
PSC 2240-001

Fall 2021

International Political Economy

M/W 13:30–14:45

<https://elearning.villanova.edu/>

Room: Falvey Hall VR3

Instructor: Prof. Ryan Weldzius

Office hours: M/W 12-13:00 (via Zoom; [sign-up here](#))

Office hours Zoom link: [click here](#)

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COURSE DESCRIPTION:

Economics is the study of the production, distribution, and consumption of scarce resources. *Political economy* considers the role that the state plays in such production, distribution, and consumption. *International political economy* considers the flows of such production, distribution, and consumption across national borders, recognizing that not just national governments play a role, but foreign governments and international institutions must also be taken into account.

In this course, you will be exposed to theoretical models of IPE in order to analyze current and historical moments in international politics. Questions we seek to answer in this course include: Why, in some periods, do most countries practice free trade (the half-century before World War I and the almost quarter-century since the collapse of the Soviet Union), but at other times wall off international markets (the 1930s, the Soviet bloc, many middle-income countries after World War II, and, to a certain extent, the U.S. today)? How and when do the leading countries of the world agree on the “rules of the road” of international trade and finance (today’s IMF and WTO), and what happens when they fail to agree? Why was international migration almost totally unrestricted between 1850 and 1914 but beginning in the 1920s strongly restricted (the U.S. and Europe tightened immigration, the Soviet bloc forbade emigration) and remains a salient issue in contemporary politics? Why do some countries choose to give up independent monetary authority and fix their exchange rates (gold standard, dollar pegs, the Euro area) while others choose to allow for a freely floating exchange rate (most countries today)? What causes the occasional catastrophic collapse of the international economy (the crashes of 1929-31 and 2007-09, and the recent fallout from COVID-19)? And what does this all mean for your generation as you enter the global economy post Villanova?

As we will see, causation runs both ways: the international economy affects, and is affected by, domestic and international politics. In the most extreme example, the collapse of the world economy in the 1930s led almost inevitably to World War II. But we will also see that

U.S. populism (late 19th century and today), Latin American protectionism (1970s-2000s), and European social democracy (1930s-today) and populism (today), make a lot more sense in the context of the international economic changes of their time. We will also see that the international economy and domestic politics are often profoundly affected by technology—by revolutions in transportation and communication, be they railroads, steamships, cargo containers, cheap air travel, or telegraph, telephone, and the internet.

The course is designed not just to understand these historical and contemporary challenges to international political economy, but also to stimulate your curiosity to pursue new research questions. An important goal of the course is to equip you with the analytical tools required to pursue such research.

LEARNING METHODOLOGY:

To understand any of this, we will need a rudimentary grasp of international economics, which will be given primarily in the course lectures. There is no requirement for prior knowledge of economics, thus we will work through the ideas and theories at a slow pace. If you ever feel like I am moving too quickly, please let me know as there is a 99% chance that you are not alone. You can post questions in the Discussion Board on the course Blackboard page.

The main text of the course, Thomas Oatley's *International Political Economy* (6th Edition), will provide you with the analytical tools for evaluating a host of substantive questions in IPE. Doing the readings prior to class is required, which will help you follow along and participate in the class sessions. If you miss lecture, please ask a classmate for notes.

Our class sessions will combine a mix of lecture and discussion, with occasional puzzles for you to grapple with as a group. Class slides will be made available **after** each session (please do not ask for advanced access). The reason to provide the slides only after class is to keep you all engaged in an active learning mode. It is important for you not to be able to see the answers to puzzles until we have struggled through them as a group.

You will be tested on your understanding of the course material through a combination of in-class exams and take-home writing assignments. The two exams (midterm and final) will count equally towards your final grade (30% each) and will cover the first and second halves of the course, respectively. If you miss the midterm for an excused reason, makeup exams will occur on the day of the final exam (you will take both concurrently). The other assignments will allow you to apply the material to current events, consisting of three short-analyses (max. 3-pages; each worth 10% of final grade) on three different topics (trade, immigration, and monetary policy). Your active participation in class discussions and activities will count for the final 10%.

READINGS:

The course readings will be drawn primarily from a single book—which is the most comprehensive in the field—but also a few academic articles, which I made available on the course webpage. While normally a textbook should not change drastically between editions, the study of IPE has grown exponentially in the last decade, with this newest edition reflecting those updates. Thus, please purchase (or rent) the most recent edition (**6th Edition**), which we will read in full. The book will be available in the bookstore, or you may purchase it online, or see the online version of the book through Falvey Library [here](#).

