

## **INR 4702: International Political Economy**

Spring 1998

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Office hours: TR 1:30-3:30, F 1:00-3:00.

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### **Course Description:**

International political economy has been described as "the reciprocal and dynamic interaction in international relations of the pursuit of power and the pursuit of wealth." The purpose of this course is to examine those interactions -- between power and wealth, the state and the market -- from a number of competing perspectives and different levels of analysis. We will focus on the causes and consequences of international trade and monetary relations; the growth of regional integration; the role of hegemony in maintaining the stability of international economic systems; strategies of economic development and transition; and the role of multinational corporations in both developing and developed countries.

### **Student Responsibilities:**

#### **(1) Required Reading and Participation.**

You are expected to complete the assigned readings on time, and attend and participate in class. If you are unwilling to make every effort to come to each class prepared and ready to participate, then it is very unlikely you will do well in this course. Bring the assigned reading to class with you for at some point in the semester you will be called upon to summarize that reading. There will be a number of in-class writing assignments based on the assigned readings, in addition to short assignments to be completed outside of class. Role will also be taken from time to time throughout the semester.

#### **(2) Semester Paper.**

A semester paper requiring independent research will be due around the 12th week of the course. All topics must be approved by me, and each student must hand in their research question and an outline of the proposed paper by Tuesday, February 17th. Details about the paper's structure and ideas about content will be discussed in class.

#### **(3) Exams.**

There will be a mid-term and a final examination. The date for the mid-term will be Thursday, February 26<sup>th</sup>, and the final exam will take place on Friday, May 1<sup>st</sup> from 3:00 to 5:00pm. (Do not plan on leaving town before 5:00pm on that date. I cannot give the final exam early.) You are expected to take the examinations at the scheduled times. I do not give make-up exams or incompletes, except under the most unusual circumstances. If you must miss an exam, you must notify me at the above number or leave a message with the department secretary before the exam.

Your course grade will be based on the mid-term exam (25%), the term paper (30%), the final exam (30%), and class participation (15%).

### **Required Reading:**

Joan E. Spero and Jeffrey A. Hart. *The Politics of International Economic Relations*, 5th edition. St. Martin's Press, 1997.

Jeffrey A. Frieden and David A. Lake. *International Political Economy: Perspectives on Global Power and Wealth*, 3rd edition. St. Martin's Press, 1995. (abbreviated F&L in the course outline)

**Recommended Reading:**

We will spend part of our semester relating what we have learned to current developments in the world economy. Therefore, it is highly recommended that you subscribe to a national newspaper or weekly news magazine. The New York Times, Washington Post, Wall Street Journal, and Christian Science Monitor are good examples of newspapers, while the Economist, Time, Newsweek, and US News and World Report are appropriate news magazines.

**E-mail Accounts:**

If you do not already have one, please obtain as soon as possible an e-mail account from FSU's Academic Computing and Network Services. Once you have your own account, register for the course e-mail list. Online registration can be done at any of the campus computer labs.

*Instructions:*

Begin at the FSU Home Page on the World Wide Web (<http://www.fsu.edu>). From there click on the following sequence of choices:

At the point, if you do not have an account, click *new accounts* and follow the directions. Once you have your account, go back to this point and click on *course mailing lists* and follow the directions.

*Note:* the course reference number is 28014

In the past I have found e-mail to be a very effective way of communicating with my students. Instead of waiting for office hours to clear up a question, you can send me an e-mail, and I will probably respond within a few hours. A class e-mail list has the added benefit of not only allowing me to communicate with all of you at once but also allowing each of you to communicate with the rest of the class. Please get your personal account as soon as possible and sign up for the class e-mail list.

The Academic Honor System of The Florida State University is based on the premise that each student has the responsibility to:

- (1) uphold the highest standards of academic integrity in the student's own work,
- (2) refuse to tolerate violations of academic integrity in the University community, and
- (3) foster a high sense of integrity and social responsibility on the part of the University community.

You are responsible to be familiar with those sections of the Student Handbook that describe the Honor Code and types of plagiarism.

Students with disabilities needing academic accommodations should: (1) register with and provide documentation to the Student Disability Resource Center (SDRC); and (2) bring a letter to the instructor from the SDRC indicating you need academic accommodations. This should be done within the first week of class. This and other class materials are available in alternative format upon request.

## **Course Outline and Required Readings:**

### **1. Contending Perspectives on International Political Economy**

Spero & Hart. "The Management of International Economic Relations since World War II" (chapter 1).  
Frieden and Lake. "Introduction" (F&L: pp. 1-16).  
Krasner. "State Power and the Structure of International Trade" (F&L: pp. 19-36).  
Eichengreen. "The Political Economy of the Smoot-Hawley Tariff" (F&L: pp. 37-47).  
Haggard and Moon. "The South Korean State in the International Economy: Liberal, Dependent, or Mercantile?" (F&L: pp. 47-60).  
Strange. "States, Firms and Diplomacy" (F&L: pp. 61-68).

