

International Political Economy
Christopher Newport University

Fall – 2017
POLS 381-1
M, W: 4-5:15 p.m.
Location: MCM 314

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Course Description

This course introduces students to the study of international political economy (IPE). It addresses the reciprocal and interactive relationship between politics and economics in the historical and contemporary international system by exploring the effect of political factors on international economic relations as well as the impact of economic factors on domestic and international politics. The course introduces the theoretical frameworks that guide the study of IPE, and applies these frameworks to the relations between principal state and non-state actors in a variety of issues in IPE, including international trade, foreign investment flows, international monetary relations, currency crises, international development, and global governance.

Course Objectives

- Gain basic understanding of the factual knowledge, theories, methods, and issues of international political economy.
- Learn to analyze and critically evaluate ideas, arguments, and points of view.
- Improve skills to develop and express views coherently, intelligently, and with civility.

Required Texts

- Oatley, Thomas. 2012. *International Political Economy: Interests and Institutions in the Global Economy*, Fifth Edition. New York: Longman. ISBN 978-0205060634.
- Additional readings for each week will be posted on *Scholar*.

***In addition to the required text, you should read a national or international newspaper or magazine (or digital media) on a regular basis to keep up with current events. Potential choices include:

- New York Times: <http://www.nytimes.com/>
- Washington Post: <https://www.washingtonpost.com/>
- Wall Street Journal: <http://www.wsj.com/>
- The Economist: <http://www.economist.com/>
- Foreign Affairs: <https://www.foreignaffairs.com/>

- Financial Times: <http://www.ft.com/home/uk>
- Associated Press: <http://www.ap.org/>
- Brookings: <http://www.brookings.edu/>
- Politico: <http://www.politico.com/>
- Huffington Post: <http://www.huffingtonpost.com/>
- Slate: <http://www.slate.com/>
- Bloomberg: <http://www.bloomberg.com/>
- BBC News: <http://www.bbc.com/news>
- CNN: <http://www.cnn.com/>
- The New Yorker: <http://www.newyorker.com/>
- Reuters: <http://www.reuters.com/>
- Aljazeera: <http://america.aljazeera.com/>

Course Requirements

Attendance and participation (35%):

Required, unless you are sick or have an official CNU conflict. You must notify me of your absence in advance. (Repeatedly being late might also accumulate to an absence.)

Participation is crucial, and this requires that you keep up with the course readings.

- News presentation: you will be assigned to present news or current events *once* during the semester. You will need to send out the web link of the news article to the entire class by noon before the day you present. Your presentation should be about 5 minutes and should be related to the topic of the week. Describe what happened and why it is important. (5%)
- Quizzes and short assignments: There will be pop-up quizzes and take home short assignments on some days. Questions on quizzes will generally be quite easy if you have been “present” during classes, keeping up with current events, and have done the assigned readings. Short assignments generally require creative, analytical, and critical thinking. (20%)
- You are expected to attend all classes and actively contribute to the discussions. Absences may be excused for medical, religious, official, and personal reasons. Absences for illness for more than two days require a medical certificate. Absences for religious observances and family or personal reasons require documentation. Absence for purposes of representing the University in authorized athletic events or officially sponsored activities are excused by notification from your sponsoring department or activity. The stated University policy reads: “Students with excessive absences will receive a grade of F or UI upon the instructor’s recommendation.” I define “excessive absences” for this course to be nine absences, excused or not. (10%)

Small group discussions and group project (25%):

- We will break down into small groups (3-5 students each) to have structured discussions during most classes for about 10 minutes (We will use the method based on a process formulated by the Interactivity Foundation. A more detailed guide can be found online.¹ Each student will rotate to be the scribe and the facilitator during the semester. The scribe will write down the names of participants of the group with detailed discussion notes. Each group will develop a comprehensive report about a specific theme containing conceptual,

¹ Please visit < <http://studentguide.interactivityfoundationwiki.wikispaces.net/>>

contrasting policy possibilities. They will be presented in class at the end of the semester.

