

**Course** INTL 5400/17 – International Political Economy

**Term** Spring II, 2012

**Instructor** Name: Dr. Eric Frey  
Phone: Cell phone: 0699-190-844-60  
Email: Email: efrey@webster.edu

**Course Description** The course offers an overview of theory and practice of international political economy and analyse the interplay between politics and economics on a global level. It is designed to give students a conceptual understanding. After covering some basic theoretical and historical ground, the course will use a practical case-study approach to the main economic policy issues in today's world, such as trade liberalization and trade conflicts, financial crises and the fallout from globalization.

**Prerequisites** Although there are no formal prerequisites for this course, basic (but non-mathematical) knowledge of macroeconomic and microeconomic theory and of the theories of international relations would be advantageous.

**Learning Outcomes** By studying basic theoretical models in economics, political science and political economy and combining these insights with events from the recent past and present, students should learn to understand the arguments made in the current debates about economic policy and the trade-offs faced by policy makers in the areas of international trade, finance and development. They should then be able to apply the theoretical framework to analyze real-world case studies in IPE.

**Textbook and other Materials** The two textbooks are Thomas Oatley, *International Political Economy* (5th edition, Pearson 2011), and Jeffrey Frieden, *Global Capitalism: It's Fall and Rise in the 20<sup>th</sup> Century* (Princeton University Press 2007). They are both available at the Webster bookstore. It will be supplemented by additional articles from newspapers, magazines and journals.

**Grading**

Grading:	
Short Quiz	5 %
Midterm Exam	20 %
Research Paper Proposal	10 %
Research Paper	25 %
Final	30 %
Class Participation	10 %

**Activities**

## University Policies

### **Cheating**

Any student found cheating on any part of the course work (homework assignment, term paper, quiz, exam, etc.) will automatically be given an “F” for the course. Any student found to be helping another student to cheat will likewise be given an “F” for the course. In each case, the student will also be put on disciplinary probation for the remainder of her or his stay at Webster. If the student is found to have engaged in cheating a second time, s/he will be automatically expelled from the University.

### **Attendance**

Class attendance is obligatory. Instructors will take attendance at each class session and reduce a student’s course grade by half a letter grade for each full week of class missed. Any student who misses three or more full weeks of class will automatically be given an “F” for the course.

## Course Policies

### **Part I: Introduction**

Class 1:

Monday, Jan. 16  
6 – 10 p.m.

**Introduction to International Political Economy:**

**Politics and economics, theories of IPE, public goods and collective action, market failure and public choice**

Reading: Oatley, chapter 1, “The Free Rider Problem” (handout)

Class 2:

Monday, Jan. 23  
6 – 10 p.m.

**Concepts in International Political Economy:**

**Conflict and cooperation, hegemonic stability theory, regime theory, domestic actors and the international economy**

Frieden (you should have read the whole book by week 3)

### **Part II: Trade and Development**

Class 3:

Monday, Jan. 30  
6 – 10 p.m.

**Classical and Modern Theories of Trade**

**History of the international trading system**

Oatley, chapters 2-3

Short Quiz (15 Minutes)

Class 4:

Monday, Feb. 6  
6 – 10 p.m.

**Current Trade Issues:**

**WTO, protectionism and industrial policy, regionalism**

Oatley, chapters 4-5

Paul Krugman, “Competitiveness: A Dangerous Obsession”, *Foreign Affairs* (March/April 1994), Paul Krugman “The Trouble with Trade” (NYT Dec. 28, 2007), “Twilight of Doha” (The Economist)

Class 5:  
Monday, Feb. 13  
6 – 10 p.m.

**Midterm Exam**  
**Multinational Corporations**  
Oatley, chapters 6, 7

Make-up Class:  
Saturday, Feb. 19  
3 – 5 p.m.

**Development and Foreign Aid**  
Oatley, chapters 8, 9  
Jagdish Bhagwati, “Banned Aid” (Foreign Affairs, 1/2010)

### **Part III: Monetary Policy**

Class 6:  
Monday, Feb. 20  
6 – 8 p.m.

**Monetary Systems:**  
**Mechanics, history and current policy choices**  
Oatley, chapters 10-13

Class 7:  
Monday, Feb.27  
6 – 10 p.m.

**The Global Financial System:**  
**Financial crises and imbalances**  
Oatley, chapters 14-15  
Recent articles, e.g. The Economist: “The crisis in the Euro area”, “The global monetary system”, and Paul Krugman “Can Europe be Saved?” (New York Times, January 12, 2011)  
Deadline for topic for Research Paper

### **Part IV: Conclusion**

Class 8:  
Monday, March 5  
6 – 10 p.m.

**Energy and Climate Change, the Debate about Globalization**  
Oatley, chapter 16

Thursday, March 8  
6 – 8 p.m.

**Final Exam**

### **Additional Information**