COURSE DESCRIPTION

What is this thing called “International Political Economy” (IPE)? As an academic field that emerged in the 1970s and has matured recently in political science, IPE is united by common issues/topics and shows an eclectic attitude toward both the methods and theories. In this course, IPE is defined as “a collection of orientations, perspectives, theories, and methods addressed to understanding the relations between diverse political and economic phenomena at the global level” (Caporaso 1993).

In this course, the ongoing global financial crises that broke out in 2008 provides an entry point to examine the following contents: (1) evolution (a historical review of capitalism and the formation of global political economy), (2) theories and methods (normative theories include liberalism, mercantilism, Marxism, constructivism and critical approaches; research approaches include global vs. domestic-level, statist vs. societal explanations and rational choice approach), (3) structures (thematic issues include production, trade, finance and development). The course concludes with a discussion on the global governance in IPE and global responses to globalization (both “good” and “bad” ones, e.g., illicit markets).

COURSE DESIGN

Instead of exclusively zooming in on the world economy after the oil crisis and the collapse of the Bretton Woods system in the 1970s, this course strings together two milestone economic crises (The Great Depression and the current Great Financial Crisis) in a long duration in order to examine the historical processes of two “great transformations” (Karl Polanyi’s first one and Mark Blyth’s reversal) and the changes from the Bretton Woods system to the post-Bretton Woods system with a rapidly deepening globalization. Against the big backdrop of ongoing global financial crises since 2008, this course takes a case approach to IPE, namely, all theoretical and thematic discussions in a traditional format will be tied together to highlight the causes and effects of the Great Financial Crisis and to facilitate a debate on actors, structures, dynamics, challenges, the governance, and reforms in global political economy.

In addition to an introduction and a conclusion, this course has three major parts: (1) approaches and ideologies, (2) historical evolution of global political economy, and (3) substantive themes highlighting four pillar structures: production, trade, finance and development.
In Part 1: Evolution, the historical formation of global economy and the evolution of global capitalism will be reviewed.

In Part 2: Approaches and Ideologies, we will discuss four epistemic strategies to approach issues in IPE (based upon international-domestic and institutional-societal distinctions) and four alternative value-laden views (or ideological perspectives) on IPE (Liberalism/Neo-liberalism, Keynesianism and Neo-institutionalism, Mercantilism, Marxism and derivative Critical Theories).

In Part 3: Substantive Themes, four major themes constitute the central content of IPE: production, trade, money/finance, and development, which are also our main focus in discussion. However, the money/finance section will be singled out as the quintessential content of IPE in the 21st century. Under the theme of money/finance, we will use the ongoing global financial crisis (also the so-called “Second Great Contraction” or “The Great Financial Crisis”) as a case study to relate it to the various ideologies we have discussed. In this case study, we will examine the Great Financial Crisis from liberal, Keynesian and Marxist perspectives as well as regional angles. In addition, we will discuss three aspects of IPE: rational thinking, irrational animal spirits (irrationalities, emotions, etc.) and unethical and lawbreaking activities (corruption, fraud, crime, and injustice) in order to have a better understanding of the complex and changing nature of IPE.

The themes of production, trade and development (including the North-South relations) will also be related to the comprehensive discussion of financial crisis to illustrate its causes and consequences. For example, the multinational corporations (MNCs) and their role in IPE, global development and inequality, and the global illicit markets are some other major themes and challenges to be examined in this part.

Designed as a graduate seminar, this course intends to help students achieve the following three goals:

(1) Theoretical and Methodological Issues. The expectation of graduate students in this class is not about “what is and why.” Instead, it is about “who said what, how, and why.” In this section, we will review, compare, contrast, and critique a variety of theoretical approaches and methodological orientations, putting emphasis upon the following: traditional tripartite theories (liberalism, mercantilism, and Marxism), (neo-) institutionalism, the political economy (rational or public choice) approach, and the new trio of critical theories (constructivism, feminism and environmentalist approach). Two different IPE schools (American and British) will be compared and contrasted.

