

SISU-220-003: International Political Economy
Spring semester 2021
Mondays and Thursdays, 9:45 AM - 11:00 AM
Via Zoom

Instructor: Professor Miles Kahler

Office: SIS 319

Office hours: Wednesdays, 9:30 AM-11:30 AM and 1:30 PM- 3:30 PM and by appointment

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Course description

Increasing global economic integration, often labeled globalization, has been a prominent feature of world politics since the end of the Cold War. The consequences of this historic process have been both economic and political: it has coincided with a period of economic prosperity punctuated by financial crises; produced changes in the configuration of international politics; created winners and losers within societies; and redefined international security. All of these consequences have been debated and, in some cases, produced international and domestic political conflict. Governments have sought to deal with these consequences unilaterally and collectively, through institutions of global and regional governance. Now, in the eyes of some observers, we may be at an inflection point, in which the fundamental assumptions of continuing economic integration and political support for that integration are in question. The pandemic has added to these questions about the trajectory of the global economy. It is an ideal time to investigate these issues, which this gateway course aims to do.

Learning objectives and outcomes:

At the end of the course, students should be able to

- Describe how international economic interdependence has grown over time and affected international and domestic politics
- Define the major debates and arguments regarding trade, finance, and other issue areas in international political economy
- Outline the major institutions of global and regional economic governance
- Analyze critically available sources of information about the international political economy
- Demonstrate an understanding of the role of values and justice in this domain of international affairs
- Display in-depth knowledge of one or more global or regional challenges covered in the course

Required reading:

One required work is available in digital form through the AU Library's Loaning Digital Course Reserves service. It can be accessed either by search for the title on the main library's webpage or clicking on the title in the Course Reserves on Canvas. The book is also available through the University Campus Store for purchase or rental.

John Ravenhill, ed., *Global Political Economy* (Fifth Edition). Oxford: Oxford University Press, 2017.

All other required readings can be found either on Canvas or by means of the embedded links in the course syllabus. If you cannot access an assigned reading, please inform the instructor as soon as possible.

Course requirements:

1. Take-home midterm examination. Topics for this examination, which is take-home and open book, will require you to use the course materials in the first half of the course to analyze a contemporary issue. Questions will be distributed in class on **February 25**; answers will be due by 11 AM on **March 1**.

2. Class participation. Attendance and participation in class discussions are an important part of the course. During this semester of online instruction, class participation will be evaluated primarily through the posting of discussion questions or responses, based on the assigned reading, on Canvas. These posts will usually be due before specific sessions of the course. You may also be asked to lead class discussion in one or more sessions.

3. Policy memorandum. Each student will select a topic based on one of the issues or institutions covered in the course and will write a memo directed to a specific audience (a policymaker, an international organization, or a nongovernmental organization). The memorandum will diagnose a particular problem in the global political economy and/or recommend alternative policy solutions.

You are permitted to work with one other class member on the policy memorandum. If you do, expectations in terms of length of memorandum and depth of research will increase accordingly. All topics must be approved by the instructor. Topics and format (sole author or team) are due no later than **Thursday, March 25**. Memos will be due by 5 PM on **Monday, April 26**.

4) Class presentation. Students will present the preliminary findings of their policy memorandums in class sessions on **April 19 or April 22**.

Success in the course will also depend on completing all of the assigned readings and keeping up to date on contemporary issues in the international political economy. Many of these will be covered in the course, but additional (short) readings may be required as events dictate.

Please use the AU Library to access news sources such as the *Financial Times*, *New York Times*, and *Wall Street Journal*. Non-U.S. sources are also encouraged in all of your work, written and oral: *Vox EU*, *BBC*, and *The Economist* are only a few examples.

Office hours: Make use of office hours! If you have questions about any aspect of the course, please visit the instructor during office hours. If the posted times do not fit your schedule, alternative meeting times can be arranged.

Grading policy:

The course grade will be based on the grades received for the midterm examination (25% of the final grade), final policy memorandum (30% of final grade), class participation (25% of final grade), and final class presentations (20% of final grade).

