

## INTERNATIONAL POLITICAL ECONOMY

Political Science 3389, Spring 2022

TuTh 3:30–4:50pm, Dallas Hall 115

Web page: <http://canvas.smu.edu>

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Office hours: TuTh 1:00–2:30pm

### Course Description and Objectives

“The science of economics presupposes a given political order and cannot profitably be studied in isolation from politics.” (E.H. Carr, *The Twenty Years' Crisis*)

This course offers a general introduction to theories and issues in international political economy. In particular, it examines the political and economic conditions conducive to the development of cooperative behavior and bargaining among industrialized states as well as between rich and poor countries. Upon successful completion of this course, students will be able to:

- (1) critically evaluate international politics and economics by seeing more clearly the relationship between the two;
- (2) develop analytical skills in writing, speaking, and problem solving;
- (3) understand the history and evolution of the international political economy;
- (4) develop research skills; and
- (5) prepare for careers that have an international dimension, whether in the private or public sectors, or post-graduate study in related fields.

### Course Requirements

1. Attendance and participation (including memo assignments) (20% of a student's course grade): Attendance at lecture and participation in discussion are mandatory. The readings vary in length and difficulty but average about 150 pages per week. You are expected to attend all the lectures in-person and do the required readings. Come to class **prepared and ready to participate** in discussing the material assigned in the readings. Most importantly, *students are required to turn in a **memo on Canvas** to the instructor by 11:59pm of the due date.*

An unexcused absence will adversely affect your course grade, as will being present but unprepared to participate, participating without being prepared, or not following the incumbent masking rules. Your attendance will be counted as long as you let me know your absence (preferably in advance, but if not then as soon as possible). In short, you must communicate with me as soon as possible when you have to be absent from class.

*After four unexcused absences, I may give an FA (F for attendance) to your course grade. An excused absence is almost exclusively restricted to religious reasons, certain university*

activities, documented medical conditions, or documented family emergencies. Absences for religious reasons or for university extracurricular activities require communication with me at the **beginning** of the semester. It is **your** responsibility to make arrangements with me **prior** to any missed scheduled examination or other missed assignment for making up the work.

Ultimately your attendance and participation grade turns on **my** impression of how seriously you take this course. It is **your** responsibility to take this course seriously and let me know that. How? Attend class; be prepared for class—complete the reading assignments for understanding, be ready to ask and answer questions, take an informed role in discussions, and most importantly, write a good memo; **arrive early** to class; remain for the entire class; *be attentive in class without distracting me or your classmates with smart phones, text messages, side conversations, bathroom trips, coming-and-going, and so forth*; complete assignments when due; and demonstrate your understanding on the essays and other assignments. Laptops, cell phones, iPhones, and any other *electronic devices may not be used in class*—**not even for note-taking**.

**Masks Recommended:** While masks are not required in this course, individuals should use their own discretion if they prefer to wear masks. The instructor and students will show respect for individual decisions and responses to the health concerns of the pandemic for those who choose to continue wearing masks. Your vaccine status is private information and will neither be requested nor made public.

2. **Two Take-home midterms** (15% each): The exam is open book and open notes and will require 7 pages or longer (typed, double-spaced, 12-point font) of writing. Essays will be evaluated on the basis of: demonstrated mastery of the assigned readings; skill in exposing nuances of similarity and difference in various defensible positions; cogency, clarity, precision and organization of presentation; and relevance of evidence marshaled to *support your argument(s)*. Papers shorter than the indicated length will receive deduction of your grade unless you receive my consent prior to submission. Same if your paper is single-spaced, you use abnormally small or large margins or fonts (12-point), or your paper is not typed. No extensions will be granted except in the case of a serious illness or a death in the family. **Please plan to finish the assignment prior to the due date, and leave adequate time to work out any computer or Internet problems that may arise.**
3. **Research paper** (35%): Each student will be required to write a 12–15-page research paper (typed, double-spaced, and 12-point font) on a controversial issue in international political economy. Topics and readings for the paper should be developed in close consultation with the course instructor. *Each paper must be re-written, taking into account criticism of your first draft.* Each student is *required to meet the following due dates*:

Paper topic / question	Jan. 28
Progress report	Feb. 25
First draft	Apr. 8
Final draft	Apr. 29

Each research paper will be evaluated based on the final draft. However, *the paper will not be graded and given an F if you have not turned in the first draft or some of the previous assignments*. Moreover, if you turn in the first draft late, your research paper grade will be marked down with 20%. *A paper written without close consultation with the instructor will not be graded and given an F*. If you receive an F for the research paper, you will also receive an F for your course grade. **Late papers will not be accepted.** More detailed information on this assignment will be posted on the course web site.

