

International Political Economy

Fall 2020

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Course # PS 01:790:327:01

Class hours: Monday and Thursday, 9:15 AM - 10:35 AM

Classroom: ARH-100

Office hours: Mondays and Wednesdays 1 pm – 3 pm and by appointment, at office AB 6109 West

Online course: SR (synchronous delivery)

Learning Management System (LMS): Sakai, asynchronous presentation, reading material in the section of lessons of the Sakai system

Online platform: WebEx/Zoom

This web-syllabus is designed to be used throughout the semester. Below you will find links to the readings for each of the 28 class sessions. Where possible, reading assignments have been linked to electronic versions available on the Internet. Students visiting this page for the first time should read through the entire syllabus: the course description, the course requirements, and the course outline. If you have any questions or comments about the web page or the course, please contact me.

Course Description:

International Political Economy (IPE) studies how political factors affect economic outcomes and how economic factors influence political consequences at three the domestic, regional and international levels of analysis. Therefore, the mainstream IPE examines the interaction between “societal interests” and “political institutions” to understand how economic and political policies are conclusively made and how these policies may further shape the welfare of both the society and the state.

This course is composed of three parts. The first part provides an introduction to the necessary background knowledge, which contains the scientific research method and the traditional schools of IPE. The second part introduces important topics of IPE research including international trade system, global monetary system, and multinational corporations. The last section addresses contemporary IPE issues such as economic development, economic coercion, foreign aid, and globalization.

The aims of this course to create educated citizens capable of organizing information, thinking critically and communicating effectively and analyze essential developments are shaping the contemporary world.

We will examine theories of trade, monetary policy, development, foreign investment and international economic institutions. Throughout the course, we will strive to understand the interplay between economics and politics.

This class will improve students' substantive knowledge of international economic relations and will provide the tools to think critically and analytically about foreign economic policies and international affairs. Using the theories learned in this class, by the end of the class students will gain a broad understanding of the key causes and effects of a wide range of global economic issues.

By end of this semester, students should be able to:

- Politics of COVID-19 and international trade
- Explain the workings of the post-World War II international trading system;
- Identify the failings of the Bretton Woods system;
- Compare with Washington Consensus and Beijing Consensus;
- Use theories of trade, monetary policy, migration policy and international organizations to explain economic development and the persistence of poverty.

Required Textbooks

International Political Economy / Edition 5, by Thomas Oatley

International Political Economy: Perspectives on Global Power and Wealth (Sixth Edition), by Jeffry A. Frieden and David A. Lake

Pre-requisites: It is STRONGLY recommended that you have at least one introductory course in either political science, sociology, economics, or history" as we will be assuming a basic understanding of the post-WWII international order.

Course Requirements

Grades in the course will be based on the following items:

1. Midterm: 25 point
2. Class Participation: 10 point
3. Homework: 25 point
4. Final: 40 point

Learning Methodology:

The 25 separate lectures for this course are packed over a relatively short time period in your lives. During the semester, you're going to be busy with lots of other courses and activities, and when the semester is over, you're going to move on too many wonderful adventures and accomplishments. You won't remember everything from IPE. But hopefully you'll remember some key lessons. My strategy is to teach the course with life-long learning in mind (so you might remember something you learned in this class in 20 years). We will, therefore, use multiple methods to reinforce the main take-away messages of the course.

- Doing the readings prior to class will help the students follow and participate in the class sessions.
- Class sessions will combine a mix of lecture and discussion, with puzzles for the students to grapple with as a group. Class notes will be made available to students after each session. The reason to provide the notes only after class is to keep students engaged in an active learning mode. The notes include puzzles, questions, and answers. It is important for students not to be able to see the answers to puzzles until we have struggled through them as a group.

I will use it to call on you to keep you on your toes!

- Music will be employed to reinforce key lessons (played at the beginning and end of classes - mostly just for fun!). The key theme music for the famous "trilemma" will be Adele's "Rolling in the Deep" (spoiler alert... we can't have it all). We will also reference "The Dark Knight Theme" by Hans Zimmer, "Stay Together" by 2NE1, "Let's Stay Together," by Al Green, and several songs by Bob Marley in our lecture, "Political Economy through the music of Bob Marley."
- The course will also refer to several movies to illustrate in dramatic fashion some key lessons.

- In class, we will watch short video clips illustrating historical events, including the beggar-thy-neighbor policies leading up to the Great Depression, a currency run, and the end of the Bretton Woods exchange rate system.

Important Dates

This course begins on September 3, 2020 and ends on December 14, 2020.

