

INTERNATIONAL POLITICAL ECONOMY

IE University

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Academic year: 23-24

Degree course: SECOND

Semester: 2^o

Category: COMPULSORY

Number of credits: 6.0

Language: English

PREREQUISITES

There are no formal prerequisites for this course as this is meant as an introductory course in the field of International Political Economy (IPE). It is meant to build on pre-taught material from first-year courses and prepare students who wish to specialize in the IPE track and will be taking either compulsory or elective courses in Globalization, International Money and Finance, and International Trade.

SUBJECT DESCRIPTION

By almost any measure we live today in the most economically internationalized era of world history. Products from previously isolated places are now transported and consumed worldwide, firms in traditionally sheltered sectors face unprecedented levels of international competition, and capital flows freely in massive quantities across the globe. How has this process come about? To study the economic and political underpinnings of the global economic order is precisely the main purpose of the discipline of International Political Economy (IPE).

Using analytical and methodological insights from political science and economics, the young discipline of IPE has contributed to our understanding of different dimensions of the international economy: why do some countries adopt protectionist policies whereas other embrace free trade? What explains the different regulations imposed on the flow of the different factors of production across countries and periods of time? What role do domestic and international factors play in the international monetary and financial order?

This course offers an in-depth introduction to some of these topics. This course is specifically designed as (i) an in-depth introduction to the field of International Political Economy, (ii) a historical overview of the evolution of the global economic order during modern times, and (iii) an illustration of several points covered in your introductory economics courses.

OBJECTIVES AND SKILLS

This course aims at achieving three interrelated goals:

1. **THINKING ABOUT GLOBALIZATION.** The course aims at acquainting students with the evolution of international and transnational economic relations (with a focus on the modern economic era from the mid 19th century to the 2010s), thereby offering them a deep understanding of the main global economic issues of our age and the ability to critically

- engage with the current debates on the political and economic consequences of globalization.
2. **LEARNING ECONOMIC THEORY.** The course offers real-world illustrations and explanations of all relevant micro- and macro- economic theories.
 3. **UNDERSTANDING KNOWLEDGE PRODUCTION.** The course allows students to gain exposure to the way social scientists evaluate competing explanations about the causes and consequences of international economic phenomena and thus to develop stronger analytical skills.

By the end of the course students are expected to (i) be aware of the key features of the contemporary world economic order, (ii) be familiar with the main contributions from the field of IPE to our understanding of that economic order (or disorder): the political economy of trade policy, the regulation of international capital flows, and the choice of monetary regimes, (iii) engage critically with current debates on the political and economic consequences of increased levels of economic integration, and (iv) possess stronger analytical, writing, and communication skills.

METHODOLOGY

In light of the IE concept of "liquid learning", the course will consist of synchronous face-to-face (F2F) sessions and asynchronous non-class learning (NCL) sessions. We will use **F2F sessions** as both lectures and seminars, where we will go over practice questions, engage in related in-class exercises, and conduct policy debates, and revise the material for the exams. **NCL sessions** will amount to take-home assignments and case studies.

The course consists of 30 sessions in total including lectures, seminar discussions, and in-class exercises, exams, and student presentations. Students are expected to have done the required readings for each session. Lecture slides will be posted/circulated in advance. Seminar discussions, debates, and in-class exercises are meant to provide critical summaries of readings, challenge some of the ideas or questions raised therein, develop new research questions, and discuss applications of theories to ongoing developments and current context. Seminar questions will be posted ahead of time as a focal guide through the readings and the relevant themes and concepts. Students will have the opportunity to debate issues both in class as well as through the coursepage Discussion Board and Twitter.

There will also be a separate Twitter account (@IEUnilPE) set up for this course. Following recent trends in teaching and learning, Twitter has become a very useful tool at the disposal of both students and teachers. All students are expected to follow the account set up for this course (remember, it's absolutely free!). Also students should not use aliases or nicknames, but make sure that they may be directly identified through their account. No trolling please :) Course tweets will include, among other things, (i) tips and pointers about the readings, (ii) interesting tweets from other IPE academics, and (iii) links to articles, blog pieces, and research material in major media sources, think-tanks, and IOs. Students are encouraged to retweet interesting and related material from their accounts, initiate conversations, and comment on each other's presentations. Twitter is meant to introduce an informal and conversational style and interactive approach to teaching and learning by creating a virtual space for the continuation of class discussions and debates, allowing students to build networks and connections outside of the university, and exposing them to new ways of making their work, thoughts, and interests public and visible.

Teaching methodology	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	36.67 %	55 hours
Discussions	10.0 %	15 hours
Exercises	6.67 %	10 hours
Group work	6.67 %	10 hours
Other individual studying	40.0 %	60 hours
TOTAL	100.0 %	150 hours

PROGRAM

READINGS FOR THE COURSE

The list of readings is divided into required and recommended ones. Everyone is expected to have done the former in preparation for each session (especially F2F sessions). The latter are generally intended for those more interested in a particular topic, those planning to write a paper on the topic, or those preparing a debate presentation on the topic. The compulsory reference books/textbooks listed below (also available in the library) will be referred to quite often, so students are advised to buy them (they will also be required for more advanced courses in the field of IPE). Otherwise, the majority of readings consist of pieces from major journals in the field (*International Organization*, *Review of International Political Economy*, *The World Economy*, etc.), as well as a few online publications, working papers, and unpublished manuscripts available online (links will be provided). If you cannot find a listed reading you are interested in, please let me know.

