

**POL 340: International Political Economy**  
**Spring 2006**  
**Class Times: Tues/Thurs. 1000-1115hrs**  
**Instructor: Russell Crandall**  
**Office: Chambers 3011**  
**Office Hours: Mon. 1400hrs-1600; Wed. 0930-1130hrs**  
**Phone: (office) x2283**

***Background and Course Objectives***

The interplay between politics and economics, or international political economy (IPE) is an inescapable reality of the international system. In order to construct the appropriate conceptual foundation for understanding and analyzing IPE, this course first examines classical and more modern theories and approaches to the issue. The course focus will then focus on a number of key issues surrounding contemporary IPE: the role that multinational companies and multilateral lending institutions play in formulating and implementing the world's financial architecture; trade policy; economic reform in both democratic and undemocratic systems; Europe as an political economy experiment; and the complex issues such as debt relief and poverty alleviation that often confront developing countries as they attempt—or not!—to integrate themselves into the world economy.

***Course Requirements***

The Davidson introductory economics course, Economics 101, is a prerequisite for this course. The success of this course depends in great deal to the student's level of preparation and in-class participation. For this reason active student discussion is expected. Students will be required to write two medium-length papers, sit for a mid-term and final review, and compose a ten-page "Country Paper" that analyzes economic and political data of a selected country. Students are also required to submit a "talking points" memorandum before each class meeting. Further details for all of these assignments will be provided at the beginning of the semester.

***Books for Purchase***

Crane, George and Amawi, Abla, eds. *The Theoretical Evolution of International Political Economy* Oxford University Press, 1991.

Balaam, David and Veseth, Michael. *Introduction to International Political Economy*. Prentice Hall, 2005.

Schumpeter, Joseph. *Capitalism, Socialism, and Democracy*. Perennial, 1984. This book can be ordered online for just a few dollars.

Bhagwati, Jagdish. *In Defense of Globalization*. Oxford University Press, 2004.

Easterly, William. *The Elusive Quest for Growth*. MIT Press.

Sachs, Jeffrey. *The End of Poverty: Economic Possibilities for Our Time*. Penguin, 2005.

Mares, David. *Drug Wars and Coffee Houses: The Political Economy of the International Drug Trade*. CQ Press, 2005.

### ***Grading Break-Down***

Papers	30%
Country Paper	30%
Final Review	30%
Class Participation and Talking Points	10%

### ***Course Schedule***

#### ***An Introduction to IPE, Currencies, Exchange Rates, and Foreign Exchange Markets***

**Tues. January 10**  
**Introduction**

**Thurs. January 12**  
Balaam and Veseth. *International Political Economy*. Ch. 1.

**Tues. January 17**  
Library research methods.

**Thurs. January 19**  
Balaam. Ch. 7.  
“Mission Creeps.” *Grant’s*. November 7, 2003.

#### ***Theories of International Political Economy***

**Tues. January 24**  
Crane, pp. 3-54.  
Balaam. Ch. 2.

#### ***Ricardo, Smith, and Trade***

**Thurs. January 26**  
Crane, pp. 55-82.  
Balaam. Ch. 3.

**Tues. February 31**

#### ***Marxism***

Crane, pp. 83-121.  
Balaam. Ch. 4.  
Schumpeter. “Marx the Prophet” and “Marx the Economist.”  
“Marx After Communism: Marx’s Intellectual Legacy.” *The Economist*. 19 December 2002.

#### ***Cardoso, Prebisch, Dependency, and World Systems Theory***

**Thurs. February 2**  
Crane, pp. 141-200.

Balaam. Ch. 5.  
Schumpeter. "Marx the Teacher."  
Film: *Commanding Heights*. Part 1. 8pm.

### ***Interdependence***

**Tues. February 7**

Crane, pp. 122-141.

Nye, Joseph and Keohane, Robert. "Power and Interdependence in the Information Age." *Foreign Affairs*. September/October 1998.