(2) Substantive and Thematic Issues. Concerning trade, money (monetary issues), and capital (capital flow, FDI), the interactive relationships between states and the market will be discussed. The globalization process has further shown us the importance and complexity of these issues. At the global level, the post-war institutional arrangements, in particular, the Bretton Woods system and the post-cold war global governance, constitute the most important discussion in this class.
To some extent we may say that we are “lucky” enough (Shouldn’t we have some optimism to console ourselves?) to be taking the IPE class during the largest financial crisis in human history. We have a perfect lab for social scientific study on IPE. In our discussions on the current financial crises and other themes, we will try to apply different theories and approaches to cross-examine the same theme/topic. For example, by examining the Great Financial Crisis we will have different “cuts” (liberal cut, mercantilist cut, Marxist cut, rationalist cut, etc) in order to demonstrate the potency and evaluate the contribution of different theories on major issues in the field.

(3) Pedagogical Issues. I assume that everyone in this seminar eventually will become a researcher and/or a teacher. To prepare students to work competently and successfully in the IPE area, we will explore together the new frontiers in the field and map out areas where more future work is needed (so that you can think about a possible topic for your dissertation) and where a better chance of employment lies. Given that you have limited time to allocate for my class, I will take major responsibility to integrate the books listed in the additional reading into my lectures. At the same time, the whole class (professor and students are included) will work together on learning strategies, teaching methods, and curriculum development. Ultimately every participant of this class will be able to design his/her own IPE syllabus for college-level students.

COURSE REQUIREMENTS

To be honest, my role in this graduate seminar is not typically as a teacher, although I will not shirk my primary responsibility of providing the context, doing literature review, and integrating a variety of viewpoints in the field. I expect that all of us will agree that we will conduct a “knowledge trek,” in which everyone must be prepared with reading, equipped with comments and questions, and will contribute as the class proceeds. My role is better defined as a tour guide; you have to be the trekker. Simply speaking, you must make yourself relevant to the discussion and interesting to your classmates. To parody Lincoln, “You can make some of the people bored all of the time, and all of the people bored some of the time, but you cannot make all of the people bored all of the time.” To create and maintain a stimulating and exciting learning environment is my primary responsibility; however, knowledge can only be delivered to and absorbed by inquisitive and cultivated minds; your voracious reading and active participation will be expected and your dedication appreciated.

Students are expected to take a midterm exam (all essay questions, a study guide will be distributed to the class), write one essay (minimum 10 pages, the topic is: “The Making of the 2008 Financial Crisis: Who Are the Culprits and How to Fix?”). If you have more energy and would like to do extra credit in case your mid-term exam is not satisfactory, you are welcome to design an IPE syllabus for a college-level course.

REQUIRED TEXTBOOKS


**GRADING**

The final grade for the course will be based on the midterm exam (40%, take-home exam), the essay (40%), and classroom attendance (5), presentation (5), and participation (10%). The syllabus design will be used for extra credit (for example, if you get a borderline grade of B/B+, it can elevate you to B+).

Considering my lecture will give information not covered in the textbooks, attendance is very important. According to the University attendance policy, which is mandated by the State Legislature, students who are absent from this course more than two weeks will **NOT** receive a grade.

My grading for all these requirements will follow a 100-point system. My final score report will be converted into an A-F system. This conversion will roughly follow this formula:

- A 100-93, A- 92-90, B+ 87-89, B 84-86, B- 83-80, C+ 79-76, C 75-70, D 69-60, F below 60.

**SCHUDELE AND CONTENTS**

*Introduction*

**January 30, 2014**

1. Introducing the Syllabus
   - Preliminary Discussion: Requirements and Procedures
2. Introduction to the Study of IPE
   - The State of IPE: Surveying the Field
3. Epistemic Approaches to IPE
   - International vs. Domestic; Institutionalist vs. Societal

**Required Readings:**

- Chapters 1 and 2 in O’Brien and Williams, pp. 7-40.


References:

February 6, 2014
1. The Great Recession of 2008: An Analytic Narrative
2. The Nature, Causes and Consequences
3. Assess the Analytic and Epistemic Value of 2008 Financial Crisis

Required Readings:
• Finish Ferguson’s small book, The Great Degeneration.

References:

Part I: Historical Evolution of Global Economy

February 13, 2014
1. Spatial and Temporal Changes in World Economy
2. Modern States, Empires, and Hegemonies
3. The Bretton Woods System and Globalization
4. In Search for a New Governance for IPE

Required Readings:
• Chapters 3-5 in O’Brien and Williams, pp. 41-105.