Original treaty texts and sources tend to be quite technical and legalistic and are, therefore, not featured in the reading list, but they are certainly recommended especially for the purposes of essay-writing with a focus on specific IOs. In fact, students should familiarize themselves with web-based resources and IO websites (such as <http://www.wto.org>, <http://www.imf.org>, and <http://www.worldbank.org>). In this course, there is also a strong emphasis on keeping abreast of and critically evaluating current affairs; hence, students are encouraged to consult, cite, and quote material from international newspapers (e.g., *The Financial Times* and *The Economist*, as well as other mainstream or non-mainstream news sources), major blogs (e.g., Washington Post's Monkey Cage, Project Syndicate, Agenda Publica, El Diario's Piedras de Papel, etc.), and/or video podcasts (e.g., NPR, BBC, Social Europe, etc.).

In light of the positivistic approach of this course, some of the readings will be methodologically rich and heavy. This, of course, does not imply that students will be expected to fully comprehend (or even replicate) the empirics or formal theories employed in these papers. Students will instead have to develop a grasp of the overall research design (in terms of the research question, the testable hypotheses, the identification and empirical operationalization strategy, and the conclusions of the causal inference).

Below you will find a list of textbooks you should consider purchasing for this course. Most of the compulsory readings are drawn from Frieden (2006) and Oatley (2018), but you may also consider buying one or two of the recommended textbooks as you may find their style of writing more suited to your needs.

PART I: INTRODUCTION

The first part of this course will introduce general concepts in the methodology, research design, and theory of international political economy.

SESSIONS 1 - 2 (LIVE IN-PERSON)

An Introduction to International Political Economy (IPE) (Lecture/Seminar)

- the main "perspectives" / "ideologies" in IPE (realism, liberalism, and Marxism)
- research design in Open Economy Politics (OEP)

Book Chapters: International Political Economy (ch. 1) (See Bibliography)

Book Chapters: The Oxford Handbook of Political Economy (International Political Economy: A Maturing Interdiscipline) (CED)

Other / Complementary Documentation: Lecture slides (s-c)

Recommended readings:

- Chaudoin S. and H. V. Milner. 2017. "Science and the System: IPE and International Monetary Politics." *Review of International Political Economy* 24(4): 681-698.
- Chaudoin, S., H. V. Milner, and X. Pang. 2015. "International Systems and Domestic Politics: Linking Complex Theories with Empirical Models in International Relations." *International Organization* 69(2): 275-309.
- Cohen, B. J. 2007. "The Transatlantic Divide: Why Are American and British IPE So Different?" *Review of International Political Economy* 14(2): 197-219.
- Keohane, R. 2009. "The Old IPE and the New." *Review of International Political Economy* 16(1): 34-46.
- Maliniak, D. and M. J. Tierney. 2009. "The American school of IPE." *Review of International Political Economy* 16(1): 6-33.
- Oatley, T. 2011. "The Reductionist Gamble: Open Economy Politics in the Global Economy." *International Organization* 65(2): 311-341.
- Oatley, T. 2017. "Open Economy Politics and Trade Policy." *Review of International Political Economy* 24(4): 699-717.

PART II: THE HISTORY OF THE GLOBAL ECONOMY UP TO THE PRESENT DAY

The second part of the course will consist of an analytical (i.e., theoretically informed) overview of the main trends in world economic history from the Era of the Great Discoveries to the present day. Although the course is structured along historical lines, this is not a course in economic history. Instead, we will use the historical background of each period in order to introduce new theoretical concepts and theories in economics and politics.

PART III: CURRENT THEMES AND DILEMMAS IN THE ERA OF GLOBALIZATION

The third part of the course will focus more on policy issues and debates with a stronger emphasis on current work and empirically informed studies and projections.

SESSIONS 3 - 4 (LIVE IN-PERSON)

The Age of Discovery and the First Great Divergence (1500-1850) (Lecture/Seminar)

- mercantilism, gun-boat diplomacy, and colonization

Article: *The Rise of Europe: Atlantic Trade, Institutional Change and Economic Growth* (*American Economic Review* 95: 546-557) (CED)

Article: *Reversal of Fortune: Geography and Institutions in the Making of the Modern World* (*Quarterly Journal of Economics* 117: 1231-1294) (CED)

Other / Complementary Documentation: Lecture slides (s-c)

Recommended readings:

- Boyle, C. 2008. "The Mystery of Modern Wealth: Mercantilism, Value, and the Social Foundations of the Liberal International Order." *European Journal of International Relations* 14(3): 405-429.

- Helleiner, E. 2002. "Economic Nationalism as a Challenge to Economic Liberalism? Lessons from the 19th Century." *International Studies Quarterly* 46(3): 307-329.
- Levi-Faur, D. 1997. "Friedrich List and the Political Economy of the Nation-State." *Review of International Political Economy* 4(1): 154-78.
- Rodrik, D. 2011. *The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist*. Oxford: Oxford University Press, ch. 1.

