POLI 4046: International Political Economy
Fall 2008
Assistant Professor M. Rodwan Abouharb Ph.D.
Dept. of Political Science

Class Information
Tuesday & Thursday 3.10pm-4.30pm
Lockett 241

Office Hours 1.30-3pm Tuesdays
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Teaching Assistant: Caroline Payne
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COURSE OVERVIEW
We will focus on the intricate relationship between international politics and international economics in this course. We first discuss the economic rationale for trade and financial relations and follow that with an exploration of the recent political history of global trade and finance. We then move on to the issues facing us today: trade liberalization at both the regional and global levels; trade and its relation to domestic politics; coordination and cooperation in monetary policy; implications of national and regional financial crises; and the links between globalization and human rights.

COURSE REQUIREMENT
Students should attend all class sessions, turn in all assignments on time, and come prepared to contribute to class discussions. There are discussion questions included in the syllabus to guide your reading and aid you in class preparation.

In order to make the connection between theory and the real world we will be placing the lectures within the context of current events in international political economy. Therefore, you should keep up with these current events and be prepared to discuss them. You may utilize print, online, or television mediums. These include but are not limited to: The New York Times, The Washington Post, the Economist, The Financial Times, and CNN.

Books


Other Readings
We also will read selections from other books and articles from journals. These items are indicated with an [ER] on the syllabus. Each of the articles is available electronically through Moodle.
Methods of Evaluation
The final grade for the course is based on the mid-term and final examinations, a research paper, and class participation.

Mid-Term Examination (25%). An in-class mid-term examination will be given on October 13. This examination will cover materials from the assigned readings, the lectures, and the class discussions. No make-up exams will be given.

Research Paper (25%). A 9-10 page paper is due on Tuesday, December 2 at the beginning of class. The paper should address a well-defined question in international political economy. A one-page statement of the research question, hypotheses and methods to be used is due in class on Thursday, November 6th. Any changes made to your topic after this date must be approved by the professor. We will further address the research paper in a later class period. You may consult the professor or the T.A. for help in topic selection.

The paper must be double-spaced, have one-inch margins, and be in twelve point Times New Roman font. A works cited page must be included and is not included in the 9-10 page total requirement. Papers must be turned in at the beginning of class on December 2nd. Supplementary copies must also be emailed by the beginning of class on December 2nd so we can check for plagiarism. Both copies must be turned in for a grade to be awarded.

Late Paper Policy: Late papers will be penalized. Papers that arrive late after the assigned deadline will be dropped a letter grade. After an additional 24 hours papers will be dropped another letter grade and so forth.

ASSIGNMENTS AND ABSENTEE POLICY: I DO NOT ALLOW ASSIGNMENTS TO BE MADE UP IN THE EVENT OF AN UNVERIFIED ABSENCE. IF YOU MISS A CLASS IN WHICH THERE IS A QUIZ OR ANYTHING ELSE WHICH WOULD CONTRIBUTE TO YOUR GRADE WITHOUT A VALID EXCUSE YOU WILL NOT BE ALLOWED TO MAKE UP THAT ASSIGNMENT. THERE ARE NO SECOND CHANCES.

Class Participation (20%). The class format will take two forms.

The first which will be (generally) on Tuesdays will be an interactive lecture that deals with the theoretical topic of the week. There will be weekly quizzes on the readings from class. No quizzes will be dropped. Quizzes will contribute to half of the participation grade.

The second which will be (generally) on Thursdays will take the form of competing press conferences where pairs of student will each present one side of policy debate about the issue that we are studying. Each pair will present their side. The audience will act as an informed press and ask the presenters thoughtful and critical questions about their position. Each student will produce six written questions that critique the readings (3 per side) each week. These questions will contribute the other half of the participation grade. TWO GROUPS OF TWO TO THREE PEOPLE (ONE GROUP FOR EACH SIDE OF THE DEBATE) NEED TO SIGN UP FOR ONE DEBATE OF INTEREST TO THEM AHEAD OF TIME, PREFERABLY IN WEEK 1.

Final Examination (30%). The examination, scheduled for Friday December 12th from 7.30am-9.30am will be based on everything since the mid-term exam. An optional review session will be held on Thursday December 4th, which is our last class, to help you prepare for the exam. Please note the date of the exam when making your holiday travel plans.
SCHEDULE

Overview and Key Concepts

August 26: Introductions

August 28: Class Cancelled (APSA Conference)

September 2nd Overview of the Course

What is IPE?
Reading:
Oatley, Chapter 1.

