Duke University  
Political Science 113  
International Political Economy  
Fall 2004  
Lectures: TTh 4:25-5:40, Allen Building, Room 326  
course website on http://courses.duke.edu  
Prof. Tim Büthe  
Dept. of Political Science  
309 Perkins Library  
(919) 660-4365; buthe@duke.edu  
office hours: Th 2:30 - 4:00pm

Purpose:
Political Science 113 is a course in the politics of international economic relations. You should gain from this course a better understanding of the interaction between political and economic phenomena on an international and global scale and learn useful tools for analyzing and assessing both current policy and historical developments.

We address questions such as: Why are tariffs and non-tariff barriers to trade high in some countries but low in others? Why do we have a free trade policy for most manufactured goods, but a protectionist policy for many agricultural goods? Why does the dollar go "up" or "down" vis-à-vis other currencies, and why is this a political issue? More generally, what are the causes and consequences of capital mobility? What—if anything—differentiates "globalization" today from earlier periods of economic openness? And does development aid help or harm developing countries? Does foreign direct investment by multinational corporations?

We examine the role of states, international and domestic institutions, and other factors in creating and/or managing conflicts and facilitating cooperation in the international political economy (IPE). We focus on the politics of trade and the politics of money and finance, but also look at development, regional integration and environmental issues in IPE. We focus on the U.S. in the world economy, but also consider other advanced industrialized countries as well as a number of developing countries. We do so using economics, political science, and occasionally other social science perspectives. I do not assume that you have any background in economics; I encourage taking Elements in International Relations (Political Science 93) prior to or simultaneously with this course, but doing so is not required.

Requirements
Lectures and assigned readings are designed to complement each other, and I recommend doing the readings for each class in advance since this will allow you to get more out of lecture. In addition, I encourage you to follow international political and economic news regularly through one or more of the leading publications, such as the daily Financial Times (US edition) or the weekly The Economist. The course website will provide additional materials, useful links, etc. as warranted.

Your grade for the course will be calculated based on:
- in-class mid-term exam: 30%
- final exam: 60%
- class participation: 10%

* Some important issues in IPE—non-state actors and multinational corporations—will be covered only briefly in this course, since they are the main focus of two other courses: PS153, "International Business-Government Relations" (Spring 2005, Prof. Grieco) and PS158, "Transnational Relations: Non-State Actors in World Politics" (Fall 2004, Prof. Büthe).
I welcome active class participation and will allow some time at the end of most lectures for discussion, but we will not be able to discuss all the issues at length in class. I therefore encourage you to form study groups to go over the main theories and debates, especially those raised in the readings but not discussed in class.

**Readings**

The books below are available for purchase at the Duke Bookstore. Almost all of the required readings that are not contained in these books are available online via Duke's electronic journal holdings (indicated by "online" below), or they are on electronic reserves (e-res). The syllabus on the course website links directly to those online readings whenever possible (access may be restricted to students registered for the course). All required readings that are not available online are also on reserve at Perkins Library.


[Unfortunately out of print and therefore moved to "highly recommended" status:]


**INTRODUCTION**

1. **What is International Political Economy?** (Tue, Aug 24)
   - Highly recommended

2. **Economic Approaches to the Study of International Trade** (Thu, Aug 26)

3. **Political Approaches to the Study of International Trade: The Classics** (Tue, Aug 31)

Recommended:

NOTE: No class on Thursday, September 2 due to the American Political Science Association Meeting

4. International Trade in Historical Perspective (Tue, Sep. 7)

Recommended

5. Managing Conflict & Cooperation in the International Political Economy through Institutions (Thu, Sep. 9)
+ case materials on WTO Dispute Settlement Mechanism (TBA)

6. Sources of Foreign Economic Policy (Tue, Sep. 14)
7. Competing Perspectives on Interdependence (Thu, Sep. 16)


8. Trade Policy in Developing Countries (Tue, Sep. 21)


+ case materials (TBA)

9. The Causes and Consequences of Regional Integration: Europe and Beyond (Thu, Sep. 23)


10. Standards & Regulations: New Protectionism vs. Legitimacy Public Policy (Tue, Sep. 28)


11. Political Externalities of International Trade I: Trade, Alliances, and War (Thu, Sep. 30)


Highly Recommended

12. Political Externalities of International Trade II: Economic Sanctions (Tue, Oct. 5)


+ case materials (TBA)

Recommended

Marinov, Nikolay. "Does Pressure from the Outside Destabilize Leaders on the Inside?" Mimeo, Stanford University, 24 April 2004. (on e-reserves)

*** Thu, Oct. 7: MIDTERM EXAM ***
The midterm exam is a closed-book exam, given in class, only.

NOTE: No class on Tue, Oct. 12 due to FALL BREAK.

14. The International Politics of Money & Finance in Historical Perspective (Thu, Oct.14)


15. The Economics of Int'l Money & Finance I: Currencies and International Capital Market (Tue, Oct.19)

16. The Economics of Int'l Money and Finance II: Capital Accounts & Balance of Payments (Thu, Oct.21)


17. Political Perspectives on International Money and Finance (Tue, Oct. 26)


18. Multinational Corporations & Foreign Direct Investment (Thu, Oct. 28)


e-res


G&I


Recommended


19. Aid to Developing Countries (Tue, Nov.2)

online


online


20. Growth & Development: GDP and Beyond (Thu, Nov.4)

e-res


e-res


online


online


GCD


online


21. Movement of People; Trade in Ideas: Migration & Intellectual Property Rights (Tue, Nov.9)

e-res


online


22. Internationalization, Globalization: Concepts, Causes, and Consequences (Thu, Nov.11)


23. Globalization and Its Discontents in Advanced Industrialized Countries (Tue, Nov.16)


+ case materials on summer 2004 Wage Bargaining in Germany

24. Globalization and Its Discontents in the Developing World (Thu, Nov.18)


25. The Stiglitz Controversy (Tue, Nov.23)


Recommended

Note: No class Thu, Nov.25: THANKSGIVING BREAK

26. International Environmental Politics & the International Political Economy (Tue, Nov.30)


**27. Governance without Government? Concluding Thoughts** (Thu, Dec.2)