Late assignments will be penalized one-half letter grade (e.g., from B to B-) for each day beyond the due date. If you have a conflict that will not permit you to meet a course deadline, please consult the instructor as soon as possible. Extensions will ordinarily be granted only for genuine documented emergencies, such as illness or bereavement.

Use of laptops (or iPads functioning as laptops) for taking notes (and only for taking notes) is permitted. Use of cellphones during class is strictly forbidden.

ACADEMIC INTEGRITY

Standards of academic conduct are set forth in the University's [Academic Integrity Code](#). By enrolling in this course, you have acknowledged your awareness of the Academic Integrity Code, and you are obliged to become familiar with your rights and responsibilities as defined by the Code. Violations of the Academic Integrity Code will not be treated lightly, and disciplinary actions will be taken should such violations occur. Please see me if you have any questions about the academic violations described in the Code in general or as they relate to particular requirements for this course.

STUDENT SUPPORT AT AU

All students may take advantage of the [Academic Support and Access Center](#) (ASAC), MGC 243, for individual academic skills counseling, workshops, Tutoring, peer tutor referrals, and Supplemental Instruction. Additional academic support resources available at AU include the Bender Library, the Department of Literature's Writing Center (located in the Library), the Math Lab in the Department of Mathematics & Statistics, and the Center for Language Exploration, Acquisition, & Research (CLEAR). A more complete list of campus-wide resources is available in the ASAC.

The [Writing Center](#) (x2291, Bender Library, 1st floor) provides writing consultants to assist students with writing projects. Students must call to set up a free appointment. See www.american.edu/cas/writing/index.cfm.

The [Counseling Center](#) (x3500, MGC 214) offers intake and urgent care services, counseling and consultations regarding personal concerns, self-help information, and connections to off-campus mental health resources.

[Center for Diversity & Inclusion](#) is dedicated to enhancing LGBTQ, Multicultural, First Generation, and Women's experiences on campus and to advance AU's commitment to respecting & valuing diversity by serving as a resource and liaison to students, staff, and faculty on issues of equity through education, outreach, and advocacy. It is located on the 2nd floor of Mary Graydon Center: 202-885-3651, email is cdi@american.edu.

ACCOMMODATION FOR RELIGIOUS OBSERVANCE

Students may receive accommodation in the course for the observance of a religious and/or cultural holiday. The student should notify the professor as soon as possible should such a need exist. More information about accommodations for religious and/or cultural holidays can be found at <https://www.american.edu/ocl/kay/request-for-religious-accommodation.cfm>.

EMERGENCY PREPAREDNESS FOR DISRUPTION OF CLASSES

In the event of an emergency, American University will implement a plan for meeting the needs of all members of the university community. Should the university be required to close for a period of time, we are committed to ensuring that all aspects of our educational programs will be delivered to our students. These may include altering and extending the duration of the traditional term schedule to complete essential instruction in the traditional format and/or use of distance instructional methods. Specific strategies will vary from class to class, depending on the format of the course and the timing of the emergency. Faculty will communicate class-specific information to students via AU e-mail and Blackboard, while students must inform their faculty immediately of any absence. Students are responsible for checking their AU e-mail regularly and keeping themselves informed of emergencies.

In the event of an emergency, students should refer to the AU Student Portal, the [AU Web site](#) and the AU information line at (202) 885-1100 for general university-wide information, as well as contact their faculty and/or respective dean's office for course and school/ college-specific information

COURSE SCHEDULE AND READINGS:

I. International political economy in an era of globalization

i. January 21: Introduction: International political economy

John Ravenhill, "The Study of Global Political Economy" in John Ravenhill, *Global Political Economy*, pp. 3-25 (chapter 1).

Geoffrey Gertz, "[How to Deglobalize](#)," *Foreign Policy*, 24 July 2020.

OR

Thomas J. Bollyky and Chad P. Bown, "[The Tragedy of Vaccine Nationalism](#)," *Foreign Affairs* 99, no. 5 (September/October 2020), pp. 96–108.

ii. January 25: Theoretical approaches: explaining IPE outcomes

Michael Hiscox, "The Domestic Sources of Foreign Economic Policies," in Ravenhill, *Global Political Economy*, chapter 4, pp. 76-108

Case study: United States-Mexico-Canada Agreement (USMCA or "new" NAFTA) and its politics

Kenneth Nunnenkamp, Humberto Padilla Gonzalez, and Morgan Lewis, "[NAFTA to USMCA: A Brief Overview of Significant Changes](#)," *Global Trade*, 8 October 2020.

