
INTA 608 – DC FALL 2022: GLOBAL ECONOMY

Gyu Sang Shim gshim2@tamu.edu Location: 1620 L. St, Suite 700 NW, Washington DC in-person and electronic-to-group in College Station Credit Hours: 3.0	Office Hours: by appointment	Class Time & Location: M 6:30-9:10 PM
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COURSE DESCRIPTION:

This course is designed to familiarize students with International Political Economy (IPE). IPE considers the flows of production, distribution, and consumption across national borders, recognizing that not just national governments play a role, but individual actors and international institutions must also be taken into account. In this class, you will study how politics influence global economy and vice versa, where at least one of the variables is international. After exploring (1) main analytical approaches of international political economy and (2) three fundamental pillars of the global economy (trade, foreign direct investment, and international finance and monetary system), this course conducts a broad survey of three major theoretical debates in the field of (a) foreign aid, (b) development, and (c) conflict, and the current issues in IPE such as the rise of China, anti-Globalization, the war in Ukraine, and the Covid 19. We will make extensive use of the insights from economics and political science to understand how international economic interactions affect the incentives faced by political actors (voters, interest groups, parties, and governments), and how the behavior of those political actors under different political institutions shapes political and economic outcomes. By the end of the semester, each student writes a short research paper on a topic in the field of international political economy (15-20 pages).

Course Learning Outcomes

By the end of the course, students will be able to:

- Understand the interaction between politics and economy at both domestic and international level
- Apply course concepts and analytical tools to explain global economy
- Explain causes and implications of current political economic events

COURSE PREREQUISITES:

Graduate classification

COURSE TEXTS:

Thomas Oatley, *International Political Economy*, 6th Edition. (Longman Press, 2019).
 Other assigned readings are listed below.

REQUIREMENTS AND GRADING:

30% 40% 20% 10%	Final Exam Research Project <ul style="list-style-type: none"> • Paper (20%) • Final Presentation (20%) Talking Points Memo Participation (Attendance and Classroom Discussion)
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Late Work Policy

Late work policies in this class are defined by Student Rule 7 (<https://student-rules.tamu.edu/rule07/>). Students should consult with the instructor if they are unable to submit required written work by the deadline defined in the syllabus.

Work submitted by a student as makeup work for an excused absence is not considered late work and is exempted from the late work policy ([Student Rule 7](#)).

Research Project

The paper is expected to formulate a hypothesis, ground it in appropriate literature, illustrate an argument or puzzle using qualitative evidence, and test the hypothesis using case studies (or quantitative evidence if possible). Please speak to me before the third class week so I can get you started. A draft of the research paper is due at 11 pm November 20, and the final version is due at 11 pm December 7. Students will present a preliminary version of the paper at the class meeting in the week 6.

Talking Points Memo

This is a seminar with a heavy reading load, and it is essential to complete the required reading. Students are expected to write 7 brief “talking points” memo (no more than 2-page) summarizing and responding to the assigned readings for each week from the week 2. The lowest two grades will be dropped. Please submit your memo to me electronically at least 6 hours in advance of our class meetings. Do keep in mind that you may be called upon to present them during the seminar.

Grading Policy: I will assign grades according to the scale below and without rounding.

Letter	A	B	C	D	F
%	90+	80+	70+	60+	59-

Incompletes are rarely given, and then only if at least 75% of the work has been completed at a passing level, and extreme circumstances prevent completion of the remaining work.

Phones, computers, and other electronic devices must be placed on SILENT MODE, while you can use your tablet PC and laptop to take a note during the class.

COURSE OUTLINE AND CLASS ASSIGNMENTS:

	Topic	Reading Assignment
1	What's IPE?	Keohane (2019), Moravcsik (1997) Oatley Ch.1
2	Why Do States Trade?	Alt&Frieden&Gilligan&Rodrik&Rogowski (1996), Rogowski (1987), Hiscox (2001) Oatley Ch.3-5
3	Trade, Development, and WTO	Wade (1992), Tomz&Goldstein&Rivers (2008), Kim (2008) Oatley Ch. 2, 6 – 7
4	Multinational Corporations (MNCs)	Pandya(2016) Oatley Ch. 8 – 9