SESSIONS 5 - 6 (LIVE IN-PERSON)

Pax Britannica, the Classical Gold Standard, and the Golden Age of Capitalism (1870 to 1913) (Lecture/Seminar)

- Hume's "price-specie" flow mechanism
- free trade and Ricardo's theory of comparative advantage
- class exercise in historical analogies

Book Chapters: Global Capitalism: Its Rise and Fall in the Twentieth Century (chs. 1-2) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

Article: Populism as a Backlash against Globalization - Historical Perspectives (CIRSD)

Article: The world today looks ominously like it did before World War I (The Washington Post, 2017) (CED)

Recommended readings:

- Broz, L. 2000. "The Domestic Politics of International Monetary Order: The Gold Standard." In: J. A. Frieden and D. A. Lake, eds. *International Political Economy: Perspectives on Global Power and Wealth*. New York: St. Martin's Press, 4th edition.
- Eaton, E. and Kortum, J. 2012. "Putting Ricardo to Work." *Journal of Economic Perspectives* 26(2): 65-90.
- Eichengreen, B. 2019. *Globalizing Capital: A History of the International Monetary System*. Princeton: Princeton University Press, ch. 2.
- Eichengreen, B., M. R. Haines, M. S. Jaremski, and D. Leblang. 2017. "Populists at the Polls: Economic Factors in the 1896 Presidential Election." NBER Working Paper No. 23932.
- Frieden, J. A. 2006. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: W. W. Norton, chs. 3-5.
- Rodrik, D. 2012. *The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist*. Oxford: Oxford University Press, ch. 2.
- Sykes, A. O. 1998. "Comparative Advantage and the Normative Economics of International Trade Policy." *Journal of International Economic Law* 1(1): 49-82.
- Wyatt-Walter, A. 1996. "Adam Smith and the Liberal Tradition in International Relations." *Review of International Studies* 22(1): 5-28.

SESSIONS 7 - 8 (LIVE IN-PERSON)

The Interwar Era and the Great Depression (1919-1939) (Lecture/Seminar)

- hyperinflation, brief recovery, protectionism, and economic collapse

Book Chapters: Global Capitalism: Its Rise and Fall in the Twentieth Century (chs. 6-8) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

Article: New preface to Charles Kindleberger, The World in Depression 1929-1939 (12 June 2012) (Vox EU)

Recommended readings:

- Eichengreen, B. 1992. *Golden Fetters: The Gold Standard and the Great Depression (1919 – 1939)*. New York: Oxford University Press.
- Eichengreen, B. 2019. *Globalizing Capital: A History of the International Monetary System*. Princeton: Princeton University Press, ch. 3.
- Frieden, J. A. 2006. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: W. W. Norton, chs. 9-10.
- Gowa, J., and R. Hicks. 2013. "Politics, Institutions, and Trade: Lessons of the Interwar Era." *International Organization* 67(3): 439-467.
- Kindleberger, C. P. 1973. *The World in Depression, 1929-1939*. University of California Press.
- Kindleberger, C. P. 1978. *Manias, Panics, and Crashes*. W. W. Norton.
- Simmons, B. A. 1994. *Who Adjusts?: Domestic Sources of Foreign Economic Policy During the Interwar Years*. Princeton, NJ: Princeton University Press.

SESSIONS 9 - 10 (LIVE IN-PERSON)

The History of Trade Politics from the Repeal of the Corn Laws (1846) to the Reciprocal Trade Agreements Act (1934) (Lecture/Seminar)

- the political economy of international trade
- the Heckscher-Ohlin model of trade
- the Ricardo-Viner model of trade

Book Chapters: International Political Economy (chs. 3-5) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

Recommended readings:

- Alt, J., J. A. Frieden, M. Gilligan, D. Rodrik and R. Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry." *Comparative Political Studies* 29: 689-717.
- Bailey, M., J. Goldstein, and B. Weingast. 1997. "The Institutional Roots of American Trade Policy." *World Politics* 49(3): 309-338.
- Ehrlich, S. 2007. "Access to Protection: Domestic Institutions and Trade Policy in Democracies." *International Organization* 61(3): 571-605.
- Hiscox, M. 1999. "The Magic Bullet? The RTAA, Institutional Reform and Trade Liberalization." *International Organization* 53(4): 669-698.
- Hiscox, M. 2001. "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade." *International Organization* 55(1): 1-46.
- Irwin, D. A. 1989. "Political Economy and Peel's Repeal of the Corn Laws." *Economics & Politics* 1(1): 41-59.
- Irwin, D. and R. Kroszner. 1999. "Interests, Institutions, and Ideology in Securing Policy Change: The Republican Conversion to Trade Liberalization after Smoot-Hawley." *Journal of Law and Economics* 42(2): 643-673.
- Lohmann, S. and S. O' Halloran. 1994. "Divided Government and U.S. Trade Policy: Theory

and Evidence." *International Organization* 48: 595-632.

