

# PSCI 4193: International Political Economy

Johannes Karreth

Spring 2013

Tuesdays & Thursdays, 2:00pm – 3:15pm  
Economics Building 205

## Instructor

**Office:** 124 Ketchum Hall.

**Office hours:** Tuesdays 10am-12am, and most other times on any business day by appointment.

**Email:** [johannes.karreth@colorado.edu](mailto:johannes.karreth@colorado.edu).

**Course website with additional materials:** <http://spot.colorado.edu/~joka5204/psci4193.html>.

## Course description and objectives

Welcome to PSCI 4193, an advanced undergraduate course on international political economy (IPE)! This course focuses on the causes and effects of the movement of goods (international trade), money (currency, investment, foreign aid), and people (migration). Each of these factors is central to the wealth of a country and the living conditions of the people who live in it. In this course, we will:

- Explain how international economic processes have come about, and how they affect people in different countries.
- Explain how political factors shape economic interactions.
- Use concepts, theories, and analytical tools from political science and economics to analyze causes and effects of phenomena at the intersection of politics and the economy.
- Understand the trade-offs linked to different economic policies.
- Learn and practice how to use data to examine theories and support arguments.

## Prerequisites

The formal prerequisite for this course is PSCI 2223 (Introduction to International Relations). Throughout this course, we will also make use of concepts from economics and mathematics, so it will be necessary to be familiar with basic concepts taught in a macroeconomics course, as well as elementary algebra. I will do my best to teach these things in class, but you may need to do some additional reading beyond the books and articles assigned for this course. Two useful resources are the glossary in the textbook assigned for this class, as well as *Deardorff's Glossary of International Economics*, online at <http://www-personal.umich.edu/~alandear/glossary/intro.html>.

## Materials

### Book

We are using one comprehensive textbook:

Oatley, Thomas. 2012. *International Political Economy*. 5th edition. New York: Longman-Pearson.

New and used versions of this book will be available at the CU bookstore and online booksellers. You may also purchase the e-book version at the CU bookstore, on the [publisher's website](#), or other sources at lower cost.

## Articles

Links to journal articles are provided in the syllabus; these articles can also be accessed via [JSTOR](#) and [Google Scholar](#) from the **campus network**. Book excerpts are posted on D2L (<https://learn.colorado.edu>).

## Requirements and assignments

### 1. Student Initiative & Reading

Readings for this course may be short compared to other classes, but will be very dense. You must complete all assigned readings prior to the class in which they are scheduled to be discussed. Also make a habit of checking news sources (see below) on a regular basis. A rule of thumb for upper-level classes like this is that you will need to spend about three times the time we meet in class to read and take notes every week. This means that **you need to be spending at least about 8 hours per week outside the classroom on this class**, plus any extra time you spend working on your paper.

### 2. Attendance and in-class participation (10/100)

**Evaluation.** You as a student are an integral part of this course; hence your active participation is necessary to succeed in this course. Participation is evaluated based on quality and quantity. Discussions thrive with well-built arguments that are backed up by empirical evidence. The same applies to the evaluation of student participation.

**CU clicker points.** We will use CU clickers in this class for short quizzes. If you haven't yet, please purchase a CU clicker at the CU bookstore and visit <http://www.colorado.edu/oit/node/778> for information on how to register your device. If you forget to bring your CU clicker to class, or miss class, you cannot make up for potential clicker points from that day.

**Attendance.** Attendance is mandatory and will be taken via CU clickers. If you do not regularly attend class, you will miss quizzes (see below), will not be able to participate (see above), and will miss clicker points—and consequently reduce your overall grade by at least one letter, not including the likely negative impact on your other assignments. Note that you can **miss up to three class days without a penalty** to your attendance and participation grade; you cannot miss classes on which quizzes are scheduled (see below).

### 3. Class blog and online participation (10/100)

**Blog about a news item.** Twice during the semester, you will use our class blog at <http://jkpsci4193.blogspot.com> to **write about a news story related to an IPE topic we discuss in this class**. A sign-up list with names, days, and instructions is posted on the course website. Your blog post should be at least two paragraphs long, point to a news story, explain why your readers within and outside the class should find the story consequential, and point out how it relates to material we discuss in class. The news item must come from the *Economist* or any of the sources listed at the end of this syllabus, and it must be broadly related to what we discuss in the course.

**Online participation.** You will also use the class blog to comment on your classmates' posts. For other topics, the discussion board on D2L provides a good opportunity to contribute to class discussions. I will check the discussion board daily and take note of posts that are relevant to course content and that promote discussion online or in class. If students blog or tweet about relevant topics on their own, please link to your material on the discussion board to bring it to everyone's attention. Together, posts on the class blog and online comments will account for 10 out of 100 total points of your final grade.

### 4. Quizzes (35/100)

On six days throughout the semester (see schedule for the dates), short quizzes will test your comprehension of the material in the 3-4 class sessions before the quiz. These quizzes will take about 10 minutes and will consist of multiple choice, fill-in-the-blank, and short answer questions. I will drop your lowest quiz and calculate your overall quiz grade as the average of your five best quizzes.