Oatley, Thomas. 2019. *International Political Economy* (6th Edition). New York: Routledge.

I would also urge you to look fairly regularly at a national or international newspaper. The best for this class would be the *Financial Times* of London, which along with the *Wall Street Journal*, *New York Times*, and *Washington Post* offers the best day-to-day coverage of international political/economic events and their domestic/international repercussions. These are required reading for policymakers, who also use Op-Eds and interviews in those publications for trial balloons or major policy pronouncements. I'll refer frequently to current news in lectures, so it is highly advisable to be up to date with at least one of these newspapers. Falvey Library has online subscriptions to each (follow links below) and the School of Business has free copies of the WSJ every morning (see stand next to the cafe); take advantage of this free access!

Financial Times access: [here](#)

Wall Street Journal access: [here](#)

New York Times access: [here](#)

Council on Foreign Relations daily news brief, sent to your inbox: [here](#)

IMPORTANT DATES:

06-Sep-21: No class, Labor Day

29-Sep-21: No class, APSA conference

01-Oct-21: News brief #1 due by 5pm

04-Oct-21: Guest speaker

06-Oct-21: Midterm exam

11-Oct-21: Fall break, no class

13-Oct-21: Fall break, no class

22-Oct-21: News brief #2 due by 5pm

01-Nov-21: No class

19-Nov-21: News brief #3 due by 5pm

24-Nov-21: No class, Thanksgiving

17-Dec-21: Final exam, 2:30-5:00pm

REQUIREMENTS:

- **Class attendance/participation** (10%): I expect you all to engage the material prior to coming to class and actively participate in class discussions. I recommend that you think of questions and write them in the margins of your book while reading.
- **News Briefs (×3)** (10% each): Write three, three-page research papers that explain a theory or result from your readings on a particular subject (trade/MNCs, immigration, or monetary policy) using a current event from one of the newspaper sources listed above. Include link or citation to the news story. Upload all papers on course Blackboard page.
- **Mid-term examination** (30%): This will consist of multiple choice, short answer, and essay questions covering material from the first half of class. You can best prepare by reviewing your class notes, studying all bold-faced terms in the book, and being sure you understand the main argument of the assigned articles.
- **Final examination** (30%): This will be similar in format and length to the mid-term except will only cover material from the second half of class. If you miss the mid-term for an excused reason, you will take the makeup exam on the day of your final exam.

GRADE DISTRIBUTION:

Grade Scale: 98-100, A+; 92-97, A; 90-91, A-; 88-89, B+; 82-87, B; 80-81, B-; . . . 0-60, F.

Grade Appeals. If you believe you received an incorrect grade on the midterm or final, you may formally appeal it to me. The appeal will consist of a one-page typed explanation that identifies the problem and presents a reasoned argument for the proposed change.

OFFICE HOURS:

I am available for office hours on Mondays and Wednesdays between 12:00-13:00 via Zoom. Please sign-up for a 15-minute time slot via the course Blackboard page. If you cannot make these times, please write to me in advance and we'll find a time that is suitable for us both.

COVID-19 ADDENDUM:

Please continue to follow all university and CDC guidelines.

LEARNING SUPPORT, ACADEMIC INTEGRITY, AND ABSENCES:

Office of Disabilities (ODS) and Learning Support Services (LSS): It is the policy of Villanova to make reasonable academic accommodations for qualified individuals with disabilities. Go to the Learning Support Services website (<http://learningsupportservices.villanova.edu>) for registration guidelines and instructions. For physical access or temporarily disabling conditions, please contact the Office of Disability Services at (610) 519-4095 or email stephen.mcwilliams@villanova.edu. Registration is needed in order to receive accommodations.

Academic Integrity: All students are expected to uphold Villanova's Academic Integrity Policy and Code. Any incident of academic dishonesty will be reported to the Dean of the College of Liberal Arts and Sciences for disciplinary action. For the College's statement on Academic Integrity, you should consult the [Student Guide to Policies and Procedures](#). You may view the University's Academic Integrity Policy and Code, as well as other useful information related to writing papers, at the [Academic Integrity Gateway](#) web site.