September 4th The Economic Bases for International Trade

Reading:
Oatley, Chapter 3, pp. 48-60


Discussion: Strategic trade theory suggests that governments can – and should – create comparative advantage. From a policy perspective, do you agree or disagree?

September 9th International Money: Exchange Rates and Financial Markets

Reading:
Oatley, Chapter 10

pp. 220-230


Discussion: What political considerations might lead a government to adopt fixed exchange rates? What are the potential political costs of fixed rates?

September 11th DISCUSSION 1: Issue: Strong Dollar or Weak Dollar?

Reading:


_Cooperation and Conflict in the World Economy: What Does Political Science Tell Us?_

**September 16th State Power and Hegemonic Stability (47 pp.)**

**Reading:**


**Discussion:** Do you agree that cooperation in international economic issues depends on the existence of a single hegemonic power? Can you think of examples that run counter to this argument?

**September 18th DISCUSSION 2: Globalization & Governance**

**Reading:**


**September 23rd Interdependence, Cooperation and International Institutions**

**Reading:**


**Discussion:** Are there certain conditions under which international institutions will be most effective at promoting international economic cooperation?

**September 25th DISCUSSION 3**

**Reading:**

The Political Economy of International Trade

The Global Trading System

September 30th International Trade in the Twenty First Century: the WTO System

Reading:
Oatley, Chapter 2

October 2nd DISCUSSION 4: WTO

Reading:


Discussion: Are there political problems associated with the legalization of international trade? Are anti-globalization protestors justified in their criticisms of the WTO? Is there a tradeoff between WTO accountability and WTO efficiency?

October 7th Regional Trade Integration

Reading:


Discussion: To what extent does the experience of regional trade integration in Europe provide lessons about regional trade integration in other parts of the world?

International Trade and Domestic Politics

***October 14th Mid-Semester Exam***

October 16th The Domestic Political Dimension of International Trade I: A society Centered Approach to Trade Politics.

Reading:
Oatley, Chapter 4

Discussion: What is the best way of understanding the domestic politics of international trade – the sectoral model, the factorial model, or some combination of the two?
October 21st The Domestic Political Dimension of International Trade II: A State Centered Approach to Trade Politics.

Reading:
Oatley, Chapter 5

October 23rd DISCUSSION 5: TRADE AND JOBS IN THE UNITED STATES

Reading:


*International Trade and Economic Development*

October 28th Economic Development and International Trade I

Reading: Oatley, Chapter 6.
Discussion: Does dependency theory, popular in the 1970s, have anything important to say in 2003?

October 30th DISCUSSION 6: TRADE AND ECONOMIC DEVELOPMENT

Reading:


November 4th Multinational Corporations in the Global Economy

Reading:
Oatley, Chapter 8


Discussion: What are the costs and benefits to developing nations of FDI? On balance, do countries win or lose from the increased multi-nationalization of production?

November 6th DISCUSSION 7: MULTINATIONAL CORPORATIONS AND THE RACE TO THE BOTTOM

Reading:

The Political Economy of International Money and Finance

Contemporary International Finance

November 11th The Recent History of International Finance

Reading:
Oetley, Chapter 14 & 15.

November 13th DISCUSSION 8: DEVELOPING COUNTRIES AND CAPITAL FLOWS

Reading:

Discussion: Are global capital markets inherently unstable? If so, what policy steps should the IMF and/or individual governments take to address this instability?

Contemporary International Finance

November 18th DISCUSSION 9: DEVELOPING COUNTRIES DEBT

Reading:


Discussion: Are there reasons why debt relief is not a good idea?

November 20th The Human Rights Consequences of International Financial Institutions

Reading:
Abouharb and Cingranelli (2007) Chapters 1-3

November 25th DISCUSSION 10: THE INTERNATIONAL MONETARY FUND
Reading:


December 2nd The Human Rights Consequences of International Financial Institutions II

Reading:
Abouharb and Cingranelli (2007) Chapters 6-10

December 4th Optional Exam Review

Friday, December 12 7:30-9:30am Final Examination