- Mansfield, E. D., and W. J. Henisz. 2006. "Votes and Vetoes: The Political Determinants of Commercial Openness." *International Studies Quarterly* 50(1): 189-212.
- Milner, H. V. 1999. "The Political Economy of International Trade." *Annual Review of Political Science* 2(1): 91-114.
- O'Rourke, K. and J. G. Williamson. 1994. "Late Nineteenth-Century Anglo-American Factor-Price Convergence: Were Heckscher and Ohlin Right?" *Journal of Economic History* 54(4): 892-916.
- Rogowski, R. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81(4): 1121-1138.
- Schonhardt-Bailey, C. 2006. *From the Corn Laws to Free Trade: Ideas, Interests, and Institutions in Historical Perspective*. Cambridge, MA: MIT Press.

SESSION 11 (ASYNCHRONOUS)

The History of Trade Politics from the Repeal of the Corn Laws (1846) to the Reciprocal Trade Agreements Act (1934) (NCL session)

SESSIONS 12 - 13 (LIVE IN-PERSON)

Policy Debates (2) & Revision Session

You will be asked to present and defend a position on one of several topical debates in International Political Economy. You will be divided into small groups, prepare a short presentation on your side of the debate, and then seek to rebut the opposing team's arguments. The rest of the class will be asked to evaluate the debate participants along a range of criteria. We will spend the rest of the time revising the material from the first half of the course.

SESSION 14 (LIVE IN-PERSON)

Midterm Exam

The midterm exam will be a 120-minute online exam. It will consist of three parts: a multiple-choice section, a true/false section, and a short-essay section. It is meant to test your understanding of basic concepts, your attainment of the course objectives, and your ability to apply this knowledge to different situations.

SESSIONS 15 - 16 (LIVE IN-PERSON)

Pax Americana and the post-WWII Bretton Woods Compromise (1944-1971) (Lecture/Seminar)

- embedded liberalism
- hegemonic stability theory
- the Triffin dilemma

Book Chapters: Global Capitalism: Its Rise and Fall in the Twentieth Century (chs. 11-12) (See Bibliography)

Book Chapters: International Political Economy (ch. 10) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

Recommended readings:

- Bordo, M. D. 1993. "The Bretton Woods International Monetary System: A Historical Overview."

- In: M. D. Bordo and B. Eichengreen, eds. *A Retrospective on the Bretton Woods System: Lessons for International Monetary Reform*. Chicago: University of Chicago Press.
- Eichengreen, B. 2000. "Hegemonic Stability Theories of the International Monetary System." In: J. A. Frieden and D. A. Lake, eds. *International Political Economy: Perspectives on Global Wealth and Power*. New York: Thomson/Wadsworth.
 - Eichengreen, B. 2019. *Globalizing Capital: A History of the International Monetary System*. Princeton: Princeton University Press, ch. 4.
 - Gowa, J. 1989. "Bipolarity, Multipolarity, and Free Trade." *American Political Science Review* 83(4): 1245-1256.
 - Lake, D. A. 2000. "British and American Hegemony Compared: Lessons from the Current Era of Decline." In: J. A. Frieden and D. A. Lake, eds. *International Political Economy: Perspectives on Global Wealth and Power*. New York: Thomson/Wadsworth.
 - Lipsky, P. 2015. "Explaining Institutional Change: Policy Areas, Outside Options, and the Bretton Woods Institutions." *American Journal of Political Science* 59(2): 341-356.
 - Ruggie, J. G. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36(2): 379-415.

SESSIONS 17 - 18 (LIVE IN-PERSON)

The Nixon Shock, the Collapse of the Bretton Woods System, and the Two Oil Crises (1971-1980) (Lecture/Seminar)

- the impossibility trilemma (or unholy trinity)
- the political economy of monetary relations
- the choice of currency regimes

Book Chapters: Global Capitalism: Its Rise and Fall in the Twentieth Century (chs. 15-16) (See Bibliography)

Book Chapters: International Political Economy (chs. 11-13) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

Recommended readings:

- Bernhard, W., L. Broz, and W. Clark. 2002. "The Political Economy of Monetary Institutions." *International Organization* 56(4): 693-723.
- Broz, L. and J. A. Frieden. 2008. "The Political Economy of Exchange Rates." In: B. Weingast and D. Wittman, eds. *The Oxford Handbook of Political Economy*. Oxford: Oxford University Press.
- Cohen, B. 2000. "The Triad and the Unholy Trinity: Problems of International Monetary Cooperation," In: J. A. Frieden and D. A. Lake, eds. *International Political Economy: Perspectives on Global Power and Wealth*. New York: St. Martin's Press, 4th edition.
- Eichengreen, B. 1989. "Hegemonic Stability Theories of the International Monetary System." NBER Working Paper No. 2193.
- Frieden, J. A. 2000. "Exchange Rate Politics." In: J. A. Frieden and D. A. Lake, eds. *International Political Economy: Perspectives on Global Power and Wealth*. New York: St. Martin's Press, 4th edition.