Absences for Religious Holidays: Villanova University makes every reasonable effort to allow members of the community to observe their religious holidays, consistent with the University's obligations, responsibilities, and policies. Students who expect to miss a class or assignment due to the observance of a religious holiday should discuss the matter with their professors as soon as possible, normally at least two weeks in advance. Absence from classes or examinations for religious reasons does not relieve students from responsibility for any part of the course work required during the absence. See the [Provost's policies on religious holidays](#).

SCHEDULE: The weekly schedule is subject to change.

WEEK 1 - Introduction to International Political Economy

Class 1: (23-Aug-21) Introduction

Read: Oatley - Preface (four pages on the structure of the book)

Read: the syllabus (see why, [here](#))

Due: [online survey](#) about your academic background by Sunday (22-Aug-21)

Class 2: (25-Aug-21) What is International Political Economy?

Read: Oatley - Preface; Chapter 1.

WEEK 2 - Trade Institutions

Class 3: (30-Aug-21) The WTO and the World Trade System

Read: Oatley - Chapter 2.

Class 4: (01-Sept-21) The Political Economy of International Trade Cooperation

Read: Oatley - Chapter 3.

WEEK 3 - Trade Preferences & Politics: Theory

Class 5: (06-Sept-21) Labor Day (university holiday) - No class meeting

Class 6: (08-Sept-21) A Society-Centered Approach to Trade Politics

Read: Oatley - Chapter 4.

WEEK 4 - Trade Preferences & Politics: History, Race, and Gender

Class 7: (13-Sept-21) History and Trade Politics

Read: Rogowski, Ronald. 1987. Political cleavages and changing exposure to trade. *American Political Science Review* 81(4): 1121-1137.

Class 8: (15-Sept-21) Race, Gender, and Trade Politics

Read: Guisinger, Alexandra. 2017. *American opinion on trade: Preferences without politics*. Oxford University Press: Chapter 6, “Racial Diversity and White Americans’ Support for Trade Protection.”)

Read: Brutger, Ryan and Alexandra Guisinger. 2021. Labor Market Volatility, Gender, and Trade Preferences. *Journal of Experimental Political Science*: 1-14.

Suggested further reading:

Gaikwad, Nikhar, and Pavithra Suryanarayan. 2018. Attitudes Toward Globalization in Ranked Ethnic Societies.

Guisinger, Alexandra. 2016. Information, gender, and differences in individual preferences for trade. *Journal of Women, Politics & Policy* 37(4): 538-561.

Mutz, Diana, Edward Mansfield, and Eunji Kim. 2017. Effects of Race on Attitudes toward International Trade: Economics or Symbolic Politics?

Smith, Roger M. and Desmond King. 2020. “White Protectionism in America.” *Perspectives on Politics*, pp.1-19.

WEEK 5 - States and Trade Politics

Class 9: (20-Sept-21) A State-Centered Approach to Trade Politics

Read: Oatley - Chapter 5.

Read: [CFR Backgrounder: Industrial Policy-making Comeback?](#) (for the interested student, check out the recommended resources at the end of the article; the video lecture by Ha-Joon Chang is fantastic)

Suggested further reading:

- Former USTR Robert E. Lighthizer on Trump administration’s trade policy in [Foreign Affairs](#).
- Stiglitz, Joseph E., Justin Yifu Lin, and Célestin Monga. 2013. The Rejuvenation of Industrial Policy. *World Bank: Policy Research Working Paper* 6628.
- Rodrik, Dani. 2014. Green Industrial Policy. *Oxford Review of Economic Policy* 30(3): 469–491.

Class 10: (22-Sept-21) Trade and Economic Development

Read: Oatley - Chapters 6-7.

WEEK 6 - Multinational Corporations

Class 11: (27-Sept-21) Multinational Corporations

Read: Oatley - Chapter 8-9.

Class 12: (29-Sept-21) No Class

Read: Kim, In Song and Iain Osgood. 2019. Firms in trade and trade politics. *Annual Review of Political Science*, 22: 399-417.

Due by Friday (01-Oct) at 5pm: News brief #1

Write a 3-page news brief that analyzes a current news story about a multinational corporation (from one of the newspapers listed on p. 3) using one of the theories in the Kim and Osgood article. Include link or citation to the news story and be specific to how this story fits with a theory or result from the Kim and Osgood review piece.

WEEK 7 - Trade Talk and Midterm

Class 13: (04-Oct-21) Guest speaker

A conversation with **Amanda C. Blunt**, Trade Counsel at General Motors, Inc. former Associate General Counsel of the US Trade Representative in the Executive Office of the President (under Obama, Trump, Biden), and graduate of Georgetown Law School.