- Research on the issue topic your group has decided. The use of scientific methods will be preferred. (reflected in the report)
- Then, use the IF method to ask questions and raise concerns, generate policy possibilities, explore potential implementations and consequences, revise the policy possibilities. The outcome is a report. (10%)
- Group presentation on the possibilities (5%)
- Scribe notes (5%)
 - Who were present
 - What was discussed
 - Who is responsible for what and who did what
 - Why you made certain decisions
 - Did the rules you set up work or not
 - Other things noteworthy

Scribes should email the professor (and cc all your group members) the notes within 24 hours after each discussion. As long as the notes are submitted, the scribe will receive full credit for this requirement. If we do not have an equal amount of opportunities for each group member to be the scribe, each group should use your own decision-making mechanism to determine who gets an additional turn.

- Creativity, effectiveness, and management of the project (5%)
 - Decision-making process
 - Necessary functions and institutions
 - Awareness and adjustments
 - Effective resource mobilization
 - Meeting attendance
 - Meeting schedule (discussions on individual countries, theme selection, comparison and material gathering, etc.)
 - Communication with the instructor (apply for time needed at the end of the class, default 30 min; representative; written document, etc.)

Exams (40%):

There will be two equally weighted exams in this course. The midterm exam will be held on Wednesday, 10/18; the final exam will be held during the regular final exam period.

Grading

Your grade for the course will be based on your performance on the above assignments, as well as your preparedness for and participation in class:

Attendance and Participation	35%
Small Group Project	25%
Midterm Exam	20%
Final Exam	20%

For written work, the **A** range will comprise only work which features strikingly original thinking and/or argumentation, expressed in clear, cogent, error-free writing. Only students that go well

beyond class materials and discussions (in thought, not extra research) will be considered for an **A** grade. Papers and examinations in the **B** range exhibit mastery of the course materials and discussions, expressed in clear, cogent, error-free writing. Papers and examinations in the **C** range exhibit inadequate understanding of the course materials and discussions and/or deficient, error-plagued writing. Papers and examinations in the **D** range exhibit wholly inadequate understanding of the course materials combined with deficient, error-plagued writing. Hopefully, the **D** range and worse will not be an issue. Pluses, minuses, or flat grades within any of these ranges reflect the instructors' judgment of the merits of the paper or examination relative to other papers in the same range. All late assignments will be reduced 1/3 of a grade for every day they are late. Students may appeal grades they feel they received in error but I reserve the right to increase or decrease their grade upon reconsideration. To appeal you must explain, in writing, why you believe your grade is incorrect before coming to talk to me. I am willing to give "A"s when deserved but I am also willing to use the other parts of the grading spectrum to make sure that those whose work is truly outstanding truly stand out. Your work does not start at "A" level with subtraction for things wrong with it. I frequently give "B"s to work that is very good and without obvious shortcoming, and which only has the flaw of not being A quality work.

Grading Scale

94-100 A	74-76 C
90-93 A-	70-73 C-
87-89 B+	67-69 D+
84-86 B	64-66 D
80-83 B-	60-63 D-
77-79 C+	0-59 F

Academic Integrity

Students are expected to do their own work and to accurately and honestly give credit for information, ideas, and words obtained elsewhere. Plagiarism will be dealt with strictly according to the Honor Code

(<http://cnu.edu/public/studenthandbook/pdf/studenthandbook.pdf>); please review the CNU student handbook for examples of what counts as plagiarism so you know how to avoid it. If you have questions or concerns about how to properly cite outside sources, feel free to contact me and I will be happy to assist you.

Disabilities

In order for a student to receive an accommodation for a disability, that disability must be on record in the Office of Student Affairs, 3rd Floor, David Student Union (DSU). If you believe that you have a disability, please contact Dr. Kevin Hughes, Vice President of Student Affairs (594-7160) to discuss your needs. Dr. Hughes will provide you with the necessary documentation to give to your professors.