SESSIONS 19 - 20 (LIVE IN-PERSON)

Policy Debates (2) & The New Global Order and the Era of Great Moderation (1981-2007), Part 1 (Lecture)

- the globalization trilemma
- financial globalization and the liberalization of capital flows
- multi-national corporations (MNCs) and foreign direct investment (FDI)

Book Chapters: The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist (ch. 9. Oxford University Press) (CED)

Book Chapters: Change and Continuity in Contemporary Capitalism (pp. 36-69. The Internationalization of Capital) (CED)

Book Chapters: International Political Economy (chs. 8-9, 16) (See Bibliography)

Other / Complementary Documentation: Lecture slides (s-c)

You will be asked to present and defend a position on one of several topical debates in International Political Economy. You will be divided into small groups, prepare a short presentation on your side of the debate, and then seek to rebut the opposing team's arguments. The rest of the class will be asked to evaluate the debate participants along a range of criteria.

Recommended readings:

- Bordo, M., Eichengreen, B. and I. Douglas. 1999. "Is Globalization Today Really Different than Globalization a Hundred Years Ago?" NBER Working Paper 7195.
- Frieden, J. A. 2006. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: W. W. Norton, chs. 17-18.
- [Frieden, J. A. 2019. "The Backlash Against Globalization and the Future of the International Economic Order." In: P. Diamond, ed. *The Crisis of Globalization: Democracy, Capitalism, and Inequality in the Twenty-First Century*. London: I.B. Tauris.](#)
- Helleiner, E. 2011. "The Evolution of the International Monetary and Financial System." In: J. Ravenhill, ed. *Global Political Economy*. Oxford: Oxford University Press, ch. 7.
- Levy, D. L. and A. Prakash, A. 2003. "Bargains Old and New: Multinational Corporations in Global Governance." *Business & Politics* 5(2): 131-150.
- Li, Q. 2009. "Democracy, Autocracy, and Expropriation of Foreign Direct Investment." *Comparative Political Studies* 42(8): 1098-1127.
- Stiglitz, J. E. 2004. "Capital Market Liberalization, Globalization, and the IMF." *Oxford Review of Economic Policy* 20(1): 57-71.

SESSIONS 21 - 22 (LIVE IN-PERSON)

The New Global Order and the Era of Great Moderation (1981-2007), Part 1 (Lecture/Seminar)

Recommended readings:

- Bordo, M., Eichengreen, B. and I. Douglas. 1999. "Is Globalization Today Really Different than Globalization a Hundred Years Ago?" NBER Working Paper 7195.
- Frieden, J. A. 2006. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: W. W. Norton, chs. 17-18.
- [Frieden, J. A. 2019. "The Backlash Against Globalization and the Future of the International Economic Order." In: P. Diamond, ed. *The Crisis of Globalization: Democracy, Capitalism, and Inequality in the Twenty-First Century*. London: I.B. Tauris.](#)
- Helleiner, E. 2011. "The Evolution of the International Monetary and Financial System." In: J. Ravenhill, ed. *Global Political Economy*. Oxford: Oxford University Press, ch. 7.

- Levy, D. L. and A. Prakash, A. 2003. "Bargains Old and New: Multinational Corporations in Global Governance." *Business & Politics* 5(2): 131-150.
- Li, Q. 2009. "Democracy, Autocracy, and Expropriation of Foreign Direct Investment." *Comparative Political Studies* 42(8): 1098-1127.
- Stiglitz, J. E. 2004. "Capital Market Liberalization, Globalization, and the IMF." *Oxford Review of Economic Policy* 20(1): 57-71.

SESSIONS 23 - 24 (LIVE IN-PERSON)

Policy Debates (2) & The New Global Order and the Era of Great Moderation (1981-2007), Part 2 (Lecture)

- structural adjustment and financial crises in emerging markets
- the Washington Consensus

Book Chapters: International Political Economy (chs. 14-15) (See Bibliography)

Working Paper: This Time is Different: A Panoramic View of Eight Centuries of Financial Crisis (NBER Working Paper No. 13882. 2008) (CED)

Other / Complementary Documentation: Lecture slides (s-c)

Practical Case: The Argentinian Financial Crisis I (EC-IILS Joint Discussion Paper Series No. 3) (CED)

Practical Case: The Argentinian Financial Crisis II (s-c)

You will be asked to present and defend a position on one of several topical debates in International Political Economy. You will be divided into small groups, prepare a short presentation on your side of the debate, and then seek to rebut the opposing team's arguments. The rest of the class will be asked to evaluate the debate participants along a range of criteria.

Recommended readings:

- Bordo, M., B. Eichengreen, D. Klingebiel, M. S. Martinez-Peria, and A. K. Rose. 2001 "Is the Crisis Problem Growing More Severe?" *Economic Policy* 16(32): 53-82.
- Chang, R. 1999. "Understanding Recent Crises in Emerging Markets." *Federal Reserve of Atlanta Economic Review* Q2: 6-16.
- Eichengreen, B. 2019. *Globalizing Capital: A History of the International Monetary System*. Princeton: Princeton University Press, ch. 6.
- Minsky, H. P. 1992. "The Financial Instability Hypothesis." The Jerome Levy Economics Institute of Bard College, Working Paper No. 74.
- Mishkin, F. 1991. "Anatomy of a Financial Crisis." NBER Working Paper No. 3934 (Also Reprint No. r1753).
- Mishkin, F. 1996. "Understanding Financial Crises: A Developing Country Perspective." NBER Working Paper 5600.
- Pauly, L. W. 2011. "The Political Economy of International Financial Crises." In: J. Ravenhill, ed. *Global Political Economy*. Oxford: Oxford University Press, ch. 8.
- Rodrik, D. 2006. "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's 'Economic Growth in the 1990s: Learning from a Decade of Reform.'" *Journal of Economic Literature* 44(4): 973-987.