Heather Long, "[Winners and losers in the final USMCA deal](#)," *The Washington Post*, 10 December 2019.

Courtney Vinopal, "[These 4 changes helped Trump and Democrats agree to the USMCA trade deal](#)," PBS Newshour, 11 December 2019.

iii. January 28: Globalization: past and present

Marc Levinson, *Outside the Box: How Globalization Changed from Moving Stuff to Spreading Ideas*, pp. 128-140 (chapter 12). [Available as e-book, AU Library]

McKinsey Global Institute, [Globalization in Transition: The Future of Trade and Value Chains](#), pp. 1-23.

Jared S. Hopkins, "[How Pfizer Delivered a Covid Vaccine in Record Time: Crazy Deadlines, a Pushy CEO](#)," *Wall Street Journal*, 11 December 2020.

II. Collective responses to globalization: trade

iv. February 1: The organization of world trade and the World Trade Organization (WTO)

Ann Copling and Silke Trommer, "The Evolution of the Global Trade Regime," in Ravenhill, ed., *Global Political Economy*, chapter 5, pp. 111-140.

Case study: Boeing versus Airbus at the WTO

Bryce Baschuk, "[Why the Boeing vs. Airbus Fight Is Coming to a Head](#)," *The Washington Post*, 6 January 2021.

Jim Brunsten, "[EU Hits US Goods with Tariffs in Airbus-Boeing Dispute](#)," *Financial Times*, 9 November 2020.

James Politi and Mehreen Khan, "[US increases tariffs on EU products over aircraft subsidies dispute](#)," *Financial Times*, 31 December 2020.

Chad Bown, "[Can We Save the WTO Appellate Body](#)," Peterson Institute for International Economics (PIIE), 3 December 2019.

Recommended podcast: Lindsay, James M. and Jennifer Hillman. 2019. "[The World Trade Organization](#)." The President's Inbox, Council on Foreign Relations. Accessed November 8, 2019.

v. February 4: Are trade agreements about trade?

Alasdair R. Young, "Not your parents' trade politics: the Transatlantic Trade and Investment Partnership negotiations," *Review of International Political Economy*, 23, 3 (2016): 345-378.

Choose one of the following case studies: trade, labor, and the environment

Christoph Scherrer, "Novel Labour-related Clauses in a Trade Agreement: From NAFTA to USMCA," *Global Labour Journal* 11, no. 3 (2020), pp. 292–306. [Skim pp. 292-298; concentrate on pp. 298-302]

OR

["Without environmental guarantees, EU-MERCOSUR trade deal faces uncertain future."](#) Buenos Aires Times, 23 November 2020.

Bard Harstad, "[Trade deals could combat Brazil's Amazon deforestation](#)," *Financial Times*, 22 August 2019

vi. February 8: The U.S. and China: trade war and possible resolution?

Paul Blustein, *Schism: China, America and the Fracturing of the Global Trading System*. (Centre for International Governance Innovation, 2019), Chapters 10 and 11 ("Might Unmakes Right" and "Make the WTO Great Again")

Edward Alden, "[No, Biden Will Not End Trade Wars](#)," *Foreign Policy*, 2 October 2020.

Recommended: "[The real winners \(and losers\) of the US-China trade dispute](#)," DW Explainer, 28 October 2020. [YouTube]

For reference:

Chad P. Bown, "[US-China Trade War Tariffs: An Up-to-Date Chart](#)," Washington DC: Peterson Institute for International Economics.

Office of the United States Trade Representative, [Economic and Trade Agreement between the Government of the United States of America and the Government of the People's Republic of China](#) (Phase One agreement)

Virgil Bisio, Charles Horne, Ann Listerud, Kaj Malden, Leyton Nelson, Nargiza Salidjanova, and Suzanna Stephens, "[The U.S.-China 'Phase One' Deal: A Background](#)," Issue Brief, U.S.-China Economic and Security Review Commission, 4 February 2020. [A handy backgrounder to complement the full text.]