Class 14: (06-Oct-21) Midterm (35% of final grade)

Multiple-choice, short-answer, and essay questions

WEEK 8 - Fall Break

No class meeting (11-Oct-21)

No class meeting (13-Oct-21)

WEEK 9 - Immigration

Class 15: (18-Oct-21) Immigration and the International Political Economy

Read: Mosley, Layna and David A. Singer. 2015. Migration, Labor, and the International Political Economy. *Annual Review of Political Science* 18: 283-301.

Class 16: (20-Oct-21) Attitudes toward Immigration

Read: Hainmueller, Jens and Daniel J. Hopkins. 2014. Public Attitudes Toward Immigration. *Annual Review of Political Science* 17: 225-249.

Due by Friday (22-Oct) at 5pm: News brief #2

Write a 3-page news brief that analyzes a current news story about immigration (from one of the newspapers listed on p. 3) using one of the theories or results from one of two articles for this week. Include link or citation to the news story and be specific to how this story fits with a theory or result from the articles.

WEEK 10 - International Monetary System

Class 17: (25-Oct-21) The International Monetary System

Read: Oatley - Chapter 10.

Class 18: (27-Oct-21) Cooperation, Conflict, and Crisis in the Contemporary International Monetary System

Read: Oatley - Chapter 11.

WEEK 11 - U.S. Federal Reserve

Class 19: (01-Nov-21) No class meeting

Watch (at home): [The Power of the Fed. 2021. PBS Frontline.](#)

Class 20: (03-Nov-21) Origins of the Fed

Read: Broz, J. Lawrence. 1999. Origins of the Federal Reserve System: International incentives and the domestic free-rider problem. *International Organization* 53(1): 39-70.

WEEK 12 - Society-Centered Approach to Monetary Politics

Class 21: (08-Nov-21) A Society-Centered Approach to Monetary and XR Policies

Read: Oatley - Chapter 12.

Class 22: (10-Nov-21) The Society-Centered Model and Global Supply Chains

Read: Weldzius, Ryan. 2021. The End of Currency Manipulation? Global Production Networks and Exchange Rate Outcomes. *Economics & Politics*.

WEEK 13 - State-Centered Approach to Monetary Politics

Class 23: (15-Nov-21) A State-Centered Approach to Monetary and XR Policies

Read: Oatley - Chapter 13.

Class 24: (17-Nov-21) Monetary Convergence or Divergence?

Read: Bearce, David. 2009. *Monetary Divergence: Domestic Policy Autonomy in the Post-Bretton Woods Era*. University of Michigan Press: Ch. 2-3.

Due by Friday (19-Nov) at 5pm: News brief #3

Write a 3-page news brief that analyzes a current news story about monetary policy or exchange rates (from one of the newspapers listed on p. 3) using one of the theories or results from any of the articles/chapters from Weeks 10-13. Include link or citation to the news story and be specific to how this story fits with a theory or result from the readings.

WEEK 14 - International Finance

Class 25: (22-Nov-21) The Latin American Debt Crisis

Read: Oatley - Chapter 14.

Class 26: (24-Nov-21) Thanksgiving Break - No class

WEEK 15 - Global Financial Crisis and Inequality

Class 27: (29-Nov-21) Global Capital Flow Cycle and Inequality

Read: Oatley - Chapter 15.

Read: Alvaredo, Facundo, Lucas Chancel, Thomas Piketty, Emmanuel Saez, and Gabriel Zucman. 2018. The elephant curve of global inequality and growth. In *AEA Papers and Proceedings* 108: 103-08.

Class 28: (01-Dec-21) Post-Crisis Political Outcomes

Read: Weldzius, Ryan, James H. Bisbee, and James Raymond Vreeland. 2021. Political Cleavages and Exposure to the Global Financial Crisis. *Working Paper*.

WEEK 16 - Globalization Backlash and Review

Class 29: (06-Dec-21) Backlash to Globalization

Read: Walter, Stefanie. 2020. "The Backlash Against Globalization." *Review article prepared for the Annual Review of Political Science 2021*.

Class 30: (08-Dec-21) Course summary and review for final exam

Read: Your notes. Come with questions about the final exam (exam will cover second half of course only)

FINALS WEEK

Final Exam (17-Dec-21) 2:30-5:00PM