Contact Information

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Course Introduction:

In this course, we will explore the intersection of international economics and international politics. In today’s world, the economy of any one state cannot be understood completely in isolation. The recent world economic crisis has demonstrated the degree to which the economies of the world are truly linked and the consequences that policy choices in one state can have for others in the system.

Our discussion will cover the major theoretical approaches to international political economy as well as many of the empirical issues. We will begin with the economic rationale for international trade and financial relations, followed by an exploration of the political history of trade liberalization and its consequences. The next section of the course will explore the international financial system. Recent financial crises will be examined in depth with particular attention given to the role of international financial institutions such as the World Bank and the International Monetary Fund. Building off of that, we will discuss theories of international development. To conclude, we will examine the phenomenon of globalization.

Expectations:

- Come to class. I know that seems like an obvious one, but it’s important nonetheless. You will have a tough time passing this course without attending it. Class attendance is not mandatory, but as Woody Allen pointed out 80% of success comes from showing up, and so it will likely be in this class. In addition, contribution is a portion of your grade, and it is difficult to participate and contribute to the discussion when you are not in class.
• Be prepared to engage the material. The reading load isn’t overwhelming, so make an effort to keep up and come to class ready to discuss what you’ve read. Beyond your own participation, please be respectful of your class mates and their ideas.

• Students are strongly encouraged to keep up with current events in international economics such as trade talks, EU expansion, responses to the global financial crises. Good sources for this information include *The New York Times*, *The Wall Street Journal*, *The Financial Times*, or *The Economist*. Current events will often come up in lecture as examples and may be used in exam questions.

• In addition, please show respect to your classmates and to me by turning off all cell phones and pagers before entering classroom. Texting, facebooking, messaging of whatever variety, etc. during class is also unacceptable. Failure to adhere to these guidelines may result in a request to leave the class for the duration of the session.

**Course Goals and Learning Outcomes**

At the end of the semester, students will be able to:

1. Trace the development of the current world trading order.

2. Discuss the challenges that multinational corporations pose to the existing international system.

3. Describe the basic elements of the international monetary system.

4. Evaluate the role of domestic politics on national trade and financial policies.

5. Explain the role that international and regional organizations play in the world economy.

6. Discuss the tensions that exist between the Global North and the Global South and formulate potential solutions to this conflict.

**Readings:**

The readings for this course will be drawn from several sources. One book will be required for this course and is available at the University Bookstore:


Other materials will be handed out in class or will be available online via Blackboard.
Course Requirements:

The requirements for this course include three exams, an in-class debate, a group research paper, and solid class participation. These elements are weighted as follows:

- First Exam 20%
- Second Exam 20%
- Final Exam 25%
- Research Paper 25%
- Contribution 10%

**Exams:** The first exam will be given in class on September 20th, and the second will be given October 13. These exams will cover material from the assigned readings, lectures, and class discussion. The final exam will be a cumulative exam, but greater weight will be placed on material covered in the last portion of the course.

**Group Research Papers:** A collaborate research paper is due on November 15th. Students will be divide into groups of five, and each group will be assigned/choose a less developed country. The paper, which will be AT LEAST 25 FULL PAGES, will examine the social, economic, and political impact of globalization on that country. More specific details of the assignment will be handed out in class.

**Late assignments:** All work for the course must be handed in on time. Any paper handed in after 5PM on the day the assignment is due will be counted as late. Late papers will be penalized one full letter grade for each day past the deadline. If papers will be unavoidably late due to illness or other serious impediment to school work, please alert me as soon as possible and an extension may be offered at my discretion. No makeup exams will be offered, unless unusual circumstances such as serious illness, university sanctioned events, or extreme family crisis arise. A letter from the college office will go a long way toward convincing me that you truly need a make up exam.

**Academic Integrity:** Students will be expected to adhere to the university honor code for all assignments. Work handed in by any student should be solely the work of that student – end of story. If you draw on the ideas of others, please cite them. Failure to do so will result AT MINIMUM in a zero for the assignment. Further action may be take depending on the severity of the infraction.

**ADA:** Any student with a learning disability or physical handicap that might affect class performance should notify me as soon as possible. Ole Miss can make a variety of arrangements that help insure equal opportunity. It is your right and we are glad to work with you on this. For necessary accommodations to be made, please let me know prior to the first exam.
Grading for Political Science Majors and Minors: It is the policy of the political science department that no grade lower than a C can be counted towards either a major or minor in political science.

Grading Scale: This course be graded on a 10 point scale without pluses and minuses.

Course Outline

August 21: Course Introduction

August 23: What is International Political Economy?
- Oatley, Chapter 1.

August 28: Perspectives and Paradigms
- “Introduction” from Frieden, Lake, and Broz, *International Political Economy*.

August 30: Why Do States Trade?
- Oatley, pp. 46-65.

September 4: Domestic Politics and Trade
*The Factors and Sectors Models*
- Oatley, pp. 71-82.

September 6: Domestic Politics and Trade
*Log-Rolling and the Hawley-Smoot Tariff*
- Oatley, 82-91.

September 11: Domestic Institutions and Trade
- Oatley, Chapter 5.

September 13: World Politics and Trade
- Oatley, Chapter 2.
September 18: European Integration and Trade

- Excerpt from Hix, Simon. *What’s Wrong with the European Union and How to Fix It.*
- The Euro Crisis Explained
  
  http://www.npr.org/blogs/money/2012/06/04/154282337/the-crisis-in-europe-explained

September 20: MIDTERM I

September 25: Introduction to International Finance

- Oatley, 241-242; 214-224.

September 27: History of the International Financial System

- Oatley, 220-222; 224-236.

October 2: The International Monetary System Today

- Oatley, Chapter 11.
- Mathai, Koshy. 2012 “Monetary Policy: Stabilizing Prices and Output.”* Finance & Development*

  (http://www.imf.org/external/pubs/ft/fandd/basics/monpol.htm)

October 4: Exchange Rate Politics

- Oatley, 260-268; Chap. 13. (268-282 Optional)
October 9: The Recent Financial Crises


October 11: China and the World Economy


October 16: Midterm II

October 18: Theories of Development

- Oatley, Chapter 6.

October 23: Theories of Development

- Oatley, Chapter 7.

October 25: Domestic Politics and Development


October 30: Simulation Activity

- Reading TBA

November 1: Simulation Activity

- Reading TBA

November 6: The Role of MNCs

- Oatley, Chapter 8.

- Krugman, Paul. “In Praise of Cheap Labor: Bad Jobs at Bad Wages are Better than No Jobs at All.”

November 8: Regulating MNCs

- Oatley, Chapter 9.

- Debora Spar and David Yoffie, Multinational Enterprises and the Prospects for Justice


November 13: Challenges of Globalization

- Oatley, 373-383.


November 15: A Reversal?


- GROUP PAPERS DUE

November 18-24: Thanksgiving Break

November 27: Economic Carrots – Foreign Aid


November 29: Economic Sticks – Sanctions


*** December 6: Final Exam, 12PM ***