Schumpeter. "The Process of Creative Destruction," "The Civilization of Capitalism," "Growing Hostility," "Decomposition."

**Paper #1 Due**

### ***International Trade and Domestic Politics***

**Thurs. February 9**

Balaam. Ch. 6.

Gresser, Edward. "Toughest on the Poor." *Foreign Affairs*. November/December 2002.

Bergsten, Fred. "A Renaissance for US Trade Policy?" *Foreign Affairs*. November/December 2002.

Barboza, David. "Sugar Rules Defy Free-Trade Logic" *The New York Times*. May 6, 2001.

Thurow, Roger and Kilman, Scott. "In US, Cotton Farmers Thrive; In Africa, They Fight to Survive" *Wall Street Journal*. June 26, 2002.

Bhagwati, Jagdish. "A New Vocabulary for Trade." *The Wall Street Journal*. August 4, 2005.

### ***The Role of MNCs***

**Tues. February 14**

Easterly, William. *The Elusive Quest for Growth*. Chs. 4-5.

Balaam, Ch. 16

Rothkopf, David. "In Praise of Cultural Imperialism?" *Foreign Policy*. Summer 1997

Drezner, Daniel. "Bottom Feeders" *Foreign Policy* (November-December 2000).

Thurow, Roger and Kilman, Scott. "U.S. Subsidies Create Cotton Glut that Hurts Cotton Farms." *The Wall Street Journal*. June 26, 2002.

"How a Global Web of Activists Gives Coke Problems in India." *The Wall Street Journal*. June 7, 2005.

### ***The IPE of Poverty in the Developing World***

**Thurs. February 16**

Balaam. Ch. 8

Thomas, M.A. "Getting Debt Relief Right" *Foreign Affairs*. September/October 2001.

"Relief from Creditors Gives Mozambique a Small Taste of Hope." *Wall Street Journal* March 15, 2001.

Easterly, William. *The Elusive Quest for Growth*. Chs. 6-7.

**Tues. February 21**

Sachs, Jeffrey. *The End of Poverty*. Chs. 1-4.

Balaam, Ch. 13

“Happy Hookahs” *The Economist*. May 3, 2001.

“Americans and Vietnamese Fighting over Catfish.” *The New York Times*. November 5, 2002.

“Finding Your Nitch.” *The Economist*. March 1, 2003.

### **Thurs. February 23**

Sachs, Jeffrey. *The End of Poverty*. Chs.5-7.

Schumpeter. “The March into Socialism.”

Weiner, Tim. “With Little Loans, Mexican Women Overcome.” *The New York Times*. March 19, 2003.

Rohter, Larry. “Brazil to Let Squatters Own Homes” *The New York Times*. April 19, 2003.

Moffett, Matt. “Land Rush.” *The Wall Street Journal*. July 10, 2003.

“Barrio Study Links Land Ownership to a Better Life.” *The Wall Street Journal*. November 9, 2005.

### **Tues. March 7**

Sachs, Jeffrey. *The End of Poverty*. Chs. 8-9.

Balaam. Ch. 18.

Ryan, Alan. “The Way to Reason.” *New York Review of Books*. December 4, 2003.

Naik, Gautam. “Tunisia Wins Population Battle, And Others See a Policy Model.” *The Wall Street Journal*. August 8, 2003.

### **Thurs. March 9**

Sachs, Jeffrey. *The End of Poverty*. Chs. 10-15.

Easterly, William. *The Elusive Quest for Growth*. Selected chapters.

“To Boost Economy, Some Africans Woo White Farmers.” *The Wall Street Journal*. November 17, 2005.

“In South Africa, Black Investment Gets a Renewed Push.” *The Wall Street Journal*. November 18, 2005.

### **Tues. March 14**

Sachs, Jeffrey. *The End of Poverty*. Chs. 16-19.

Easterly, William. *The Elusive Quest for Growth*. Selected chapters.