	Topic	Reading Assignment
5	Politics of MNCs	Jensen (2003), Elkins&Guzman&Simmons (2006), Li&Resnick (2003), Pinto&Pinto (2008), Owen (2013), Buthe&Milner (2008), Allee&Peinhardt (2014), Geoffrey&Jandhyala&Poulsen (2018), Pinto&Zhu (2016)
6	Preliminary Research Presentation	(1) Research Question (2) Motivating cases (3) Brief overview of relevant literature (4) Causal explanation (5) Empirical Strategy
7	Monetary System	Strange (1971) Oatley Ch.10-13
8	International Finance and Currency Crises	Drezner (2014), Stone (2004), Burnside&Eichenbaum&Rebelo (2001) Oatley Ch.14 – 15
9	Foreign Aid	Wright& Winters (2010), Morgenthau (1962), Kuziemko & Werker (2006), BDM&Smith (2009), Burnside& Dollar (2000), Carter&Stone (2015), Alesina&Dollar (2000)
10	Political Economy of Development	Acemoglu&Johnson&Robinson (2002, 2005), Brollo&Nannicini&Perotti&Tabellini (2013), Thurbon&Weiss (2021)
11	IPE and Conflict	Blanchard&Mansfield&Ripsman (1999), Gartzke&Li&Boehmer (2001), Schultz (2015), Garriga&Phillips (2013), Mihalache-O'Keef (2018), Colgan (2013)
12	Current Issues in IPE: China, Anti-Globalization, War in Ukraine, Covid 19	Paul (2016), Bown (2019), Owen&Walter (2017), Moyer&Meisel&Matthews (2022), McNamara&Newman (2020), Green&Hellwig&Fieldhouse (2022), Guénette&Kenworthy&Wheeler (2022)
13	Final Presentation	(1) Research question (2) Motivating cases (3) Brief overview of relevant literature (4) Causal explanation (5) Empirical strategy and analysis (6) Implication and contribution of the research
14	Review for final exam	
	Take-home Final exam during the official time determined by the University	

OTHER ASSIGNED READINGS:

Acemoglu, Daron, Simon Johnson, and James Robinson. 2002. "Reversal of Fortune: Geography and Institutions In The Making of The Modern World Income." *Quarterly Journal of Economics* 117 (4):1231-94.

. 2005. "Institutions As A Fundamental Cause of Long-Run Growth." In *Handbook of Economic Growth, Vol. 1A*, Ed. Philippe Aghion and Steve Durlauf, 385-472. (Amsterdam: Elsevier)

Alesina, Alberto and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5(1): 33-63.

Allee, Todd, and Clint Peinhardt. 2014. "Evaluating Three Explanations for The Design of Bilateral Investment Treaties." *World Politics* 66(1): 47-87.

Alt, James E., Jeffry Frieden, Michael J. Gilligan, Dani Rodrik, and Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry." *Comparative Political Studies* 29(6): 689-717.

Blanchard, Jean-Marc F., Edward D. Mansfield & Norrin M. Ripsman. 1999. "The Political Economy of National Security: Economic Statecraft, Interdependence, and International Conflict." *Security Studies* 9(1-2): 1-14

Bown, Chad P. 2019. "The 2018 US-China Trade Conflict After Forty Years of Special Protection." *China Economic Journal* 12(2): 109-136.

Bueno De Mesquita, Bruce, and Alastair Smith. 2009. "A Political Economy of Aid." *International Organization* 63(2): 309-340.

Burnside, Craig, Martin Eichenbaum, and Sergio Rebelo. 2001. "Prospective Deficits and The Asian Currency Crisis." *Journal of Political Economy* 109(6): 1155-1197.

Burnside, Craig and David Dollar. 2000. "Aid, Policies and Growth." *American Economic Review* 90 (September): 847-68.

Büthe, Tim, and Helen V. Milner. 2008. "The Politics of Foreign Direct Investment Into Developing Countries: Increasing FDI Through International Trade Agreements?." *American Journal of Political Science* 52(4): 741-762.

Carter, David B., and Randall W. Stone. 2015. "Democracy and Multilateralism: The Case of Vote Buying in the UN General Assembly." *International Organization* 69(1): 1-33.

Colgan, Jeff. 2013. "Fueling The Fire: Pathways From Oil to War." *International Security* 38(2): 147- 180.