If you know in advance that you will miss a quiz, you need to **notify me via email at least one week before** the quiz date to schedule a make-up date. If you are sick on the day of a quiz, you can only take the quiz at a later time if you provide a **documented excuse** (doctor's note for illness on the quiz date; death in the family).

## 5. Final exam (20/100)

The final exam is scheduled for May 9. It is cumulative and will test the material covered throughout the course. More details will be announced in class. Since this exam is scheduled by the University during Finals week, **no make-up exams** will be given.

## 6. Research paper (25/100)

The grade for the research paper consists of 5 points for the paper proposal (due on March 7) and 20 points for the completed paper (due on April 16). See the end of this syllabus for more information on the term paper for this class.

## Grading

In-class participation	10						
Class blog	10						
Quizzes (5 × 7)	35						
Final exam	20	A	100 - 93	B+	89.99 - 87	C+	79.99 - 77
Paper proposal	5	A-	92.99 - 90	B	86.99 - 83	C	76.99 - 73
Paper	20			B-	82.99 - 80	C-	72.99 - 70
Total points	100					D	69.99 - 60
						F	59.99 - 0

**Grade Appeals.** If you believe your assignment has been graded wrongly, you may appeal your grade **in writing only** on the day after the assignment was returned. Comparisons to other students' graded assignments will not be accepted as evidence for the complaint. The original copy of the graded assignment must be submitted with the petition. Note that the new grade may be the same, higher, or lower than the original grade and will be final. **This course does not offer extra credit opportunities.**

## Class policies

**Disability arrangements.** If you qualify for course adaptations or special accommodations under the Americans With Disabilities Act, please submit to me a letter from Disability Services in the first week of class so that your needs can be addressed. Disability Services determines accommodations based on documented disabilities. Contact: 303-492-8671, Center for Community, N200, and (<http://www.colorado.edu/disabilityservices>). If you have a temporary medical condition or injury, see the temporary injuries guidelines under Quick Links on the Disability Services website and discuss your needs with me. I am always available via email at [johannes.karreth@colorado.edu](mailto:johannes.karreth@colorado.edu) or in office appointments should any issues arise throughout the course.

**Religious observance.** Campus policy regarding religious observances requires that faculty make every effort to deal reasonably and fairly with all students who, because of religious obligations, have conflicts with scheduled exams, assignments or required attendance. In this class, this requires you to notify me at the beginning of the semester of any quiz, exam, or due date/s that conflict with a religious holiday that you observe. In that case, we will determine alternative arrangements for the quiz, exam, or due date/s. See full details at [http://www.colorado.edu/policies/fac\\_relig.html](http://www.colorado.edu/policies/fac_relig.html).

**Classroom behavior.** Students and faculty each have responsibility for maintaining an appropriate learning environment. Those who fail to adhere to such behavioral standards may be subject to disciplinary procedures. Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, color, culture, religion, creed, politics, veterans status, sexual orientation, gender, gender identity, and gender expression, age, disability, and nationalities. Class rosters are provided to the instructor with the students legal name. I will gladly honor your request to address you by an alternate name or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records. See policies at <http://www.colorado.edu/policies/classbehavior.html> and at [http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student\\_code](http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code).

**Discrimination and harassment.** The University of Colorado Boulder Discrimination and Harassment Policy and Procedures, the University of Colorado Sexual Harassment Policy and Procedures, and the University of Colorado Conflict of Interest in Cases of Amorous Relationships Policy apply to all students, staff, and faculty. Any student, staff, or faculty member who believes s/he has been the subject of sexual harassment or discrimination or harassment based upon race, color, national origin, sex, age, disability, creed, religion, sexual orientation, or veteran status should contact the Office of Discrimination and Harassment (ODH) at 303-492-2127, or the Office of Student Conduct (OSC) at 303-492-5550. Information about the ODH, the above referenced policies, and the campus resources available to assist individuals regarding discrimination or harassment can be obtained at <http://www.colorado.edu/odh>.

**Academic honesty.** All students of the University of Colorado Boulder are responsible for knowing and adhering to the academic integrity policy of this institution. Violations of this policy may include: cheating, plagiarism, aid of academic dishonesty, fabrication, lying, bribery, and threatening behavior. **All incidents of academic misconduct will be reported to the Honor Code Council** (303-735-2273). Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the instructor and non-academic sanctions (including but not limited to university probation, suspension, or expulsion). Please refer to <http://honorcode.colorado.edu> to view the specific guidelines. If you have any questions related to this policy, please contact the Honor Code Council at [honor@colorado.edu](mailto:honor@colorado.edu).

**Absences and emergencies.** If you need to miss an assignment or quiz due to a medical or personal emergency, you need to notify me before the quiz or exam date, and provide a documented excuse in writing on the following day. Without documented and qualifying excuses, quizzes and exams cannot be taken at a later time. Personal emergencies include only sickness requiring a doctor's visit, and a death in the immediate family.

**Professionalism and classroom behavior.** The classroom is an environment for civil discussion. Because the matters of this course inevitably touch on fundamental approaches to politics and the economy, you might find yourself disagreeing vehemently with some of the material we discuss and some points students raise. This provides an excellent opportunity to hone debating skills. Attacking others for their viewpoints will not be tolerated. Each occurrence of unprofessional behavior will result in the deduction of a half-letter grade from your final grade.