III. Collective responses to globalization: The international monetary and financial order

vii. February 11: Evolution of the international monetary order

Eric Helleiner, "The Evolution of the International Monetary and Financial System," in Ravenhill, ed., *Global Political Economy*, chapter 8, pp. 199-223.

viii. February 15: Organizing the world's money

The International Monetary Fund Factsheets: "[The IMF at a Glance](#)," "[IMF Lending](#)," and "[IMF Surveillance](#)."

Cynthia Roberts, Leslie Elliott Armijo, and Saori N. Katada, *The BRICS and Collective Financial Statecraft* (New York: Oxford University Press, 2018), pp. 67-87. [E-book available at the AU Library]

Barry Eichengreen, Arnaud Mehl, and Livia Chitu, *How Global Currencies Work* (Princeton: Princeton University Press, 2018), chapter 11, pp. 181-193 [E-book available at the AU Library]

Aaron Klein, "[China's Digital Payments Revolution](#)," The Brookings Institution, April 2020. [Executive Summary; report optional]

ix. February 18: The IMF, central banks, and the management of financial crises

Louis W. Pauly, "The Political Economy of Global Financial Crises," in Ravenhill, ed., *Global Political Economy*, chapter 9, pp. 225-252.

x. February 22: The global financial crisis: 2008-2009

Adam Tooze, *Crashed: How a Decade of Financial Crises Changed the World*, pp. 143-219.

xi. February 25: Case study: The IMF, the pandemic, and developing economies

International Monetary Fund (IMF), "[COVID-19 Financial Assistance and Debt Service Relief](#)."

Jonathan Wheatley, "[Why the developing world needs a bigger pandemic response](#)," *Financial Times*, 19 November 2020.

Alexander Kentikelenis, Daniela Gabor, Isabel Ortiz, Thomas Stubbs, Martin McKee, and David Stuckler, "[Softening the Blow of the Pandemic: Will the International Monetary Fund and World Bank Make Things Worse?](#)", *The Lancet Global Health* 8, no. 6 (June 2020), pp. e758–59.

The Economist, "[Lungu's Largesse](#)," 2 May 2020.

Robin Wigglesworth, "[Zambia's debt crisis casts a long global shadow](#)," *Financial Times*, 16 November 2020.

xii. March 1: Cross-border investment and its regulation

Thomas Oatley, *International Political Economy* (5th edition), "The Politics of Multinational Corporations," chapter 9, pp. 180-201.

"[EU and China reach agreement in principle on investment](#)," European Union Press Release, 30 December 2020.

Jim Brunsten, Michael Peel, and Sam Fleming, "[What is in the EU-China investment treaty?](#)", *Financial Times*, 31 December 2020.

[Recommended: *American Factory* (available on Netflix)]

IV. Collective responses to globalization: aid, migration, and regional organizations

xiii. March 4: Foreign aid and multilateral development banks

Tamar Gutner, "World Bank Case Study: Environmental Behavior and Performance," in Tamar Gutner, *International Organizations in World Politics*, pp. 111-130.

Jonathan Hillman, "[China's Belt and Road Is Full of Holes](#)," CSIS Brief, 4 September 2018.

Steve Johnson, "[Should poor countries welcome Beijing's money?](#)", *Financial Times*, 12 December 2019.

xiv. March 8: Migration [Wellness Week]

Florence Jaumotte, Ksenia Koloskova, and Sweta Saxena, "[A Spoonful of Sugar](#)," *Finance and Development*, December 2016: 30-32.

Kirk Bansak, Jens Hainmueller, and Dominik Baumgartner. 2016. "How Economic, Humanitarian, and Religious Concerns Shape European Attitudes toward Asylum Seekers," *Science* 354 (6309): 217-222.