- Drezner, Dan. 2014. "The System Worked: Global Economic Governance During the Great Recession." *World Politics* 66 (1): 123-164.
- Elkins, Zachary, Andrew T. Guzman, and Beth A. Simmons. 2006. "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000." *International Organization* 60(4): 811-846.
- Garriga, Ana Carolina, and Brian J. Phillips. 2014. "Foreign Aid As A Signal to Investors: Predicting FDI In Post-Conflict Countries." *Journal of Conflict Resolution* 58(2): 280-306.
- Gartzke, Erik, Quan Li, and Charles Boehmer. 2001. "Investing In The Peace: Economic Interdependence and International Conflict." *International Organization* 55(2): 391-438.
- Gertz, Geoffrey, Srividya Jandhyala and Lauge N. Skovgaard Poulsen. 2018. "Legalization, Diplomacy, and Development: Do Investment Treaties De-Politicize Investment Disputes?" *World Development* 107:239-252.
- Guenette, Justin Damien; Kenworthy, Philip George; Wheeler, Collette Mari. 2022. "Implications of The War In Ukraine for The Global Economy." *World Bank EFI Policy Note 3*.
- Hiscox, Michael J. 2001. "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and The Politics of Trade." *International Organization* 55(1): 1-46.
- Jensen, Nathan. 2003. "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment." *International Organization* 57(3): 587-616.
- Keohane, Robert O. 2009. "The Old IPE and The New." *Review of International Political Economy* 16(1): 34-46.
- Kim, Moonhawk. 2008. "Costly Procedures: Divergent Effects of Legalization in the GATT/WTO Dispute Settlement Procedures." *International Studies Quarterly* 52(3): 657-686.
- Kuziemko, Ilyana, and Eric Werker. 2006. "How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations." *Journal of Political Economy* 114(5): 905-930.
- Li, Quan, and Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57(1): 175-211.
- Mcnamara, Kathleen R., and Abraham L. Newman. 2020. "The Big Reveal: COVID-19 and Globalization's Great Transformations." *International Organization* 74(S1): E59-E77.
- Mihalache-O'Keef, Andreea S. 2018. "Whose Greed, Whose Grievance, and Whose Opportunity? Effects of Foreign Direct Investments (FDI) On Internal Conflict." *World Development* 106: 187-206.
- Morgenthau, Hans. 1962. "A Political Theory of Foreign Aid." *American Political Science Review* 56 (2): 301-09.

- Moravcsik, Andrew. 1997. "Taking Preferences Seriously: A Liberal Theory of International Politics." *International Organization* 51(4): 513-553.
- Moyer, Jonathan D., Collin J. Meisel, and Austin S. Matthews. 2022 (Published Online). "Measuring and Forecasting The Rise of China: Reality Over Image." *Journal of Contemporary China*
- Owen, Erica. 2013. "Unionization and The Political Economy of Restrictions on Foreign Direct Investment." *International Interactions* 39(5):723-747.
- Owen, Erica, and Stefanie Walter. 2017. "Open Economy Politics and Brexit: Insights, Puzzles, and Ways Forward." *Review of International Political Economy* 24(2): 179-202.
- Pandya, Sonal S. 2016. "Political Economy of Foreign Direct Investment: Globalized Production in The Twenty-First Century." *Annual Review of Political Science* 19: 455-475.
- Paul, Justin. 2016. "The Rise of China: What, When, Where, and Why?" *The International Trade Journal* 30(3): 207-222
- Pinto, Pablo M., and Santiago M. Pinto. 2008. "The Politics of Investment Partisanship: and the Sectoral Allocation of Foreign Direct Investment." *Economics & Politics* 20(2): 216-254.
- Pinto, Pablo M., and Boliang Zhu. 2016. "Fortune or Evil? The Effect of Inward Foreign Direct Investment on Corruption." *International Studies Quarterly* 60(4): 693-705.
- Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81(4): 1121-1137.
- Schultz, Kenneth A. 2015. "Borders, Conflict, and Trade." *Annual Review of Political Science* 18: 125-145.
- Stone, Randall W. 2004. "The Political Economy of IMF Lending In Africa." *American Political Science Review* 98(4): 577-591.
- Strange, Susan. 1971. "The Politics of International Currencies." *World Politics* 23(2): 215-31
- Thurbon, Elizabeth and Linda Weiss. 2021. "Economic Statecraft At The Frontier: Korea's Drive for Intelligent Robotics." *Review of International Political Economy* 28(1): 103-127.
- Tomz, Michael, Judith L. Goldstein, and Douglas Rivers. 2007. "Do We Really Know that the WTO Increases Trade? Comment." *American Economic Review* 97(5): 2005-2018.
- Wade, Robert. 1992. "East Asia's Economic Success: Conflicting Perspectives, Partial Insights, Shaky Evidence." *World Politics* 44 (2): 270-320.
- Wright, Joseph and Matthew Winters. 2010. The Politics of Effective Foreign Aid. *Annual Review of Political Science* 13: 61-80.

UNIVERSITY POLICIES

Attendance is required. Failure to attend and participate will negatively affect your final grade. The university views class attendance and participation as an individual student responsibility. Students are expected to attend class and to complete all assignments. Advanced notice of your absence is always welcome as a professional courtesy. Please refer to Student Rule 7 in its entirety for information about excused absences, including definitions, and related documentation and timelines.

MAKEUP WORK POLICY

Students will be excused from attending class on the day of a graded activity or when attendance contributes to a student's grade, for the reasons stated in Student Rule 7, or other reason deemed appropriate by the instructor.

Please refer to [STUDENT RULE 7](#) in its entirety for information about makeup work, including definitions, and related documentation and timelines.

