

# TARGETING THE ECONOMIC HEALTH MODULE

ECONOMIC STATECRAFT PROGRAM

## GENERAL INFORMATION

### DESCRIPTION

This module focuses on the ways in which a state may target the health of another state's economy to pursue strategic ends. The module is divided into two weeks. Week 1 discusses the bolstering logic of economic statecraft: the ways in which states may conduct economic statecraft so that the health of the target state's economy is improved. A state is likely to intentionally engage in this sort of economic statecraft with allies, but these types of bolstering effects could also be unintended consequences of beneficial economic exchange with rivals. Week two discusses the causal logic of corrosion, whereby states undermine or limit the economic health of target states. Each week contains theoretical discussions of the two causal logics, as well as an emphasis on historical and contemporary illustrations. The module will provide students with the necessary tools to identify and think analytically about how states pursue economic statecraft targeting the health of an economy, both within historical and contemporary contexts.

### PREREQUISITES

Students should have an introductory understanding of macroeconomics, international history since WWII, and international trade politics.

### EXPECTATIONS AND GOALS

By the end of this course, students should be able to do the following...

- Understand the theoretical foundations of bolstering and corroding logics of economic statecraft
- Identify and recognize the aforementioned logics in historical and contemporary contexts
- Think analytically about the causal logics of economic statecraft in the context of US foreign policy and current strategic competition

## READINGS

### MODULE: TARGETING THE ECONOMIC HEALTH

#### WEEK 1: BOLSTERING LOGICS OF ECONOMIC STATECRAFT [175 PAGES]

States can use economic statecraft to bolster or strengthen the economy of a target state. Such policies use economic activities, such as trade and investment, to provide commercial benefits to a targeted state. When done deliberately, such strategies are often aimed at supporting allies. However, these beneficial effects can also accrue to rivals when they enjoy the fruits of commercial engagement (even if such activity is largely the result of firms rather than a deliberate national strategy). During this week, students will examine episodes of economic statecraft which employ bolstering logics. After this week, students should be able to effectively analyze and craft economic statecraft policies which intend to strengthen another state's economy.

Gilpin, Robert, "Equilibrium and Decline." In *War and Change in World Politics*, 156-85. Cambridge: Cambridge University Press, 1981. <https://doi.org/10.1017/CBO9780511664267.006>. 156-185

Mastanduno, Michael. "Trade as a Strategic Weapon: American and Alliance Export Control Policy in the Early Postwar Period." *International Organization* 42, no. 1 (1988): 121-50.

Sherwig, John M. *Guineas and Gunpowder British Foreign Aid in the War with France, 1793-1815*. Cambridge: Harvard University Press, 1969. 1-53, 216-271

Walters, Robert S. "Soviet Economic Aid to Cuba: 1959-1964." *International Affairs* (Royal Institute of International Affairs 1944-) 42, no. 1 (1966): 74-86. <https://doi.org/10.2307/2612437>.

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## WEEK 2: CORROSIVE LOGICS OF ECONOMIC STATECRAFT [143 PAGES]

States can also employ their economic resources and activities to corrode, or limit, the growth of a target state's economy. During this week, students will examine a variety of cases in which states have sought to marshal their economic resources to corrode a target's economy. After this week, students will be able to effectively craft and analyze policies which employ corrosive logics of economic statecraft.

Knorr, Klaus. *Power And Wealth*. First Edition. New York: Basic Books, 1973. 138-156

Cain, Frank. *Economic Statecraft during the Cold War: European Responses to the US Trade Embargo*. 1st edition. London ; New York: Routledge, 2006. 1-53

Cypher, James M. *The Process of Economic Development*. Routledge, 2014. 90-99

Moran, Theodore H. "Multinational Corporations and Dependency: A Dialogue for Dependencistas and Non-Dependencistas." *International Organization* 32, no. 1 (ed 1978): 79-100.  
<https://doi.org/10.1017/S0020818300003878>.

Miller, Edward S. *Bankrupting the Enemy: The U.S. Financial Siege of Japan Before Pearl Harbor*. 1st edition. Annapolis, Md: Naval Institute Press, 2007. 48-98