4. **Take-home final** (15%): The take-home final will be made available on April 28 and due May 6 at 11:59pm on Canvas. It will cover material from the entire semester but mainly from Part III. The exam is open book and open notes and will require 7 pages or longer (typed, double-spaced, 12-point font) of writing. **Late assignments will not be accepted.** Incompletes will be granted only in circumstances beyond your control: e.g., illness or family emergencies.

### **Disability Accommodations**

Students needing academic accommodations for a disability must first register with Disability Accommodations & Success Strategies (DASS). Students can call 214-768-1470 or visit [www.smu.edu/Provost/SASP/DASS](http://www.smu.edu/Provost/SASP/DASS) to begin the process. Once approved and registered, students will submit a DASS Accommodation Letter to faculty through the electronic portal *DASS Link* and then communicate directly with each instructor to make appropriate arrangements. Please note that accommodations are not retroactive and require advance notice to implement.

### **Religious Observance**

Religiously observant students wishing to be absent on holidays that require missing class should notify their professors in writing at the beginning of the semester, and should discuss with them, in advance, acceptable ways of making up any work missed because of the absence. (<https://www.smu.edu/StudentAffairs/ChaplainandReligious-Life/ReligiousHolidays>).

### **Excused Absences for University Extracurricular Activities**

Students participating in an officially sanctioned, scheduled University extracurricular activity should be given the opportunity to make up class assignments or other graded assignments missed as a result of your participation. It is the responsibility of the student to make arrangements with the instructor prior to any missed scheduled examination or other missed assignment for making up the work. (See [2020–2021 SMU Undergraduate Catalog](#) under “Enrollment and Academic Records/Excused Absences.”)

### **Student Academic Success Programs (SASP)**

Students needing assistance with writing assignments for SMU courses may schedule an appointment with the Writing Center through Canvas. Students wishing support with subject-specific tutoring or success strategies should contact SASP, Loyd All Sports Center, Suite 202; 214-768-3648; <https://www.smu.edu/sasp>.

### **Books and Readings**

The following books are available for purchase at the bookstore. Readings marked with an

asterisk (\*) are available electronically on the course webpage at the Canvas (<http://canvas.smu.edu>). There may be changes in the readings and assignments below. This course requires use of Canvas.

Edward Alden, *Failure to Adjust: How Americans Got Left Behind in the Global Economy* (Lanham, MD: Roman & Littlefield, 2017).

Richard Baldwin, *The Great Convergence: Information Technology and the New Globalization* (Cambridge, MA: The Belknap Press of Harvard University Press, 2016).

Douglas A. Irwin, *Free Trade Under Fire*, fifth edition (Princeton, NJ: Princeton University Press, 2020).

Michael L. Ross, *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations* (Princeton, NJ: Princeton University Press, 2012).

### **Schedule and Reading Assignments**

Readings provide background on topics covered in class lectures and discussions, so read the assignment **before** the class for which they are assigned. Because the course will make frequent reference to current events, you should make a habit of *reading a respectable newspaper on a regular basis* and pay attention to the events of international political economy.

#### **1. Introduction (Jan. 18)**

#### **2. International Political Economy of the Pandemic (Jan. 20)**

\* Yves Tiberghien, *The East Asian COVID-19 Paradox* (New York: Cambridge University Press, 2021): entire (85 pages).

\* Uri Friedman, “Why America Resists Learning from Other Countries,” *Atlantic*, May 14, 2020. (<https://www.theatlantic.com/politics/archive/2020/05/coronavirus-could-end-american-exceptionalism/611605/>)

\* Robin Harding, “Asia Is the Global Inflation Exception,” *Financial Times*, November 25, 2021. (<https://on.ft.com/3xnd2wJ>)

Recommended video:

SMU Tower Center Sun & Star Webinar: “The East Asian COVID-19 Paradox” (with Yves Tiberghien), October 7, 2021. (<https://blog.smu.edu/towercenter/2021/10/21/sun-star-webinar-the-east-asian-covid-19-paradox/>)

## **I. Theoretical Foundations of Trade and Peace in the International Political Economy**

### **3. Comparative Advantage and Trade Politics (Jan. 25)**

Irwin, introduction & chapters 1–2 (pp. 1–83)

### **4. Realism: Hegemonic Stability Theory (Jan. 27)**

\* Stephen D. Krasner, “State Power and the Structure of International Trade,” *World Politics* 28(3) (April 1976): pp. 317–343.

\* Cheryl Schonhardt-Bailey, “Lessons in Lobbying for Free Trade in 19<sup>th</sup> Century Britain: To Concentrate or Not,” *American Political Science Review* 85(1) (March 1991): pp. 37–58.