Students with documented disabilities are required to notify the instructor no later than the first day on which they require an accommodation (the first day of class is recommended), in private, if accommodation is needed. The instructor will provide students with disabilities with all reasonable accommodations, but students are not exempted from fulfilling the normal requirements of the course. Work completed before the student notifies the instructor of his/her disability may be counted toward the final grade at the sole discretion of the instructor.

Success

I want you to succeed in this course and at Christopher Newport. I encourage you to come see me during office hours or to schedule an appointment to discuss course content or to answer questions you have. If I become concerned about your course performance, attendance, engagement, or well-being, I will speak with you first. I also may submit a referral through our Captains Care Program. The referral will be received by the Center for Academic Success as well as other departments when appropriate (Counseling Services, Office of Student Engagement). If you are an athlete, the Athletic Academic Support Coordinator will be notified. Someone will contact you to help determine what will help you succeed. Please remember that this is a means for me to support you and help foster your success at Christopher Newport.

Academic Support

The Center for Academic Success offers free tutoring assistance for Christopher Newport students in several academic areas. Staff in the center offer individual assistance and/or workshops on various study strategies to help you perform your best in your courses. The center also houses the Alice F. Randall Writing Center. Writing consultants can help you at any stage of the writing process, from invention, to development of ideas, to polishing a final draft. The Center is not a proofreading service, but consultants can help you to recognize and find grammar and punctuation errors in your work as well as provide assistance with global tasks. Go as early in the writing process as you can, and go often!

You may visit the Center for Academic Success to request a tutor, meet with a writing consultant, pick up a schedule of workshops, or make an appointment to talk one-on-one with a University Fellow for Student Success. The Center is located in Christopher Newport Hall, first floor, room 123.

Tentative Class Schedule (Readings with * are optional)

This schedule is subject to change if we require more or less time to adequately cover each topic.

Week 1: Introduction

8/28: Introduction and overview

8/30: IPE

- Oatley Chap.1
 - What is IPE (P1-15)
 - *History of the international economic order (P15-20)

Week 2: WTO and the World Trade System

9/4: In-class World Trade Simulation

- *Gregory Mankiw, Chapter 4, *Principles of Microeconomics*. 6th ed. Mason, OH: South-Western Cengage Learning, 2012.

Short assignment I: reflections on the WTO simulation (Due 9/11)

9/6: WTO and the World Trade System

- Oatley chap.2

Week 3: The Political Economy of International Trade Cooperation

9/11: Trade and Tariffs

- Oatley chap.3 (P45-53)
- Thomas A. Pugel, chapter eight, *International Economics*. 15th ed. McGraw Hill, 2015 (P137-149; optional: 150-157)

9/13: Trade Bargaining

- Oatley chap.3 (P53-68)

Week 4: A society-centered approach to trade politics

9/18: Interest Groups and the Collective Action Problem

- Oatley chap.4 (P69-79)

9/20: Institutions and collective action

- Oatley chap.4 (P79-88)
- *Garrett Hardin, "The Tragedy of the Commons," *Science*, Vol.162, December 13, 1968.
- *Elinor Ostrom, *Governing the Commons*. NY: Cambridge University Press, 1990. Selection.

Week 5: A state-centered approach to trade politics

9/25: Industrial Policy and the Governed Market

- Oatley chap.5 (P89-99)
- Robert Wade, chapter one, *Governing the market*. Princeton University Press, 1990. (P22-33)

9/27: The Logic of Late Development

- Oatley chap.5 (P99-110)
- *Alexander Gerschenkron, "Economic Backwardness in Historical Perspective," in Alexander Gerschenkron, *Economic Backwardness in Historical Perspective: A book of Essays*, Harvard University Press, 1962.