**Laptops in the Classroom.** Studies have shown that "laptop use is negatively associated with student learning and it poses a distraction to fellow students."<sup>1</sup> Despite negative effects, taking digital notes, if done right, may allow for more efficient studying. For this reason, laptops are allowed in the classroom only for the purpose of taking notes. If you wish to use your laptop to take notes, please come see me immediately after the first session on January 15. Cellphones and all other electronic devices cannot be used during class time.

**Writing.** Although this is not a writing/composition class, I strongly encourage you to spend a substantial amount of time on perfecting your writing skills. Good and concise writing is one of the key skills you can develop during a curriculum in political science/international affairs, and it will be an essential skill in your professional portfolio. I will deduct points from assignments that suffer from bad writing, fail to make coherent arguments, and do not cite sources properly. You may consult Henry Farrell's guide on essay writing in Political Science ([http://www.henryfarrell.net/pol\\_sci\\_essay.html](http://www.henryfarrell.net/pol_sci_essay.html)), or Strunk and White's *The Elements of Style*.

## Important dates

January 31: Quiz 1  
February 14: Quiz 2  
February 28: Quiz 3  
March 7: Paper proposal due (see end of this syllabus)  
March 19: Quiz 4  
April 11: Quiz 5  
April 16: Paper due  
April 25: Quiz 6  
May 4: Final exam (1:30p – 4:00pm)

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<sup>1</sup>Fried, Carrie B. 2008. "In-Class Laptop Use and Its Effects on Student Learning." *Computers and Education* 50: 906-914.

## Schedule

### Day 1 (January 15)

#### Introduction

- *Required reading:* This syllabus.

#### Why IPE?

- *Required reading:* Krugman, Paul. 1993. "What Do Undergrads Need to Know About Trade?" *American Economic Review* 83 (2): 23-26. (<http://www.jstor.org/stable/10.2307/2117633>)

### Day 2 (January 17)

#### The fundamentals: political economy and social science

- *Required reading:* Sobel, Andrew C. 2013. *International Political Economy in Context*, ch. 1, pp. 3-35. [Available on D2L] *What are the assumptions of scarcity, political survival, and rationality? What is rational choice? What is a theoretical model? What is a dependent variable?*

#### Are rationality and rational choice useful concepts and tools?

- *Required reading—skim this article after you've read Sobel, and focus on the conclusion. Read specific sections if the conclusion seems unclear:* Quackenbush, Stephen L. "The Rationality of Rational Choice Theory." *International Interactions* 30 (2): 87-107. (<http://dx.doi.org/10.1080/03050620490462595>) *What are some key criticisms of rational choice? Are these criticisms valid and/or useful?*

### Day 3 (January 22)

#### What is International Political Economy?

- *Required reading:* Textbook ch. 1 (*International Political Economy*).
- *Required reading:* Sobel, Andrew C. 2013. *International Political Economy in Context*, ch. 1, pp. 35-46. [Available on D2L]

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#### *The movement of goods*

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### Day 4 (January 24)

#### How is international trade organized?

- *Required reading:* Textbook ch. 2 (*The WTO and the World Trade System*).

### Day 5 (January 29)

#### What are basic conflicts in international trade? Bargaining and enforcement

- *Required reading:* Textbook ch. 3 (*The Political Economy of International Trade Cooperation*). *Note that the name of the Heckscher-Ohlin model is misspelled throughout the textbook.*

### Day 6 (January 31): Quiz 1

#### How do domestic groups influence trade policy?

- *Required reading:* Textbook ch. 4 (*A Society-Centered Approach to the Politics of Trade*).

## Day 7 (February 5)

### How do states make trade policy?

**NOTE: No lecture at 2pm! You are welcome to attend my *optional* lecture at 8am at Hale 260; I will also be at at 124 Ketchum for open office hours from 9:30-11:30am.**

- *Required reading:* Textbook ch. 5 (*A State-Centered Approach to Trade Politics*).
- *Assignment:* Complete worksheet on D2L to prepare for two case studies: ISI and export-led growth.

## Day 8 (February 7)

### When can trade contribute to development? The example of ISI in Latin American countries

- *Required reading:* Textbook ch. 6 (*Trade and Development I: Import Substitution Industrialization*).

## Day 9 (February 12)

### When can trade contribute to development? The examples of export-led growth in East Asian countries and structural reform

- *Required reading:* Textbook ch. 7 (*Trade and Development II: Economic Reform*).
- *Required reading:* Rodrik, Dani. 2001. "Trading in Illusions." *Foreign Policy* 123 (March/April): 55-62. (<http://www.jstor.org/stable/3183155>) *Is Rodrik skeptical of the East Asian example? Or is he trying to correct one particular interpretation of it?*