References:

Part II: Ideologies and Approaches

February 27, 2014
1. Traditional Trichotomy of IPE Perspectives
2. The Trio of Critical Theories
3. The Theoretical Dialogue in Time and Space
4. The Economic Nationalist Perspective: Mercantilism

Required Readings:
• The Introduction in Paul and Amawi, pp. 1-39.

References:
• Matthew Watson, “The Historical Roots of Theoretical Traditions in Global Political Economy,” in Ravenhill, pp. 29-66.

**March 6, 2014**
1. Varieties of Liberalism
2. Keynesianism
3. Institutionalism and Neoliberal Institutionalism

Required Readings:
• Contributions from Smith, Ricardo, and Mill under “Chapter 2: Classical Liberalism” in Paul and Amawi, pp. 48-79.
• Contributions from Keohane and Moravcsik under “Chapter 5: Contemporary Liberalism” in Paul and Amawi, pp. 149-182.
• Arthur A. Stein, “Neoliberal Institutionalism,” in *The Oxford Handbook of International Relations*, pp. 201-221.

References:

**March 13, 2014**
Midterm Exam—Take home!

1. The Political Economy Approach
2. Positive and Rational Choice Theory
3. Applications of Games in IPE
Required Readings:
• Contributions from Vaubel and Rogowski under “Chapter 8: Positive Political Economy” in Paul and Amawi, pp. 240-266.

References:
• Charles Glaser, Rational Theory of International Politics (Princeton University Press, 2010)

March 20, 2014
Midterm Exam—Due!

1. Classical and Contemporary Marxism
2. Structural Perspectives: World System theory and Dependency Theory
3. Critical Trio: Constructivist, Feminist and Environmentalist Approaches

Required Readings:
• Chapter 10: Gender, Chapter 12: Global Environmental Change, and Chapter 13: Ideas, all in O’Brien and Williams.

References:
• David Harvey, The Enigma of Capital and the Crisis of Capitalism (New York: Oxford University Press, 2010)
Part III: Structures and Themes

March 27, 2014

Production
1. Production and Global Division of Labor
2. The Multinational Corporations: Origins, Causes and Regulation
3. MNCs and Patterns of Foreign Direct Investment
4. Manufacturing Shift, Outsourcing, and Financialization of Economy

Required Readings:
• Chapter 7: Transnational Production, Chapter 9: Global Division of Labor, in O’Brien and Williams, pp. 132-153, pp. 182-199.

References:
• Geoffrey Jones, Multinationals and Global Capitalism: From the Nineteenth to the Twenty-first Century (Oxford University Press, 2005).

April 3, 2014

Trade
1. Free Trade Theory and the Liberalization of Global Trade
2. International Trade and the Liberal Doctrine
3. GATT/WTO and International Trade System

Required Readings:
References:

April 10, 2014
Money and Finance
1. The Political Economy of Money and Finance
2. The Bretton Woods System and the International Monetary System
3. International Financial Crises: A Historical Review

Required Readings:

References:

April 24, 2014
Case Study: The Great Financial Crisis
1. A Chronological and Analytic Narrative
2. The 2008 Financial Crash: Causes, Consequences and Responses
3. Liberal/Neoliberal/Libertarian Explanations
4. Neo-institutionalist and Keynesian Explanations
5. Marxist and Critical Explanations

Required Readings:
• The entire book of Simon Johnson and James Kwak, *13 Bankers*. 
References:


May 1, 2014

1. Regional and Developmental Perspectives
2. The North-South System and the Dependency Theory
3. Development, Emerging Markets and Financial Crisis
4. Strategies of Development

Required Readings:


References:

May 8, 2014
1. Beyond Rationality
   • Irrationalities, Emotions, and Follies
   • Immoralities, Corruption, Frauds and Crimes
2. The Global Illicit Markets and Organized Crime
3. The Global Political-Criminal Nexus

Required Readings:

References:

May 15, 2014
Essay is due.

Conclusion: Capitalism, Globalization and Governance

1. The Nation-States in Changing Global Economy
2. Governing the Global Economy
3. Debates on Global Governance
4. Legitimacy, Morality and Justice in International Political Economy
5. From “End of History” to “End of Capitalism”?

Required Readings:
• Chapter 15: Governing the Global Political Economy in O’Brien and Williams, pp. 295-311.

References:


Congratulations, you have done it!
Thank you for taking my class! Enjoy your summer break—that you deserve relaxation as an award!