13 **Who will Govern the World Economy?**
- May 1 (M) The End of Sovereignty?
- May 3 (W) Global Civil Society
Foreign Affairs: Reinicke, Mathews, Slaughter
- May 5 (F) Discussion: who benefits from US hegemony?

**Sam Huntington The Lonely Superpower Foreign Affairs Mar 99
Kagan vs Maynes "US Dominance?" Foreign Policy Summer 98*

14

Trade in the Information Age

May 8 (M) Piracy and Networks: lessons from history

Mander and Goldsmith 12 (Shiva/Holla-Bhar)

May 10 (W) The Global Economy in the New Millennium

Lairson and Skidmore, 15

May 11-14 Reading Period

May 15-20 Exams (Date TBA)

May 27th Commencement