### **Thurs. March 16**

#### **Mid-term Review**

#### ***IPE of Oil and the Environment***

### **Tues. March 21**

Balaam. Ch. 17.

“To Cut Pollution, Dutch Pay A Dump in Brazil to Clean Up.” *The Wall Street Journal*. 11 August 2005.

**Thurs. March 23**

Balaam. Ch. 19.

Feldstein, Martin. "Achieving Oil Security." *The National Interest* (Special Issue, 2001)

Wax, Mily. "Ugandans Welcome Jobs, Seek to Diversify." *Washington Post*. July 6, 2003.

"Oil Rich Norway Hires Philosopher as Moral Compass." *The Wall Street Journal*. 1 December 2005.

***IPE of the Drug Trade***

**Tues. March 28**

Mares, David. *Drug Wars and Coffee Houses*. Part I-II.

Film: *Maria's Story*. 8pm.

**Thurs. March 30**

Mares, David. *Drug Wars and Coffee Houses*. Finish.

**Paper #2 Due**

***Globalization***

**Tues. April 4**

Bhagwati, Jagdish. *In Defense of Globalization*. Part I.

King, Neil. "Tuna Tariff Sparks Trade Fight Between Grocery-Store Rivals." *The Wall Street Journal*. April 29, 2002.

Wonacott, Peter. "Ballooning Population Offers China a Low-Coast Way to Lead in Tech." *Wall Street Journal*. March 14, 2002.

Kristoff, Nicholas. "Two Cheers for Sweatshops." *The New York Times*. September 24, 2000.

"To Soothe Anger Over Subsidies, U.S. Cotton Tries Wooing Africa." *The Wall Street Journal*. August 5, 2005.

Film: *Commanding Heights*. Part 2. 8pm.

**Thurs. April 6**

Bhagwati, Jagdish. *In Defense of Globalization*. Part II.

Weinstein, Michael. "Learning to Love Deficits." *The New York Times*. November 3, 2001.

"In War on Poverty, Pipeline in Chad Plays Unusual Role." *The Wall Street Journal*. June 24, 2003.

"After the Tsunami, An Aceh Surprise: Good Government." *The Wall Street Journal*. November 2, 2005.

**Tues. April 11**

Bhagwati, Jagdish. *In Defense of Globalization*. Part III.

Friedman, Thomas. "Dueling Globalizations." *Foreign Policy* (Fall 1999)

"Manu Chao, the Bard of Anti-globalization." *The Wall Street Journal*. September 10, 2001.

Fischer, Stanley. "In Defense of the IMF." *Foreign Affairs* (July/August 1998).

Casey, Michael. "Argentina's Rebound Show IMF's Principles Still Thrive." *The Wall Street Journal*. July 7, 2003.

Film: *Commanding Heights*. Part 3. 8pm.

**Thurs. April 13**

Bhagwati, Jagdish. *In Defense of Globalization*. Part IV-V.

Cooper, Helene. "Madagascar's Textile Sector Draws Fresh Life From U.S. Trade Move." *The Wall Street Journal*, January 2, 2002.

Hilsenrath, Jon. "Globalization Gets Mixed Results in U.S. Universities." *The Wall Street Journal*. December 3, 2002.

"World Bank's Loan Rangers." *Washington Post*. June 9, 2005.

***European Monetary Union***

**Thurs. April 20**

Balaam. Ch. 11

Ferguson, Niall and Kotlikoff, Laurence. "Going Critical: American Power and the Consequences of Fiscal Overstretch." *The National Interest*. Fall 2003.

Rakove, Jack. "Europe's Floundering Fathers." *Foreign Policy*. September/October 2003.

**Tues. April 25**

Rosenberg, Tina. "The Free-Trade Fix" *The New York Times Magazine*. August 18, 2002.

Cassidy, John. "Helping Hands" *The New Yorker*. March 18, 2002.

Andrews, Edmund. "Why Isn't Fast Track...Faster?" *The New York Times*. August 18, 2002.

**Country Paper Due**