Recommended background: McKinsey Global Institute, *People on the Move: Global Migration's Impact and Opportunity* (December 2016), available [here](#) .

xv. March 11: Regional economic organization: the European Union [Wellness Week]

Enrico Spolaore, "The Political Economy of European Integration," in *Routledge Handbook of the Economics of European Integration*, edited by Harald Badinger and Volker Nitsch, (Abingdon, Oxon: Routledge, 2015), pp. 435–48. [E-book available in AU Library]
 Roger Cohen, "[Brexit's Silver Lining for Europe](#)," *New York Times*, 31 December 2020.
 Paolo Gentiloni, "The EU's Pandemic Response: Tackling COVID-19, Building the Future," *Intereconomics* 55: 342-343.

xvi. March 15: Responses to regional organization: Brexit, RCEP, and the AfCFTA

Choose one of the following cases:

a) Brexit: The UK and the EU

Matthew J. Goodwin and Oliver Heath, "The 2016 Referendum, Brexit and the Left Behind: An Aggregate-level Analysis of the Result," *The Political Quarterly*, 87, 3 (July-September 2016), pp. 323-332.
 Martin Wolf, "['Global Britain' is an illusion because distance has not died](#)," *Financial Times*, 16 May 2019.
 European Commission, "[EU-UK Relations: A new relationship, with big changes](#)." December 2020.

b) Asia and the Regional Comprehensive Economic Partnership (RCEP)

Peter Petri and Michael Plummer, "[RCEP: A new trade agreement that will shape global economics and politics](#)," The Brookings Institution, 16 November 2020.
 Kentaro Iwamoto, "[RCEP: China to gain as trade pact ripples across post-COVID world](#)," *Nikkei Asia*, 5 January 2021.
 Rajaram Panda, "[A Step Too Far: Why India Opted Out of RCEP](#)," *Global Asia*, 23 December 2019.

c) Nigeria and the African Continental Free Trade Area (AfCFTA)

Robyn Berger, Theunis Claassen, and Catherine Robson, "[African Free Trade Area - From Agreement to Implementation](#)," *How We Made It in Africa*, 2 July 2020.
["Nigeria stands to gain from better trade links with rest of Africa,"](#) *Financial Times*, 21 November 2019.
["Nigeria battles conflicting instincts on Africa free trade zone,"](#) *Financial Times*, 21 November 2019.

V. Wider effects of globalization: new issues and actors

xvii. March 18: Economics and security in the international political economy

Henry Farrell and Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security*, 44, 1 (Summer 2019): 42-79.

Adam Segal, "[The Right Way to Deal with Huawei](#)," *Foreign Affairs*, 11 July 2019.

For reference:

Martin Chorzempa, "[New CFIUS Regulations: More Powerful, Transparent, and Complex](#)" (Peterson Institute for International Economics, 10 October 2019).

_____, "[Complying with New Foreign Investment Rules Will Pose a Complex Challenge](#)," PIIE Charts, 17 October 2019.

Recommended: "[Debate: 'Should the United States Severely Restrict Huawei's Business?'](#)" (at the Center for Strategic and International Studies, 28 June 2019) or [video](#)

xviii. March 22: Economic statecraft and sanctions

Center for a New American Security. [America's Use of Coercive Economic Statecraft](#). December 2020.

Choose one of the following cases:

U.S. sanctions and Iran:

Congressional Research Service, "[Iran Sanctions](#)," updated 18 November 2020. **[Skim]**

"[Six charts that show how hard US sanctions have hit Iran](#)," BBC, 9 December 2019.

United States Institute of Peace, "[The 'Chilling Effect' of U.S. Sanctions on Iran](#)," *The Iran Primer*, 11 October 2020. (Interview with Richard Nephew)

Global Magnitsky sanctions:

"[Implementation of the Global Magnitsky Act: What Comes Next?](#)", Center for the Advancement of Public Integrity, Columbia Law School, 20 September 2018.

Shannon Tiezzi, "[US Enacts Magnitsky Sanctions on Chinese Officials for Xinjiang Abuses](#)," *The Diplomat*, 10 July 2020.

Paul Marquardt, Chase D. Kaniecki, and Samuel H. Chang, "[United States Enacts Additional Hong-Kong Relations Sanctions](#)," *Clearly International Trade and Sanctions Watch*, 14 July 2020.

xix. March 25: The dark side of globalization: countering illicit financial flows

[Global Governance to Combat Illicit Financial Flows: Measurement, Evaluation, Innovation](#).