## Day 10 (February 14): Quiz 2

### How does free trade affect jobs?

- *Required reading:* Davidson, Adam. 2012. "Making It in America." *The Atlantic* January/February. ([http://www.theatlantic.com/magazine/archive/2012/01/making-it-in-america/308844/?single\\_page=true](http://www.theatlantic.com/magazine/archive/2012/01/making-it-in-america/308844/?single_page=true)) *Why, in Davidson's opinion, "is the jobs crisis so difficult to solve"? What policies could address this problem?*
- *Required reading:* Fallows, James. 2012. "Mr. China Comes to America." *The Atlantic* December. ([http://www.theatlantic.com/magazine/archive/2012/12/mr-china-comes-to-america/309160/?single\\_page=true](http://www.theatlantic.com/magazine/archive/2012/12/mr-china-comes-to-america/309160/?single_page=true)). *Does this article leave you more optimistic, keeping in mind the problems that Davidson pointed out?*

### How to read scholarly articles

- *Assignment:* Bring a digital or hard copy of Rodrik's 1998 article (see Day 11) and be prepared to take notes in it.

## Day 11 (February 19)

### How do governments address the impact of trade in developed countries?

- *Required reading:* Rodrik, Dani. 1998. "Why do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106 (5): 997-1032. (<http://www.jstor.org/stable/10.1086/250038>) *What is Rodrik's main point—why do more open economies have bigger governments?*
- *Required reading—skim and focus on the main argument & conclusion:* Iversen, Torben and Thomas R. Cusack. 2000. "The Causes of Welfare State Expansion: Deindustrialization or Globalization?" *World Politics* 52 (3): 313-349. (<http://www.jstor.org/stable/10.2307/25054116>) *Where do Iversen and Cusack disagree with Rodrik? What is their explanation for larger welfare spending in countries that trade a lot?*

## Day 12 (February 21)

### How does trade affect the environment?

- *Required reading:* Frankel, Jeffrey A. 2005. "The Environment and Economic Globalization." In: *Globalization: What's New?*, ed. Michael M. Weinstein. New York: Columbia University Press. [Available on D2L] *Why would trade have harm the environment? What is the "environmental Kuznets curve"? What do we know about the trade-environment relationship? What is the role of international institutions?*

**Trade in natural resources**

- *Required reading:* Patrick, Stewart M. “Why Natural Resources Are a Curse on Developing Countries and How to Fix It.” *The Atlantic* April 30, 2012. (<http://bit.ly/Th6J30>) *What is the resource curse? What may explain it? Do the proposed fixes address the cause?*
- *Required reading:* Moyo, Dambisa. “Symbiosis: How the World Is Becoming Dependent on China’s Money.” *The Atlantic* June 4, 2012. (<http://bit.ly/Th6DZ5>)

**Day 13 (February 26)****Lessons: how should trade agreements be designed?**

- *Required reading:* Collier, Paul. 2007. *The Bottom Billion: Why the Poorest Countries Are Failing and What Can Be Done About It*. New York: Oxford University Press, ch. 10 [Available on D2L] *What can the WTO and other IGOs do to improve the situation of the Bottom Billion?*
- *Re-read:* Textbook, pp. 36-43. *Could regional trade agreements help address some of the problems that Collier mentions?*

**How to write a political science paper**

- *Required reading:* Farrell, Henry. 2010. “Good Writing in Political Science: An Undergraduate Student’s Short Illustrated Primer.” ([http://www.henryfarrell.net/pol\\_science\\_essays.pdf](http://www.henryfarrell.net/pol_science_essays.pdf)) *Identify three do’s and don’ts from this short essay.*

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*The movement of capital*

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**Day 14 (February 28): Quiz 3****What is the international monetary system?**

- *Required reading:* Textbook ch. 10 (*The International Monetary System*).

**Day 15 (March 5)****What are basic conflicts in international monetary relations?**

- *Required reading:* Textbook ch. 11 (*Contemporary International Monetary Arrangements*).

**Day 16 (March 7): Paper proposal due****How do domestic groups influence monetary policy?**

- *Required reading:* Textbook ch. 12 (*A Society-Centered Approach to Monetary and Exchange-Rate Policies*).

**Day 17 (March 12)****How do states make monetary policy?**

- *Required reading:* Textbook ch. 13 (*A State-Centered Approach to Monetary and Exchange-Rate Policies*).

**Day 18 (March 14)****How does money relate to development crises?**

- *Required reading:* Textbook chs. 14 and 15 (*Developing Countries and International Finance I: The Latin American Debt Crisis; Developing Countries and International Finance II: A Decade of Crises*).
- *If you want to know more, read this thorough account of the Asian financial crisis:* Corsetti, Giancarlo, Paolo Pesenti, and Nouriel Roubini. 1999. “What Caused the Asian Currency and Financial Crisis?” *Japan and the World Economy* 11: 305-373. ([http://dx.doi.org/10.1016/S0922-1425\(99\)00019-5](http://dx.doi.org/10.1016/S0922-1425(99)00019-5))

**Day 19 (March 19): Quiz 4****Example: what is the Eurocrisis, and how do we explain it?**

- *Assignment:* Listen to the *This American Life* episode “Continental Breakup”, available for free streaming at <http://www.thisamericanlife.org/radio-archives/episode/455/continental-breakup>. Fill out the worksheet posted on D2L.
- *Required reading—read the abstract, skim the main paper, and read thoroughly the section “Extensions of Model 2...”:* Clark, William Roberts and Hallerberg, Mark. 2000. “Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy.” *American Political Science Review* 94 (2): 323-346. (<http://www.jstor.org/stable/2586015>) *Does their prediction speak at all to current events in Europe?*

**Day 20 (March 21)****Does a bigger problem underlie the Eurocrisis?**

- *Assignment:* Watch all four short segments of an interview with Greek economist Yanis Varoufakis, at <http://www.youtube.com/playlist?list=PLCD07B6D74C75127A>, or read a short blogpost at <http://wp.me/plc6I1-L4>. Fill out the worksheet posted on D2L.