SESSION 25 (ASYNCHRONOUS)

The New Global Order and the Era of Great Moderation (1981-2007), Part 2 (NCL session)

- case study: the Argentinian Financial Crisis (2001-2)

SESSIONS 26 - 27 (LIVE IN-PERSON)

International Regimes, Regionalism, and Multilateralism in the post-Bretton Woods Era (Lecture/Seminar)

- case study: the WTO Doha Round

Book Chapters: International Political Economy (ch. 2) (See Bibliography)

Book Chapters: The Logic of Regional Integration: Europe and Beyond (ch. 3.3) (CED)

Other / Complementary Documentation: Lecture slides (s-c)

Article: The Broken Legs of Global Trade (Project Syndicate, May 29, 2012) (CED)

Article: The Regional Route to Global Free Trade (Project Syndicate, Aug 1, 2013) (CED)

Article: Trade and protectionism: No more grand bargains (The Economist, August 2014) (CED)

Recommended readings:

- Baldwin, R. E. 2006. "Multilateralizing Regionalism: Spaghetti Bowls as Building Blocs on the Path to Global Free Trade." *World Economy* 29(11): 1451-1518.
- Bhagwati, J. 1992. "Regionalism versus Multilateralism." *World Economy* 15(5): 535-555.
- De Grauwe, P. 2012. *Economics of Monetary Union*. Oxford: Oxford University Press, 9th ed.
- Goldstein, J., D. Rivers, and M. Tomz. 2007. "Institutions and International Relations: Understanding the Effects of the GATT and WTO on World Trade." *International Organization* 61(1): 37-67.
- Irwin, D. A. 1995. "The GATT in Historical Perspective." *American Economic Review* 85(2): 323-328.
- Maggi, G. 1999. "The Role of Multilateral Institutions in International Trade." *American Economic Review* 89(1): 190-214.
- Mansfield, E. and H. V. Milner. 1999. "The New Wave of Regionalism." *International Organization* 53(3): 589-627.
- Mansfield, E. D. and E. Reinhardt. 2003. "Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Arrangements." *International Organization* 57(4): 829-862.
- Moravcsik, A. 1998. *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht*. Ithaca, NY: Cornell University Press.
- Narlikar, Amrita (2006). "Fairness in International Trade Negotiations: Developing Countries in the GATT & WTO." *World Economy* 29(8).
- Woolcock, S. 2013. "Getting Past the WTO Deadlock: The Plurilateral Option." European University Institute RSCAS PP 2013/08.

SESSIONS 28 - 29 (LIVE IN-PERSON)

Policy Debates (2) & Revision Session

You will be asked to present and defend a position on one of several topical debates in International Political Economy. You will be divided into small groups, prepare a short presentation on your side of the debate, and then seek to rebut the opposing team's arguments. The rest of the class will be asked to evaluate the debate participants along a range of criteria. We will spend the rest of the time revising the material from the second half of the course.

SESSION 30 (LIVE IN-PERSON)

Final Exam

The final exam will have a similar format to the midterm exam and will cover the entire course content focusing more on the second part of the course.

BIBLIOGRAPHY

Compulsory

- Jeffrey A. Frieden. (2020). *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: W.W. Norton. ISBN 9780393358254 (Printed)
- Thomas Oatley. (2018). *International Political Economy*. 6th. New York: Pearson. ISBN 9781032232669 (Printed)

Recommended

- Robert C. Allen. (2011). *Global Economic History: A Very Short Introduction*. Oxford: Oxford University Press. ISBN 9780199596652 (Printed)
- Barry Eichengreen. (2019). *Globalizing Capital: A History of the International Monetary System*. 3rd. Princeton, N.J.: Princeton University Press. ISBN 9780691194585 (Printed)
- John Ravenhill. (2014). *Global Political Economy*. 4th. Oxford: Oxford University Press. ISBN 9780199666010 (Printed)
- Dani Rodrik. (2011). *The Globalization Paradox: Why Global Markets, States, and Democracy Can't Coexist*. Oxford: Oxford University Press. ISBN 9780393071610 (Printed)

EVALUATION CRITERIA

Your final grade in the course will be based on both individual and group work of different characteristics that will be weighted in the following way:

Criteria	Percentage	Comments
Class participation	10 %	Class participation (synchronous and asynchronous)
Policy debates & reviews	12 %	Debate presentations & reviews
Essay	24 %	Essay
Midterm exam	24 %	Midterm exam
Final Exam	30 %	Final Exam

A. CLASS PARTICIPATION

Your class participation will be evaluated on the basis of your oral and written contributions to (synchronous and asynchronous) discussions, exercises, and debates. Besides oral participation in in-class discussions, you are encouraged to use Twitter and the Discussion Board as media of written expression and communication. Three main criteria will be used in reaching judgment about your class participation:

- Depth and quality of contribution: The most important dimension of participation concerns what

it is that you are saying. A high quality comment reveals depth of insight, rigorous use of case evidence, consistency of argument, and realism.