## **RESEARCH PAPER TOPIC AND QUESTION DUE JAN. 28, 11:59PM ON CANVAS**

### **5. Domestic Politics of Foreign Economic Policy (1): Ricardo-Viner Model (Feb. 1)**

Irwin, chapter 3 (84–118)

\* Helen Milner, “Trading Places: Industries for Free Trade,” *World Politics* 40(3) (April 1988): pp. 350–376.

\* Michael Bailey, Judith Goldstein, and Barry R. Weingast, “The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade,” *World Politics* 49(3) (April 1997): pp. 309–338.

### **6. Domestic Politics of Foreign Economic Policy (2): Stolper-Samuelson Theorem (Feb. 3)**

Irwin, chapter 4 (119–173)

\* Ronald Rogowski, “Political Cleavages and Changing Exposure to Trade,” *American Political Science Review* 81(4) (December 1987): pp. 1121–1137.

\* Christina L. Davis, “International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization,” *American Political Science Review* 98(1) (February 2004): pp. 153–169.

### ***Memo Assignment 1 due Feb. 4, 11:59pm on Canvas.***

In preparation for writing the first memo assignment, you are required to watch the documentary film, “**Commanding Heights, The Battle for the World Economy: Episode 1, The Battle of Ideas**” (available at the Hamon Arts Library Center AV Collection: call number IDD00890; also available at the You Tube, <https://www.youtube.com/watch?v=gfRTpoYpHfw>).

## **7. Commercial Liberalism (1): Positive Theory (Feb. 8)**

\* Patrick J. McDonald, *The Invisible Hand of Peace: Capitalism, The War Machine, and International Relations Theory* (New York: Cambridge University Press, 2009): pp. 1–76.

\* Hiroki Takeuchi, “Trade as a Pathway to Peace,” *The Catalyst*, Fall 2020.  
(<https://www.bushcenter.org/catalyst/china/takeuchi-trade-and-peace-china.html>)

## **8. Commercial Liberalism (2): Normative Theory (Feb. 10)**

**[Guest Speaker: Prof. Gianna Englert]**

\* Albert O. Hirschman, *The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph* (Princeton, NJ: Princeton University Press, 1977): pp. 7–66.

## **9. NO CLASS (Feb. 15)**

## **10. Review (Feb. 17)**

**THE FIRST TAKE-HOME MIDTERM DUE FEB. 18, 11:59PM ON CANVAS**

### **II. Global Value Chains and the New Globalization**

## **11. Old Globalization vs. New Globalization (Feb. 22)**

Baldwin, chapters 2–3 (pp. 47–110)

## **12. What’s New in the New Globalization (Feb. 24)**

Baldwin, chapters 4–5 (pp. 113–176)

**RESEARCH PAPER PROGRESS REPORT DUE FEB. 25, 11:59PM ON CANVAS**

## **13. Policy Implications of the New Globalization (1): Developed Countries (Mar. 1)**

Baldwin, chapter 8 (pp. 225–241)

Irwin, chapter 5 (pp. 174–208)

## **14. Policy Implications of the New Globalization (2): Developing Countries (Mar. 3)**

Baldwin, chapters 9–10 (pp. 242–301)

Irwin, chapter 6 (pp. 209–256)

## **15. From the World Trade Organization to Regional Trade Agreements (Mar. 8)**

Irwin, chapter 7 & conclusion (pp. 257–322)

\* Hiroki Takeuchi, “Is the Liberal International Order Dead? Global Value Chains and the CPTPP.”

## **16. NO CLASS (Mar. 10)**

*Memo Assignment 2 due Mar. 11, 11:59pm on Canvas.*

In preparation for writing the second memo assignment, you are required to watch the documentary film, “**Commanding Heights, The Battle for the World Economy: Episode 3, New Rules of the Game**” (available at the Hamon Arts Library Center AV Collection: call number IDD00890; also available at the You Tube, <https://www.youtube.com/watch?v=SgFrBedellIA>).

## **17. Political Economy of Money and Finance (Mar. 22)**

\* Joshua Aizenman, “The Impossible Trinity (aka the Policy Trilemma),” UC Santa Cruz Working Paper Series (May 2010). (<https://escholarship.org/uc/item/9k29n6qn>)

\* Jeffrey A. Frieden, “Globalization and Exchange Rate Policy,” in Ernesto Zedillo, ed., *The Future of Globalization: Explorations in Light of Recent Turbulence* (New York: Routledge, 2008): pp. 344–357.

\* Jeffrey A. Frieden, “The Governance of International Finance,” *Annual Review of Political Science* 19 (2016): pp. 33–48.

Recommended Film: “**Margin Call**” (available at the Hamon Arts Library Center AV Collection: call number IDD07014).