COURSE OUTLINE

Date	Overview of Lectures	Readings
09/03	Course Overview & Introduction to the study of IPE	Oatley, Chapter 1 Krugman & Obstfeld, "Introduction: What is International Economics About?" pp.1-8.
09/07	IPE on theory and on history The establishment of the post-war institutional system, World War II international trading system	Oatley, Chapter 1: "The Global Economy in Historical Context" and Chapter 10
09/10	The political economy of COVID-19 and International Trade Cooperation	https://www.counterpunch.org/2020/06/19/the-political-economy-of-covid-19/ Oatley, Chapter 3.
09/14	From GATT to WTO: The Uruguay Round and the WTO as an institution	Oatley, Chapter 2. Hoekman, Bernard, et. al. (2002) The World Trade Organization, available at http://documents.worldbank.org/curated/en/805981468763835259/Development-trade-and-theWTO-a-handbook Irwin, Douglas A. 1995, "The GATT in Historical Perspective." American Economic Review, 85(2): 323-28.
09/17	A society – centered approach to trade politics	Oatley, Chapter 4

09/21	A state – centered approach to trade politics	Oatley, Chapter 5
09/24	Impacts on Global Trade and Income of Current Trade Disputes	Debate on trade tensions between USA-China http://documents.worldbank.org/curated/en/685941532023153019/pdf/128644-REVISED-MTI-Practice-Note-2-11-12.pdf
09/28	IMF and World Bank in the international system Bretton Woods system	Weaver, Catherine, 'The World's Bank and the Bank's World', Global Governance 13:4 (2007) pp. 493-512. Frieden, Lake, and Broz, Chapter 32 Additional reading: Reinhart, Carmen M., and Christoph Trebesch. (2015), "The International Monetary Fund: 70 Years of Reinvention," NBER Working Paper No. 21805 Available at http://www.nber.org/papers/w21805.pdf
10/01	Development, the international system and domestic institutions: East Asia and Latin America	Oatley, chapters 6-7
10/05	Development Strategies I: Import Substitution Industrialization	Oatley, Chapter 6
10/08	Development Strategies II: Neoliberalism and Institutionalism	Oatley, Chapter 7
10/12	Washington Consensus versus Beijing Consensus	https://www.piie.com/publications/papers/williamson0904-2.pdf http://www.chinaelections.org/uploadfile/200909/20090918021638239.pdf
10/15	The Political Economy of Financial Crises	Frieden, Lake, and Broz, Chapter 15 (Chinn and Frieden).

10/19	The Politics of Global Imbalances	Frieden, Lake, and Broz, Chapter 2 (Frieden). Anne Case and Angus Deaton. (2017), Mortality and Morbidity in the 21st Century. Available at https://www.brookings.edu/wp-content/uploads/2017/03/6_casedeaton.pdf
10/22	Midterm review	
10/26	Midterm exam	
11/02	Globalization and economic policy	Frieden, Lake, and Broz, Chapter 16 (Copelovitch, Frieden, and Walter). Dani Rodrik. (2017), "Populism and the Economics of Globalization", NBER Working Paper 23559. Available at: http://www.nber.org/papers/w23559
11/05	MNCs in the global political economy	Oatley, chapters 8 Frieden, Lake, and Broz, chapters 9 (Caves), 10 (Pandya), and 33 (Mansfield and Mutz).
11/09	Regionalism in the World Economy	Frieden, Lake, and Broz, Chapter 11
11/12	A Society-Centered Approach to Monetary and Exchange-Rate Policies	Oatley, chapter 12
11/16	A State-Centered Approach to Monetary and Exchange-Rate Policies	Oatley, chapter 13
11/19	Domestic and international migration The Political Economy of Immigration Restrictions in the U.S.	Claudia Goldin, "The Political Economy of Immigration Restrictions in the U.S., 1890-1921." In <i>The Regulated Economy: A Historical Approach to Political Economy</i> . Edited by Claudia Goldin and Gary Libecap (Chicago: University of Chicago

		Press, 1994).
11/23	Trump's migration plan	Debate pros and cons of Trump's migration plan https://assets.donaldjtrump.com/Immigration-Reform-Trump.pdf
11/30	Domestic and International Inequality I A Global and US Perspective of Income Inequality	https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf https://wir2018.wid.world/files/download/wir2018-summary-english.pdf
12/03	Domestic and International Inequality II Welfare state in Europe	https://www.chathamhouse.org/sites/default/files/publications/research/20150917WelfareStateEuropeNiblettBeggMushovelFinal.pdf https://www.easped.eu/sites/default/files/sites/default/files/SensAge/d4-social_welfare_systems_across_europe.pdf
12/07	Current problem of International Political Economy: Globalization and the Environment	Frieden, Lake, and Broz, Chapter 7 Jasper and Falkner, "International Trade, the Environment, and Climate Change"
12/10	Final Review	
12/14	Final examination	

Exams: One midterm exam (10/26/2020) and a cumulative final exam at the time scheduled by the Registrar (12/14/ 2020). Please check to be sure that you can attend all the exams before deciding to take the class. Except in cases of documented medical necessity or family emergency, there will be no alternative exam dates. The exams will be based on the lectures, text, readings, and problem sets. The lecture and readings will not always cover the same material: you are responsible for the material in both. The exams will be on multiple choice.

Grading policy: Course grades will be based on class participation (10 point), homework (25 point), midterms (25 point), and final (40 point). All course grades will be curved.

Attendance: Students are expected to attend all classes. If you expect to miss one or two classes because of illness or a family emergency, please use the university absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and

reason for your absence. An email is automatically sent to me. Reporting an absence through this system does not excuse missed exams and problem sets (see policies above).

Academic Integrity: Students must follow the Rutgers academic integrity policy. All suspected violations will be referred to external authorities.