- Moving your peers' understanding forward: Great ideas can be lost through poor presentation. A high quality presentation of ideas must consider the relevance and timing of comments, and the flow and content of the ensuing class discussion. It demands comments that are concise and clear, and that are conveyed with a spirit of involvement in the discussion at hand.
- Frequency: Frequency refers to the attainment of a threshold quantity of contributions that is sufficient for making a reliable assessment of comment quality. The logic is simple: if contributions are too few, one cannot reliably assess the quality of your remarks. However, once threshold quantity has been achieved, simply increasing the number of times you talk does not automatically improve your evaluation. Beyond the threshold, it is the quality of your comments that must improve. In particular, one must be especially careful that in claiming more than a fair share of "airtime", quality is not sacrificed for quantity. Finally, your attempts at participation should not be such that the instructor has to "go looking for you". You should be attempting to get into the debate on a regular basis.

B. DEBATE PRESENTATIONS & REVIEWS

You will be asked present and defend a position on one of several topical debates in International Political Economy. You will be divided into small groups, prepare a short presentation on your side of the debate, and then seek to rebut the opposing team's arguments. The rest of the class will be asked to evaluate the debate participants along a range of criteria.

C. ESSAY

Your final grade will also be determined by a 1,500-word assessed essay. You will have to answer one out of a list of suggested essay questions. All rules of proper academic writing should be followed in terms of proper citing, referencing, and formatting. You are expected to cite at least two academic readings from the syllabus; failure to do so will be explicitly penalized. Clearly, **no form of plagiarism or self-plagiarism** will be tolerated! Please see below for **University Guidelines** on what constitutes plagiarism or self-plagiarism.

D. MIDTERM EXAM

The midterm exam will take place online and it will consist of three parts: a multiple-choice section, a true/false section, and a short-essay section. It is meant to test your understanding of basic concepts, your attainment of the course objectives, and your ability to apply this knowledge to different situations.

E. FINAL EXAM

The final exam will have a similar format to the midterm exam and will focus more on the second part of the course. **You are required to obtain the minimum grade of 5 required to pass the course.**

GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course.

For every BIR Program mandatory class aside from the IR Unplugged and BIR Electives, students are required to obtain the minimum grade of 5 required to pass the course. Students whose grade in the Final Exam (or the largest assignment) is below 5 will fail the course. The rule applies to whichever assignment carries the greatest weight to the final grade. Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt must contact the professor during the first two weeks of the course.

The Bachelor's in International Relations pursues to develop the knowledge, skills and attitudes for bringing transformative and sustainable change in today's world. Therefore, all the courses follow the principles of sustainability and diversity. Firstly, this course considers the agenda 2030 and builds upon the Sustainable Development Goal 9, 10, and 16. Secondly, this course is committed to an inclusive learning environment and looks to be enriched and enhanced by diversity along numerous dimensions, including race, ethnicity and national origins, gender and gender identity, sexuality, class and religion.

ATTENDANCE

In-person attendance is **mandatory** at IE University, as it is an essential factor of IE's learning methodology. While we do closely monitor attendance in each course, we also consider our students responsible for their own agenda and commitments, as adult university students. With that in mind, each student may miss up to 30% of the sessions within a given course and still maintain the possibility of passing that given course. This 30% "buffer" is to be used for any absences, such as: illnesses, personal emergencies, commitments, official/governmental matters, business and/or medical appointments, family situations, etc. Students should manage their various needs, and situations that may arise, within that 30% buffer. If a student is absent to more than the allowed 30% of the sessions (regardless of the reason), s/he will obtain a 0.0 grade for that course in both the ordinary and extraordinary calls of the current academic year, and s/he will have to retake the course during the following academic year.

Please pay close attention to your attendance. The program strongly encourages attending 100% of the sessions as it will improve your learning outcomes, it will increase the class performance and it will benefit your participation grade. Noncompliance with deadlines for Non-Classroom Learning activities or assignments will result in an absence for the session.

Extreme cases involving emergencies such as: extended hospitalizations, accidents, serious illnesses and other cases of force majeure, are to be consulted with the Program Management (bir.biemadrid@ie.edu) for assessment of the situation and corresponding documentation, in order to support and guide each student optimally.

For more information about the university attendance policy, please check <https://www.ie.edu/student-guide/bir/policies-and-guidelines/attendance/>.

THIRD CALL RETAKE POLICY

Any student in their third call of a course, also known as a "Retaker", is obliged to observe the following rules:

- Third call students must contact their professors before or during the first session to ask which work and or *sessions will be required to obtain a passing grade. The professor will determine which work will be required in their course. *(e.g. when presenting group work, sitting for examinations or other work done in class)
- Retakers are exempt from failing the call due to absences; however, they are not exempt from work the professor designates as necessary to obtain a passing grade. This means some sessions may be mandatory to attend in order to complete the work within.
- Students in their third call are responsible for managing the conflicts in their schedule, should students need advice on how to manage their conflicts they should visit the program office.