**How to find and analyze political-economic data**

- *No assignment.*

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*Spring break—work on research papers*

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**Day 21 (April 2)****Can better regulation prevent monetary crises?**

- *Required reading:* Stiglitz, Joseph E. 2009. “The Anatomy of a Murder: Who Killed America’s Economy?” *Critical Review: A Journal of Politics and Society* 21 (2-3): 329-339. (<http://dx.doi.org/10.1080/08913810902934133>) *Does Stiglitz blame structures/institutions or individual behavior for the crisis?*
- *Required reading:* White, Lawrence H. 2008. “How Did We Get into This Financial Mess?” *CATO Briefing Papers* No. 110. (<http://www.cato.org/pubs/bp/bp110.pdf>) *Where does White disagree with Stiglitz?*
- *If you want to know more, read this study about regulation in the EU:* Begg, Iain. “Regulation and Supervision of Financial Intermediaries in the EU: The Aftermath of the Financial Crisis.” *Journal of Common Market Studies* 47 (5): 1107-1128. (<http://onlinelibrary.wiley.com/doi/10.1111/j.1468-5965.2009.02037.x/full>)

**Day 22 (April 4)**

No lecture—work on research papers.

**Day 23 (April 9)****Why do countries give foreign aid? What are its effects?**

- *Required reading—skim and identify the key points on targets and motivations of foreign aid:* Alesina, Alberto and David Dollar. “Who Gives Foreign Aid to Whom and Why?” *Journal of Economic Growth* 5 (1): 33-63. (<http://www.jstor.org/stable/10.2307/40216022>)
- *Required reading—skim and find the answer to the article’s question, and the reason for this answer given in the article:* Easterly, William. “Can Foreign Aid Buy Growth?” *Journal of Economic Perspectives* 17 (3): 23-48. (<http://dx.doi.org/10.1257/089533003769204344>)
- *Required reading—skim and identify the causal mechanisms through which aid may promote democracy:* Knack, Stephen. “Does Foreign Aid Promote Democracy?” *International Studies Quarterly* 48 (1): 251-266. (<http://onlinelibrary.wiley.com/doi/10.1111/j.0020-8833.2004.00299.x/full>)



**Day 24 (April 11): Quiz 5****How does foreign aid work on the ground?**

- *Required reading:* Easterly, William and Tobias Pfitze. “Where Does the Money Go? Best and Worst Practices in Foreign Aid.” *Journal of Economic Perspectives* 22 (2): 29-52. (<http://www.jstor.org/stable/10.2307/27648240>)
- *If you want to know more, look into the following:* Banerjee and Duflo’s *Poor Economics* is an interesting survey of scholars’ knowledge about various aspects of poverty (<http://pooreconomics.com>). For a critical review of microcredits, summarizing the concept, read Boudreaux and Cowen, “The Micromagic of Microcredit” (<http://www.jstor.org/stable/10.2307/40262341>). For an argument for increasing foreign aid, read Jeffrey Sachs’ *The End of Poverty* (New York: Penguin, 2006). For a critical review of the economics of foreign aid, read Dambisa Moyo’s *Dead Aid* (New York: Farrar, Straus and Giroux, 2009).

**Day 25 (April 16): Paper due; no extensions.****What is the role of multinational corporations in the global economy?**

- *Required reading:* Textbook chs. 8 and 9 (*Multinational Corporations in the Global Economy; The Politics of Multinational Corporations*).
- *If you want to know more about sweatshops, read these opposing pieces:* Paul Krugman, “In Praise of Cheap Labor: Bad Jobs at Bad Wages are Better than No Jobs at All”, (<http://bit.ly/TZF0Ti>) and John Miller “Why Economists Are Wrong About Sweatshops and the Antisweatshop Movement” [available on D2L].
- *If you want to know more about the race to the bottom, read this skeptical essay:* Daniel Drezner, “Bottom Feeders”, *Foreign Policy* November 2000 ([http://www.foreignpolicy.com/articles/2000/11/01/bottom\\_feeders?page=full](http://www.foreignpolicy.com/articles/2000/11/01/bottom_feeders?page=full)).
- *If you want to know more about sovereign wealth funds, you may start with this (optimistic) summary:* Daniel Drezner, “White Whale or Red Herring? Assessing Sovereign Wealth Funds” ([http://www.glasshouseforum.org/pdf/GF\\_drezner\\_SWF.pdf](http://www.glasshouseforum.org/pdf/GF_drezner_SWF.pdf)).