### **2. The Development of International Trade**

***comparative advantage: "the most beautiful idea"***

Kindleberger. "The Rise of Free Trade in Western Europe" (F&L: pp. 73-89).  
Gourevitch. "International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873-1896" (F&L: pp. 90-109).  
Lenin, V.I. Selections from *Imperialism: The Highest Stage of Capitalism* (F&L: pp. 110-119)  
Lake. "British and American Hegemony Compared: Lessons for the Current Era of Decline" (F&L: pp. 120-133)

### **3. The Political Economy of International Trade among the Developed Countries**

***we all gain, but who gains more?***

Spero & Hart. "International Trade and Domestic Politics" (chapter 3).  
Coughlin, Chrystal and Wood. "Protectionist Trade Policies: A Survey of Theory, Evidence, and Rationale" (F&L: pp. 323-338).  
Baldwin. "The New Protectionism: A Response to Shifts in National Economic Power" (F&L: pp. 339-352).  
Ray. "Changing Patterns of Protectionism: The Fall in Tariffs and the Rise in Non-Tariff Barriers" (F&L: pp. 353-368).  
Milner. "Resisting the Protectionist Temptation: Industry and the Making of Trade Policy in France and the United States during the 1970s" (F&L: pp. 368-386).  
Goldstein. "Ideas, Institutions, and American Trade Policy." (F&L: pp. 387-406).

### **4. Southern Perspectives on Trade and Development**

***can you get there from here?***

Spero & Hart. "The North-South System and Possibility of Change" (chapter 5).  
Spero & Hart. "Trade Strategy" (chapter 7).  
Spero & Hart. "Oil and Cartel Power" (chapter 9).  
Summers and Thomas. "Recent Lessons of Development" (F&L: pp. 423-433).  
Broad, Cavanagh and Bello. "Development: The Market is not Enough" (F&L: pp. 434-446).  
Haggard. "Inflation and Stabilization" (F&L: pp. 447-459)

### **5. Regional Integration**

***building communities or fortresses?***

Lawrence. "Emerging Regional Arrangements: Building Blocks or Stumbling Blocks?" (F&L: pp. 407-415)  
Eichengreen and Frieden. "The Political Economy of European Monetary Unification" (F&L: pp. 267-281)

## **6. Strategies for Economies in Transition** ***fast tracks and shock therapy***

Spero & Hart. "East-West Economic Relations during and after the Cold War" (chapter 10).  
Sachs and Lipton. "Poland's Economic Reform" (F&L: pp. 460-474).  
Weisskopf. "Russia in Transition: Perils of the Fast Track to Capitalism" (F&L: pp. 475-89).

## **7. International Monetary Relations** ***multilateral management or the casino of international finance?***

Spero & Hart. "International Monetary Management" (chapter 2).  
Spero & Hart. "International Financial Flows" (chapter 6).  
Cohen. "A Brief History of International Monetary Relations" (F&L: pp. 209-229).  
Cohen. "The Triad and the Unholy Trinity: Problems of International Monetary Cooperation" (F&L: pp. 255-267).  
Eichengreen. "Hegemonic Stability Theories of the International Monetary System" (F&L: pp. 230-254).  
Frieden. "Capital Politics: Creditors and the International Political Economy" (F&L: pp. 282-298).  
Goodman and Pauly. "The Obsolescence of Capital Controls? Economic Management in an Age of Global Markets" (F&L: pp. 299-317).

## **8. The Multinational Corporation in Developing Countries** ***satan or savior?***

Spero & Hart. "Managing the Multinational Corporation" (chapter 8).  
Caves. "The Multinational Enterprise as an Economic Organization" (F&L: pp. 139-153).  
Tarzi. "Third World Governments and Multinational Corporations: Dynamics of Host's Bargaining Power" (F&L: pp. 154-164).  
Fieldhouse. "A New Imperial System? The Role of the Multinational Corporations Reconsidered" (F&L: pp. 165-178).

## **9. The Multinational Corporation in Developed Countries** ***good for the goose, good for the gander***

Spero & Hart. "The Multinational Corporation and the Issue of Management" (chapter 4).  
Coughlin. "Foreign-Owned Companies in the United States: Malign or Benign?" (F&L: pp. 179-190).  
Omestad, Thomas. "Selling Off America?" (F&L: pp. 191-202).

## **10. New Issues in International Political Economy**

Spero & Hart. "Conclusion: Toward a New International Economic Order?" (pp. 365-370).  
Butler. "Environmental Protection and Free Trade: Are They Mutually Exclusive?" (F&L: pp. 493-505).  
Prestowitz. "Beyond Laissez Faire" (F&L: pp. 506-518).  
Cohen. "Toward a Mosaic Economy: Economic Relations in the Post-Cold War Era" (F&L: pp. 519-531).