EXTRAORDINARY EXAMINATION POLICY

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist of a comprehensive exam or equivalent assignment. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.

- Dates and location of the retakes will be posted in advance and will not be changed.
- The exam/assignment will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained is 8 out of 10.

PLAGIARISM / ACADEMIC HONESTY

Plagiarism is the dishonest act of presenting another person's ideas, texts or words as your own. This includes in order of seriousness of the offense:

- providing faulty sources;
- copy-pasting material from your own past assignments (self-plagiarism) without the instructor's permission;
- copy-pasting material from external sources even while citing them;
- using verbatim translations from sources in other languages without citing them;
- copy-pasting material from external sources without citing them;
- and buying or commissioning essays from other parties.

IEU students must contact the professor if they don't know whether the use of a document constitutes plagiarism. For help with your academic writing, contact the Writing Center (writingcenter@faculty.ie.edu). The professor will also advise the student on how to present said material. All written assignments must be submitted through Turn-it-in, which produces a similarity report and detects cases of plagiarism. Professors are required to check each student's academic work in order to guarantee its originality. If the originality of the academic work is not clear, the professor will contact the student in order to clarify any doubts. Students using external tutorial support should report it to the professor and the BIR Program from the moment they began receiving this support. In the event that the meeting with the student fails to clarify the originality of the academic work, the professor will inform the Director of the Bachelor Program about the case, who will then decide whether to bring the case forward to the BIR Academic Review Panel. Very high similarity scores will be automatically flagged and forwarded to the Academic Review Panel. Plagiarism constitutes a very serious offense and may carry penalties ranging from getting a zero for the assignment to expulsion from the university depending on the severity of the case and the number of times the student has committed plagiarism in the past.

PROFESSOR BIO

Professor: **NIKITAS KONSTANTINIDIS**

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Nikitas Konstantinidis is Associate Professor of International and Comparative Political Economy at the School of Global & Public Affairs, IE University. He previously held the positions of University Lecturer in International Political Economy at the Department of Politics and International Studies, University of Cambridge, Fellow in Political Science and Public Policy at the Department of Government, London School of Economics and Political Science, and Post-doctoral Researcher at the Institut Barcelona d' Estudis Internacionals. He received his Ph.D. in Political Economy from the Woodrow Wilson School of Public and International Affairs, Princeton University, and also pursued postgraduate studies in public policy at the Kennedy School of Government, Harvard University, and undergraduate studies at the LSE. His main research interests lie in the areas of comparative and international political economy, applied formal theory, regional integration, international organizations, and European Union politics. Current research projects include models of electoral accountability and party polarization under external policy constraints and the formal analysis of compliance and enforcement mechanisms in the European (Monetary) Union. His research material is available on his respective profiles on [Google Scholar](#) and [Academia.edu](#). He has also been active in terms of blogging, writing op-eds, and tweeting (@nikkon7). Moreover, he is a member of the steering committee of the ECPR's Standing Group on International Relations. Finally, he has taken an active interest in Greek politics as a member of the political movement "Forward Greece" and the academic initiative "Greek Public Policy Forum".

OTHER INFORMATION

Office hours: IE Tower, Room 16.05 (16th floor) or via Zoom (by appointment)

Contact details: nkonstantinidis@faculty.ie.edu (email)

CODE OF CONDUCT IN CLASS

1. Be on time. Students arriving more than 5 minutes late will be marked as "Absent". Only students that notify in advance in writing that they will be late for a specific session may be granted an exception (at the discretion of the professor). Students attending online must always have their cameras on during the session or risk being marked absent.
2. If applicable, bring your name card and strictly follow the seating chart. It helps faculty members and fellow students learn your names.
3. Do not leave the room during the lecture: Students are not allowed to leave the room during lectures. If a student leaves the room during lectures, he/she will not be allowed to re-enter and, therefore, will be marked as "Absent". Only students that notify that they have a special reason to leave the session early will be granted an exception (at the discretion of the professor).
4. Do not engage in side conversation. As a sign of respect toward the person presenting the lecture (the teacher as well as fellow students), side conversations are not allowed. If you have a question, raise your hand and ask it. If you do not want to ask it during the lecture, feel free to approach your teacher after class. If a student is disrupting the flow of the lecture, he/she will be asked to leave the classroom and, consequently, will be marked as "Absent".
5. Use your laptop for course-related purposes only. The use of laptops during lectures must be authorized by the professor. The use of Social Media or accessing any type of content not related to the lecture is penalized. The student will be asked to leave the room and, consequently, will be marked as "Absent".

6. No cellular phones: IE University implements a “Phone-free Classroom” policy and, therefore, the use of phones, tablets, etc. is forbidden inside the classroom. Failing to abide by this rule entails expulsion from the room and will be counted as one absence.
7. Escalation policy: 1/3/5. Items 4, 5, and 6 above entail expulsion from the classroom and the consequent marking of the student as “Absent.” IE University implements an “escalation policy”: The first time a student is asked to leave the room for disciplinary reasons (as per items 4, 5, and 6 above), the student will incur one absence, the second time it will count as three absences, and from the third time onward, any expulsion from the classroom due to disciplinary issues will entail 5 absences.