**Day 26 (April 18)****What political factors attract and deter foreign direct investment?**

- *Required reading:* Jensen, Nathan M. 2003. “Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment.” *International Organization* 57 (3): 587-616. (<http://www.jstor.org/stable/3594838>) *Why does Jensen suggest that democracies attract more FDI? Can you identify arguments that would suggest the opposite?*

*The movement of people***Day 27 (April 23)****What explains why people decide to move across borders?**

- *Required reading:* Massey, Douglas S. et al. 1998. “Contemporary Theories of International Migration.” In: *Worlds in Motion: Understanding International Migration at the End of the Millennium*. Oxford: Oxford University Press. [Available on D2L] *Do any of the many theories summarized in this chapter remind you of theoretical approaches to trade and money we have discussed earlier?*

**Day 28 (April 25): Quiz 6****What are the economic effects of migration?**

- *Required reading:* Brown, Stuart S. 2006. “Can Remittances Spur Development? A Critical Survey” *International Studies Review* 8 (1): 55-76. (<http://onlineibrary.wiley.com/doi/10.1111/j.1468-2486.2006.00553.x/abstract>) *What are remittances? Why would they be good for economic development?*

- *Required reading:* Easterly, William and Yaw Nyarko. 2008. “Is the Brain Drain Good for Africa?” *Brookings Global Economy & Development Working Paper* 19. (<http://bit.ly/WTu9Bo>) *How do Easterly and Nyarko arrive at their (perhaps) surprising conclusion?*
- *If you’d like to know more, read this example of an empirical study:* Adams, Richard H. and John Page. 2005. “Do International Migration and Remittances Reduce Poverty in Developing Countries?” *World Development* 33 (10): 1645-1669. (<http://dx.doi.org/10.1016/j.worlddev.2005.05.004>)

## Day 29 (April 30)

### Can economics explain individuals’ attitudes toward immigration and immigration policies?

- *Required reading:* Mayda, Anna Maria. 2006. “Who Is Against Immigration? A Cross-Country Investigation of Individual Attitudes Toward Immigrants.” *Review of Economics and Statistics* 88 (3): 510-530. (<http://www.mitpressjournals.org/doi/abs/10.1162/rest.88.3.510>) *What are “economic” factors that explain immigration attitudes? What is the causal mechanism behind them?*
- *If you are interested in a study questioning the economic roots of immigration attitudes, read:* Hainmueller, Jens and Michael J. Hiscox. 2007. “Educated Preferences: Explaining Attitudes Toward Immigration in Europe.” *International Organization* 61 (2): 399-442. (<http://www.jstor.org/stable/10.2307/4498150>)

## Day 30 (May 2)

### Conclusion & review

- *Assignment:* Bring any questions you have about the final exam.

## **Final exam** (May 4)

1:30pm–4:00pm, Economics Building 205

## Useful resources

It is vital to your success in your courses and in life that you are on top of what’s going on in the world. You should make it a habit to inform yourself about global developments on a regular basis. Here are some resources that you might find useful.

### News sources

- **The Economist.** The Economist’s website hosts several blogs that regularly feature IPE-related content. Among them are:
  - <http://www.economist.com/blogs/buttonwood>
  - <http://www.economist.com/blogs/charlemagne>
  - <http://www.economist.com/blogs/freeexchange>
  - <http://www.economist.com/blogs/schumpeter>
- [BBC News](#)
- [New York Times](#)
- [Christian Science Monitor](#)
- [The Guardian](#)
- [Le Monde](#)
- [Financial Times](#)
- [Al-Jazeera English](#)
- [AllAfrica.com](#)
- [Xinhua News Agency](#)

**Podcasts**

- [BBC Global News](#)
- [From Our Own Correspondents](#) (BBC)
- [Foreign Dispatch](#) (NPR)
- [America Abroad](#) (NPR)
- [The Diane Rehm Show's International News Roundup](#) (Fridays, NPR)

**Disclaimer**

Last updated: April 30, 201. This syllabus is a general outline for the class and may be modified as the course progresses. Students are responsible for closely reading the class rules and procedures in this syllabus.

The latest version of the syllabus is always posted at <http://spot.colorado.edu/~joka5204/psci4193.html>.

## Instructions for research papers

The research papers for this class will be 4 single-spaced pages long (set in 12 point font) and must follow the template outlined in the box below. You have two choices of general topics: analyze the impact of a trade agreement on a participating country, *or* analyze a trade dispute within the GATT/WTO.

**Choice 1: The impact of a trade agreement.** One important subject of IPE is the coordination of trade policies between states through international trade agreements. These agreements have consequences for people in the countries that participate in them. In your paper, you will pick one (and only one) such agreement from the list below. You will then examine the consequences of this agreement for two domestic groups in one country of your choice that participates in that trade agreement: one group that benefited from the agreement, and one group that ended up worse off through the agreement. In other words, identify winners and losers in one country from that particular agreement, and explain why they ended up as winners and losers. For instance, you could pick NAFTA, and argue that NAFTA has increased exports from some sectors in the United States and thus improved the wealth of that sector, but has also hurt another sector.