Council on Foreign Relations, October 2018. [Contributions by Kahler, Forstater, Findley].

Cases: Danske Bank, FinCEN, and the failures of anti-money laundering. (Additional readings will be made available on Canvas.)

xx. March 29: Climate, the environment, and the international economy

Peter Dauvergne, "The Political Economy of the Environment," in Ravenhill, ed., *Global Political Economy*, Chapter 14, pp. 387-414.

Read one of the following:

Mark Carney, "[Fifty Shades of Green](#)" *Finance & Development*, December 2019 (56, 4), pp. 12-15.

Tom Freke, "[Here's How 'Green Finance' Aims to Save the Planet,](#)" *Bloomberg*, 18 October 2019.

Sam Fleming and Chris Giles, "[EU risks trade fight over carbon border tax plans,](#)" *Financial Times*, 16 October 2019

xxi. April 1: Rising powers and the international political economy

Matthew D. Stephen, "Contestation Overshoot: Rising Powers, NGOs, and the Failure of the WTO Doha Round," in Matthew D. Stephen and Michael Zürn, eds., *Contested World Orders*, pp 39-81. [E-book available in the AU Library]

BRICS, "[XII BRICS Summit Moscow Declaration,](#)" 17 November 2020. **[Skim]**

Eleanor Albert, "[Is BRICS Losing Its Shine for China?,](#)" *The Diplomat*, 15 November 2019.

xxii. April 5: NGOs, MNCs, and international economic governance

Frederick Mayer and Gary Gereffi, "Regulation and Economic Globalization: Prospects and Limits of Private Governance," *Business and Politics*, 12, 3 (2010).

Read one of the following cases:

The Kimberley Process: Nigel Davidson, *The Lion that Didn't Roar: Can the Kimberley Process Stop the Blood Diamonds Trade?*, (Acton, Australia: Australian National University Press, 2016), chap. 3 (pp. 73–125; SKIM pp. 82-106)

Multistakeholder governance of labor rights: Anna Salmivaara, "New Governance of Labour Rights: The Perspective of Cambodian Garment Workers' Struggles," *Globalizations* 15, no. 3 (2018), pp. 329–46; SKIM pp. 329-333.

xxiii. April 8: The global economy and inequality: who benefits from globalization?

Robert Hunter Wade, "Global Growth, Inequality, and Poverty: The Globalization Argument and the 'Political' Science of Economics," in Ravenhill, ed., *Global Political Economy*, Chapter 12, pp. 319-355 **OR**

Branko Milanovic, *Global Inequality* (Cambridge MA: Harvard University Press, 2016), chapter 1, pp. 10-45.

xxiv. April 12: The global economy, the nation-state, and democracy

Colin Hay, "Globalization's Impact on States," in Ravenhill, ed., *Global Political Economy*, Chapter 11, pp. 287-315

OR

Dani Rodrik, *The Globalization Paradox*, chapters 9 and 11, pp. 184-206, 233-250.

xxv. April 15: The corona virus pandemic and the global economy

Read one of the following:

["The year when everything changed,"](#) *The Economist*, 19 December 2020.

Mike Cherney, ["Firms Want to Adjust Supply Chains Post-Pandemic, but Changes Take Time,"](#) *Wall Street Journal*, 27 December 2020.

Paul Hannon and Amara Omeokwe, ["Manufacturers Overcame Covid-19 Setbacks to End 2020 on High Note,"](#) *Wall Street Journal*, 4 January 2021.

Valentina Romei, ["How the pandemic is worsening inequality,"](#) *Financial Times*, 31 December 2020.

xxvi. April 19: Student presentations

xxvii. April 22: Student presentations

xxviii. April 26: The future of the global economy

Read one of the following:

Miles Kahler, "Global Governance: Three Futures," *International Studies Review* (2018), 1-8.

Marc Levinson, *Outside the Box: How Globalization Changed from Moving Stuff to Spreading Ideas*, pp. 218-230 (chapter 20). [E-book available at AU Library]

Martin Sandbu, "Brave New World," *Finance & Development*, December 2020, pp. 5-9.

Martin Wolf, ["Ten ways coronavirus crisis will shape world in long term,"](#) *Financial Times*, 2 November 2020.