Short assignment II: policy recommendations for U.S. industrial policy (due 10/4)

Week 6: Development and Reform

10/2: Import Substitution Industrialization (ISI), institutions, and Economic Reform

- Oatley chap.6 (P111-132)
- Oatley chap.7 (p133-150)

- Atul Kohli, “Where Do High Growth Political Economies Come From? The Japanese Lineage of Korea’s ‘Developmental State,’” *World Development*, vol. 22, no. 9, 1994: 1269-1293.
- *Stephan Haggard, David Kang, and Chung-in Moon, “Japanese Colonialism and Korean Development: A Critique,” *World Development*, vol. 25, no. 6, 1997: 867-881.

10/4: Economic Reform and Policy Experimentation

- Oatley chap.7 (P150-157)
- Sebastian Heilmann, “Policy Experimentation in China’s Economic Rise,” *Springer Science and Business Media*, 2007.
- *Barry R. Weingast, “The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development,” *The Journal of Law, Economics, & Organization*, V11 N1, 1995.

Week 7: Multinational Corporations in the Global Economy

10/9: Varieties of Capitalism

- Oatley chap.8 (P158-164)
- Margarita Estevez-Abe, Torben Iversen, and David Soskice, “Social Protection and the Formation of Skills,” *Varieties of Capitalism*, Peter Hall and David Soskice ed. 2001.

10/11: Economic Explanations for MNCs

- Oatley chap.8 (P165-179)

Week 8:

10/18: **Mid-term exam**

Week 9: The International Monetary System

10/23: The International Monetary System, an overview

- Oatley Chap.10 (P202-224)

10/25: How to manipulate currency

- Oatley (P255-257)
- Taiyi Sun, “China’s Pegged Exchange Rate and Its Political Economy,” *Journal of International Service*, Volume 19, No.2, 2010.

Week 10: The post-Bretton Woods monetary (dis)order

10/30: The Contemporary International Monetary System

- Oatley chap.11 (P225-248)

11/1: Challenges to the Bretton Woods System

- Carolijn Van Noort, “Constructing a New World Order through a Narrative of Infrastructural Development: The Case of the BRICS” *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering* Vol: 10, No: 2, 2016.
- Arun S. Nair, “AIIB: Will China’s Use of Financial Muscle Reshape World Order for the Better?” *Diplomatic Courier*, Vol.9 (4), 2015: 52-54.

Short assignment III: how should the U.S. respond to the challenges to the Bretton Woods system? (Due 11/8)

Week 11: A society centered approach to Monetary and Exchange-Rate Policies

11/6: Party, Elections, and the Phillips Curve

- Oatley Chap.12 (P249-272, except the P267-268 section on the policy analysis and debate)

11/8: A Strong dollar or a Weak Dollar?

- Oatley chap.12 (P267-268), a discussion

Week 12: A state-Centered Approach to Monetary and Exchange-Rate Policies

11/13: Central Banks and Monetary Policy

- Oatley chap.13 (P273-297)

11/15: Financial Crisis

- Film, frontline, the crash (<https://www.youtube.com/watch?v=Cpu5uN5nAa4>)

Week 13: Crisis and Recovery I

11/20: The Latin American Debt Crisis

- Oatley Chap.14 (P298-322)

Week 14: Crisis and Recovery II

11/27: A Decade of Crisis

- Oatley Chap.15 (P323-345)
- Timeline of the Asian Financial Crisis, *PBS frontline* <
<http://www.pbs.org/wgbh/pages/frontline/shows/crash/etc/cron.html> >

11/29: The Political Economy of the Environment

- Oatley chap.16 (P346-369)
- Arik Levinson, Environmental Kuznets Curve, entry in *New Palgrave Dictionary of Economics*, 2nd, ed. Forthcoming.
- *Gene Grossman and Alan Krueger. "Economic growth and the environment," *Quarterly Journal of Economics* 110, 1995: 353-377.

Week 15: Review and Presentations

12/4 Presentations

12/6 Presentations

Final exam

Note: mentoring sessions and facilitated mini discussions are available during or outside my office hours by appointment. If you want to discuss the knowledge and skills you learned from this class or want to apply or exercise them, please let me know. My goal is to make you successful.