After this general statement, you will need to focus on three tasks: first, you need to explain why the agreement had that effect on each group, using the theoretical tools that you learned about in this class. Second, you need to provide evidence for this effect. Finally, I want you to give a brief evaluation of how the group(s) or sector(s) that were affected negatively by the agreement have dealt with this challenge.

**Choice 2: Analyzing a trade dispute.** The GATT/WTO system contains a dispute settlement mechanism (DSM) that manages complaints about unfair trade practices. This DSM is one of the most advanced types of legal rules for international relations. Trade disputes and the rulings of the DSM have important consequences for producers and consumers in participating countries. In your paper, you will analyze one such trade dispute from the past (i.e., no ongoing dispute). You will examine the causes of the dispute, the ruling, and the way how disputants dealt with the ruling afterward.

Depending on which topic you choose, your paper will need to have exactly the following structure. You need to use the headings in the paper that I specify below in order to follow this structure.

<p><b>Paper title: The effect of [trade agreement] on [country]</b></p> <p><b>1. Introduction (2 paragraphs)</b></p> <p>In the first paragraph (4-5 sentences), begin by stating the trade agreement you are examining in this paper. Then name the country that you discuss in the paper, followed by the winners and losers that you will discuss. Next, mention what type of evidence you use to examine the effect of the agreement. Give me a preview of your explanation for this effect.</p> <p>In the second paragraph (2-4 sentences), summarize how the remainder of your paper is organized.</p> <p><b>2. [Name of the agreement] (1 paragraph)</b></p> <p>In this section, briefly describe the trade agreement, answering the following questions:</p> <ul style="list-style-type: none"> <li>• Which states founded it?</li> <li>• When was it founded?</li> <li>• Which states are currently members or participants in it?</li> </ul>	<p><b>Paper title: [Title of the trade dispute] between [complainant] and [defendant]</b></p> <p><b>1. Introduction (2 paragraphs)</b></p> <p>In the first paragraph (4-5 sentences), state the trade dispute you are examining in this paper. Then name the countries that you discuss in the paper, followed by the industries involved in the dispute. Next, mention what type of evidence you use to identify the causes of the dispute and its outcome. Preview your explanation for the dispute's origin and outcome.</p> <p>In the second paragraph (2-4 sentences), summarize how the remainder of your paper is organized.</p> <p><b>2. The dispute (1 paragraph)</b></p> <p>In this section, briefly describe the trade dispute, answering the following questions:</p> <ul style="list-style-type: none"> <li>• Which were complainants, which defendants?</li> <li>• When was the dispute brought to the GATT/WTO?</li> <li>• What was the dispute about?</li> </ul>
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### 3. The origin of [agreement] (1 page)

In this section, describe the origins of the agreement you examine. Answer the following questions:

- What was each state's comparative advantage within the group of states that signed the agreement?
- Can you identify which domestic groups in the state you choose were for, which were against the trade agreement? Did these groups lobby the government with regard to the agreement?
- Can these preferences be explained by the theories we discussed in class?

### 4. Explaining why [group 1] benefited from [agreement] (0.5 pages)

In this section, begin by defining the first domestic group you are interested in. This can either be a broad group (consumers, producers) or a more narrowly defined group (the auto industry, the textile industry, the service sector, etc.).

Then, provide evidence for the positive effect. This evidence can be cited from sources you have found in your research, or it can be data that you have found yourself. An example for data that supports your point would be increasing export volume for a particular sector after the agreement came into force; growing income for a particular sector; higher wages for jobs in that sector; etc.

Finally, explain why this group benefited from the trade agreement. Your explanation must refer to the theoretical concepts used in this class: for instance, you can explain the positive effect of the agreement with the comparative advantage of a particular group. But you need to be specific in explaining how the concept relates to your particular case.

### 5. Explaining why [group 2] was hurt by [agreement] (0.5 pages)

In this section, begin by defining the second domestic group you are interested in. Again, this can either be a broad group (consumers, producers) or a more narrowly defined group (the auto industry, the textile industry, the service sector, etc.).

Then, provide evidence for the negative effect. This evidence can be cited from sources you have found in your research, or it can be data that you have found yourself. An example for data that supports your point would be lower revenue for a particular sector after the agreement came into force; declining income for a particular sector; higher unemployment in that sector; etc.

Finally, explain why this group was hurt by the trade agreement. Your explanation must refer to the theoretical concepts used in this class: for instance, you can explain the negative effect of the agreement with the comparative disadvantage of a particular group. But you need to be specific in explaining how the concept relates to your particular case.

### 3. The causes of [dispute] (0.75 pages)

In this section, describe the contentious issue of the dispute you examine. Answer the following questions, and provide evidence where applicable (see below):

- Why did the complainant file a dispute against the defendant?
- Which industry pushed for filing the dispute with the GATT/WTO and why?
- Why did the defendant engage in the allegedly unfair trade practice? For instance, did any domestic industry demand protectionist policies—if so, which industry, and why?

### 4. Explaining the ruling and/or settlement (0.75 pages)

In this section, begin by summarizing the outcome of the dispute. Did it end in early settlement, or in a ruling by a panel? Were the negotiations particularly contested or quick and harmonious?