Absences related to Title IX of the Education Amendments of 1972 may necessitate a period of more than 30 days for make-up work, and the timeframe for make-up work should be agreed upon by the student and instructor" ([STUDENT RULE 7, SECTION 7.4.1](#)).

"The instructor is under no obligation to provide an opportunity for the student to make up work missed because of an unexcused absence" ([STUDENT RULE 7, SECTION 7.4.2](#)).

Students who request an excused absence are expected to uphold the Aggie Honor Code and Student Conduct Code. (SEE [STUDENT RULE 24](#).)

ACADEMIC INTEGRITY STATEMENT AND POLICY:

"An Aggie does not lie, cheat or steal or tolerate those who do."

"Texas A&M University students are responsible for authenticating all work submitted to an instructor. If asked, students must be able to produce proof that the item submitted is indeed the work of that student. Students must always keep appropriate records. The inability to authenticate one's work, should the instructor request it, may be sufficient grounds to initiate an academic misconduct case" (Section 20.1.2.3, Student Rule 20). You can learn more about the Aggie Honor System Office Rules and Procedures, academic integrity, and your rights and responsibilities at <http://aggiehonor.tamu.edu>

AMERICANS WITH DISABILITIES ACT (ADA) POLICY:

Texas A&M University is committed to providing equitable access to learning opportunities for all students. If you experience barriers to your education due to a disability or think you may have a disability, please contact the Disability Resources office (<http://disability.tamu.edu/>). Disabilities may include, but are not limited to attentional, learning, mental health, sensory, physical, or chronic health conditions. All students are encouraged to discuss their disability related needs with Disability Resources and their instructors as soon as possible.

Disability Resources is located in the Student Services Building or at (979) 845-1637 or visit

TITLE IX AND STATEMENT ON LIMITS TO CONFIDENTIALITY:

Texas A&M University is committed to fostering a learning environment that is safe and productive for all. University policies and federal and state laws prohibit gender based discrimination and sexual harassment, including sexual assault, sexual exploitation, domestic violence, dating violence, and stalking.

With the exception of some medical and mental health providers, all university employees (including full and part-time faculty, staff, paid graduate assistants, student workers, etc.) are Mandatory Reporters and must report to the Title IX Office if the employee experiences, observes, or becomes aware of an incident that meets the following conditions (see University Rule 08.01.01.M1):

- The incident is reasonably believed to be discrimination or harassment.
- The incident is alleged to have been committed by or against a person who, at the time of the incident, was (1) a student enrolled at the University or (2) an employee of the University.

Mandatory Reporters must file a report regardless of how the information comes to their attention – including but not limited to face-to-face conversations, a written class assignment or paper, class discussion, email, text, or social media post. Although Mandatory Reporters must file a report, in most instances, you will be able to control how the report is handled, including whether or not to pursue a formal investigation. The University's goal is to make sure you are aware of the range of options available to you and to ensure access to the resources you need.

Students wishing to discuss concerns in a confidential setting are encouraged to make an appointment with [Counseling and Psychological Services](#) (CAPS).

STATEMENT ON MENTAL HEALTH AND WELLNESS:

Texas A&M University recognizes that mental health and wellness are critical factors that influence a student's academic success and overall wellbeing. Students are encouraged to engage in proper self-care by utilizing the resources and services available from Counseling & Psychological Services (CAPS). Students who need someone to talk to can call the TAMU Helpline (979-845-2700) from 4:00 p.m. to 8:00 a.m. weekdays and 24 hours on weekends. 24-hour emergency help is also available through the National Suicide Prevention Hotline (800-273-8255) or at <http://suicidepreventionlifeline.org>

College and Department Policies

The Bush School of Government and Public Service supports the Texas A&M University commitment to diversity, and welcomes individuals of all ages, backgrounds, citizenships, disabilities, ethnicities, family statuses, genders, gender identities, geographical locations, languages, military experiences, political views, races, religions, sexual orientations, socioeconomic statuses, and/or work experiences (see <http://diversity.tamu.edu/>). Accordingly, all of us in this class are expected to respect the different experiences, beliefs, and values expressed by others, and to engage in reasoned discussions that refrain from derogatory comments or dehumanizing language about other people, cultures, groups, or viewpoints.

Intellectual argument and disagreement are a fundamental element of both the academic world and the policy process. Disagreement does not, in and of itself, mean disrespect. However, the way that

disagreement is expressed can be disrespectful. Unprofessional, insensitive, or disrespectful behaviors (such as using dehumanizing, derogatory, or coarse language; dismissing ideas based on the characteristics of the speaker/writer; or expressing threat or intent to harm, even if framed “as a joke”) are inconsistent with the Bush School's commitment to diversity, and will not be tolerated by faculty or students participating in this class. This applies both inside and outside of the classroom and includes electronic venues such as GroupMe.