## **18. Political Economy of Migration (Mar. 24)**

**[Guest Speaker: Prof. James Hollifield, SMU]**

\* Phillip L. Martin, “Economic Aspects of Migration,” in Caroline B. Brettell and James F. Hollifield, eds., *Migration Theory: Talking Across Disciplines*, third edition (New York: Routledge, 2015): pp. 90–114.

\* Gary P. Freeman and Alan K. Kessler, “Political Economy and Migration Policy,” *Journal of Ethnic and Minority Studies* 34(4) (May 2008): pp. 655–678.

\* Giovanni Facchini, Anna Maria Mayda, and Prachi Mishra, “Do Interest Groups Affect U.S. Immigration Policy?” *Journal of International Economics* 85(1) (September 2011): pp. 114–128.

## 19. Political Economy of Development (Mar. 29)

\* Andre Gunder Frank, “The Development of Underdevelopment,” *Monthly Review* 18(4) (September 1966): pp. 17–31.

\* Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries* (Ithaca, NY: Cornell University Press, 1990): 23–48.

\* Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Belknap Press of Harvard University Press, 2016): pp. 10–45.

In preparation for class discussion, you are required to watch the documentary film, **“Commanding Heights, The Battle for the World Economy: Episode 2, The Agony of Reform”** (available at the Hamon Arts Library Center AV Collection: call number IDD00890; also available at the You Tube, [https://www.youtube.com/watch?v=s2Ks3\\_O1i74](https://www.youtube.com/watch?v=s2Ks3_O1i74)) by Apr. 5.

Recommended Films: **“Mardi Gras: Made in China”** (available at the Hamon Arts Library Center AV Collection: call number IDD02113; **“China Blue”** (available at the Hamon Arts Library Center AV Collection: call number IDD04489).

## 20. Foreign Economic Policy Making in Action: CPTPP and USMCA for Mexico (Mar. 31)

**[Guest Speaker: Hon. Francisco de la Torre, Consul General of Mexico in Dallas]**

\* Gordon H. Hanson, “Why Isn’t Mexico Rich?” *Journal of Economic Literature* 48(4) (December 2010): 987–1004.

Recommended video:

SMU Tower Center Sun & Star Webinar: “Networked Japanese Investment in Mexico’s Automotive Sector: Cooperation, Small-and-Medium-Sized Enterprises and Challenges Under the USMCA” (with Melba Falck and Leo Guzman), April 29, 2021:  
<https://blog.smu.edu/towercenter/2021/06/15/smu-tower-center-sun-star-webinar-on-japan-and-east-asia-in-partnership-with-smu-mission-foods-texas-mexico-center-networked-japanese-investment-in-mexicos-automotive-sector-cooperation-small-a/>.

**THE SECOND TAKE-HOME MIDTERM DUE APR. 1, 11:59PM ON CANVAS**

### III. Development and the Backlash to Globalization

## 21. The Oil Curse (1): Causes (Apr. 5)

Ross, chapters 1–2 (pp. 1–62)



**22. The Oil Curse (2): Consequences (Apr. 7)**

Ross, chapters 3–5 (pp. 63–187)

**RESEARCH PAPER FIRST DRAFT DUE APR. 8, 11:59PM ON CANVAS**

**23. The Oil Curse (3): Wealth and Curse (Apr. 12)**

**[Guest Speaker: Prof. Michael Ross, UCLA]**

Ross, chapters 6–7 (pp. 189–253)

**24. Political Economy of the Global Environment (Apr. 14)**

\* Danny Cullenward and David G. Victor, *Making Climate Policy Work* (Medford, MA: Polity Press, 2021): pp. 1–30 & 119–147.

Recommended Film: “**An Inconvenient Truth: A Global Warning**” (available at the Hamon Arts Library Center AV Collection: call number IDD 02942).

SMU Tower Center Sun & Star Webinar: “Integrating Air Pollution and Climate Policy in Asia” (with Eric Zusman), October 8, 2020: <https://blog.smu.edu/towercenter/2020/10/20/integrating-air-pollution-and-climate-change-policy-in-asia/>.

***Memo Assignment 3 due Apr. 15, 11:59pm on Canvas.***

**25. Failure to Adjust (1): How to Confront the Competition (Apr. 19)**

Alden, chapters 1–3 (pp. 1–78)

**26. Failure to Adjust (2): Why Measures Do Not Work (Apr. 21)**

Alden, chapters 4–6 (pp. 79–152)

**27. Failure to Adjust (3): How to Compete in the Global Economy (Apr. 26)**

**[Guest Speaker: Prof. Edward Alden, Council on Foreign Relations]**

Alden, chapters 7–8 (pp. 153–202)

**28. Review (Apr. 28)**

**RESEARCH PAPER FINAL DRAFT DUE APR. 29, 11:59PM ON CANVAS.**

**TAKE-HOME FINAL DUE MAY 6, 11:59PM ON CANVAS**