Then, explain how this ruling came about. What arguments did complainant and defendant use during the dispute? Why did the defendant settle early—if it did? Why did the panel rule the way it did if it came to a ruling? How much did the involved industries raise awareness in their countries and pressure their governments to push further or to not concede?

Finally, tell me whether you found that the outcome of the dispute can be best explained by the involved countries' weight in the international trade system (i.e., their economic power), or whether the DSM may have made a difference and ruled against a powerful state. Provide evidence (see below) for the position you take here, for instance data about the involved countries' wealth, trade balance, etc.

### 5. Explaining [the defendant country's] response (0.75 pages)

In this section, discuss how the defendant country responded to the dispute settlement or ruling. Did it make concessions? How far did these concessions go? Did it receive penalties? If so, what type?

Next, explain why the country behaved the way it did. Did any domestic industry make it difficult for the country to make concessions? Was the government concerned about its reputation with other trade partners? Did the country's trade partners in regional or preferential trade agreements influence the government's decision? Was the government concerned about its reputation among voters? Did upcoming elections play any role in the government's decision to make or not make concessions?

Present some data to support your argument. Useful evidence could be quotations from government negotiators; or news articles that cite lobbying attempts by industry or other organized groups.

**6. How [group 2] has dealt with the impact of [agreement] (0.25 pages)**

In this section, briefly describe how the group that was hurt by the agreement has dealt with this effect. Has the government tried to compensate for losses? Has the sector completely vanished? Have people retrained to work in other sectors? Has this sector changed and turned to making different products? Or is this group/sector still in a dismal state?

**7. Evaluation (3 paragraphs)**

In this final section, I would like you to evaluate the agreement overall. Answer the following questions:

- Has it increased overall wealth in the participating countries?
- Has it created more problems than benefits? What are these problems (aside from the direct losses to [group 2])?
- Do you think the agreement could have been designed differently to have a better *overall* impact?

**8. Bibliography (not counting toward the 4-page limit)**

Throughout your paper, you must cite at least 5 scholarly sources that are not on this syllabus. Scholarly sources include books (via the CU library), and articles in academic journals in political science or economics. Use the library's *research guides* for political science and economics to learn out more about how to find scholarly articles. Check with me when you are unsure whether an article you found is a scholarly source. Use parenthetical citation style in the paper and append a bibliography containing all sources cited.

**6. The aftermath of [the trade dispute] (0.25 pages)**

In this section, briefly describe what happened after the dispute. Did any of the involved countries participate in future disputes with either the other country or any other countries? Did the dispute have any consequences for the government in the complainant or defendant country? Did the dispute have any ramifications for other countries' trade practices?

**7. Evaluation (2 paragraphs)**

In this final section, I would like you to evaluate the dispute overall. Answer the following questions:

- Did the GATT/WTO DSM make a difference compared to a hypothetical trade conflict that would have happened outside of the GATT/WTO DSM? That is, do you think the dispute would have been resolved differently outside of the GATT/WTO?
- Summarize the main reasons you identified for the defendant's behavior in the dispute (i.e., concessions vs. continuation of previous policies).

**Data analysis**

At least at one point in your paper, you must present quantitative data to support your argument. You must present these data either in the form of a table or a graph. The data must come from either

- <http://data.worldbank.org>,
- <http://www.gapminder.org/data>, or
- <http://www.google.com/publicdata>.

Each of these platforms also offers graphing capabilities.

An example to use data in a trade agreement paper could be in section 3 (*The origin of [agreement]* or *The causes of [dispute]*). Here, you could compare some of the following indicators for the two countries to demonstrate a country's likely comparative advantage within the group of countries that signed the agreement, or within the participants of a trade dispute:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Agriculture workers (% of labour force)</li> <li>• Industry workers (% of labour force)</li> <li>• Service workers (% of labour force)</li> <li>• High-technology exports (% of manufactured exports)</li> </ul> | <ul style="list-style-type: none"> <li>• Agricultural exports (% of merchandise exports)</li> <li>• Food exports (% of merchandise exports)</li> <li>• Fuel exports (% of merchandise exports)</li> <li>• Manufactures exports (% of merchandise exports)</li> </ul> |
|---|--|

**List of trade agreements**

Pick one of the following trade agreements for your research paper; then select one member country (either the United States or one of the partner countries) that you will examine.

NAFTA	US-Australia	US-Bahrain	US-Chile	US-Colombia	US-Jordan
US-Korea	US-Morocco	US-Oman	US-Panama	US-Peru	US-Singapore

## List of trade disputes

Choose any dispute from the list at [http://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_status\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm).

## Paper proposal (due March 7)

For your paper proposal, fill out the proposal form on the course website. This form asks you to identify the following:

- |  |  |
|--|--|
| 1. The agreement you will examine                                      | 1. The dispute you will examine                            |
| 2. The country you will examine  | 2. The countries involved in the dispute                   |
| 3. The two groups/sectors you will examine                             | 3. The key industries in the dispute                       |
| 4. The effect (positive/negative) that the agreement had on each group | 4. The outcome of the dispute                              |
| 5. The evidence (data) you will use to examine the effect              | 5. The evidence (data) you will use to examine the dispute |