I. Course Description

This course is an applied introduction to the study of the politics of the major issues of international economic relations today: globalization, trade, monetary relations, imperialism, debt, foreign direct investment, resource and energy, development, international migration, and the environment. Emphasis will be placed on learning about the main issues of international economic relations through reading, discussing issues, but principally by applying what has been learned in real-life scenarios. The learning goals of this class are based on developing professional skill sets: problem solving abilities, consulting, team work, oral presentations, preparing functional memos, and working in professional environments. The course asks the class to function as a working committee of consultants trying to solve important global economic problems.

II. Requirements

There will be three research papers. The format of the course will be principally applied with significant team work. Weights and due dates are as follow:

- Individual Participation 15%
- Responsibility 15%
- Memos 15%
- Midterm 15% March 7
- Final 20% Scheduled by University
- Final project 20% Due at end of semester

Participation will be evaluated based on the quantity and quality of comments, familiarity with the readings, and especially the level of engagement in the applied exercises. Responsibility encompasses all aspects of participation in the course: attendance, timeliness in giving in assignments and coming to class, corresponding in a timely manner, supporting an equitable load in group projects, and all other expectations related to the responsible execution of duties connected to this course. Late papers (anything not handed in
in hard copy in class on the due date) will be accepted, but without a doctor’s note, there will be a one-third grade penalty for each late day (e.g. from an B+ to a B).

**Disability Resources**

Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in and benefit from its programs and services. To receive accommodations, a student must have a documented disability as defined by Section 504 of the Rehabilitation Act of 1973 and the ADA Amendments Act of 2008, and provide documentation of the disability. Since accommodations may require early planning and generally are not provided retroactively, please contact Disability Resources as soon as possible.

If you believe that you need accommodations for a disability, please contact Dean Patey in Disability Resources, located in North College, Room 021, or call 860/685-5581 for an appointment to discuss your needs and the process for requesting accommodations.

**III. Readings and Assignments**

All readings listed on the syllabus are required and are on online reserve at ERES. The following book is recommended for purchase at Broad Street Books and is not on ERES:

*Joan Spero and Jeffrey Hart, Politics of International Economic Relations, 7th edition*

**IV. Course Outline**

Introductory Class: what are we going to accomplish and watch a short video “Talking Tough To Tokyo”

(January 29)

1. **Theoretical Issues: Competing Approaches to International Political Economy**

We will watch the video “The Tools of Exploitation.” The two videos capture the essences of differing visions of international political economy.

(January 31)

The videos will be discussed in the context of the readings below.

(February 5)

Robert Gilpin, *U.S. Power and the Multinational Corporation*, Chapters 1, 9


Robert Gilpin presents the three major theories (or, scholarly traditions) of international political economy: liberalism, Marxism, and mercantilism. How does each theory describe the nature of international economic relations? What are the strengths and weaknesses of each theory? Read Gilpin’s account of the
modern international economic system (The Coming of the Second Age of Capitalism): which will best describe economic relations in this modern age of capitalism?

Assignment: Pose one question for class discussion and answer it in one paragraph.

2. Global Society
   (February 7)

   Walter LeFeber, “Michael Jordan and the New Global Capitalism”

   Sam Huntington “The Clash of Civilizations” in The Globalization Reader


   Paul Krugman “The Localization of the World Economy” in Pop Internationalism

LeFeber and Sklair talk of the the global society being created by modern capitalism. The modern transnational corporation is spreading both goods and ideas, such that national boundaries will crumble in the wake of common images and practices. Krugman, and Huntington think that there is much more resilience to the state and to cultural identity than the globalist perspective admits. The future world will still have divisions, such that states will remain strong and cultures vibrant. Which view do you think is correct? Are we moving to a new global society or are things going to remain the same?

Assignment: Pose one question for class discussion and answer it in one paragraph.

3. Issues in International Trade Relations
   (February 12)

   Mordechai Kreinin, "Why Nations Trade"

   Peter Lindert, International Economics, Chapters 13

   Paul Krugman, “The Illusion of Conflict in International Trade” in Pop Internationalism

   Joan Spero and Jeffrey Hart, Politics of International Economic Relations, Chapter 3


Kreinen explains the pure theory of trade. According to this theory or explanation, the best possible situation for the entire world is for nations to be trading freely (i.e., don’t impose quotas on goods nor tax them). What is the essential logic of this vision of trade? What are the advantages of free trade for this nation? What are the disadvantages for this nation? Do the advantages outweigh the disadvantages? Krugman believes that the conflictual side of trade is over-blown. If indeed free trade is the best policy, why does no major nation practice free trade? What is Lindert’s explanation for trade barriers? Does it fully explain why trade barriers exist? What is the single most useful explanation of the nature of trade relations?

Assignment: Pose one question for class discussion and answer it in one paragraph.

Class will start prepare for the trade negotiations between the US and China
4. Diplomatic meeting between U.S. and China on economic relations—
materials will be handed out before class
(February 14, 19, 21)

5. Issues in Monetary Relations: the IMF

Video on the IMF “Banking on Life and Debt”
(February 26)

We will work on a group plan for IMF reform
(February 28, March 5)

Graham Bird, “The IMF and Developing Countries”
Joan Spero and Jeffrey Hart, Politics of International Economic Relations, Chapter 6
Kenneth Rogoff, “The IMF Strikes Back
Allan Meltzer, “What’s Wrong with the IMF? What Would Be Better”

Team Assignment: Each team will recommend reforms to the IMF program in the following areas:
trade liberalization, currency devaluation, tax reform, subsidies, privatization, economic liberalization,
social relief services. Please write a two-page memo.

Midterm March 7

6. Multinational Corporations
(March 26, 28)

Joan Spero and Jeffrey Hart, Politics of International Economic Relations, Chapter 4, 8
D. Bennett and K. Sharp, "Agenda Setting and Bargaining Power"

Theodore Moran, "Transnational Strategies of Protection"

The standard school curriculum in a business education looks at foreign direct investment (e.g., MNCs) in a
very a-political way. It concentrates on why businesses would want to open branches in other nations. The
politics of foreign direct investment is a much more controversial issue, one that concerns political scientists
and economists. One of the central issues which is of a political nature is the relative strengths of MNCs
and the less-developed nations they invest in. Many (especially Marxists) believe that the MNCs are much
more powerful than the LCDs they invest in. Hence, when bargaining, the advantages always go to the
MNCs. Others argue that no private actor could ever be as strong as the nation in which they are investing,
and therefore the LCDs always have the advantage in bargaining. Consider both these views in light of the
evidence in the readings of Spero, Moran, Bennett, and Sharp. Which side do you find that you agree with more?

**Team Assignment:** Each team will pick a large MNC and do a political risk analysis of its operations. Write up a two two-page memo.

7. Politics of Resources and Energy  
(April 2)


Moises Naim, “The Devil’s Excrement”

Daniel Yergin, “It’s Still the One”

Michael Grunwald, “Seven Myths about Alternative Energy”

David Rothkopf, “Is a Green World a Safer World? Not Necessarily”

What is the present state of energy in the world? Is the future of energy still dominated by oil? What prospects are offered by alternative energy sources? Which are the most promising and which have limited impact? The readings offer a number of ideas about the state of energy and the prospects for escaping fossil fuel dependence.

**Assignment:** Pose one question for class discussion and answer it in one paragraph.

8. International Migration  
(April 11)


Glenn Withers, “Migration”

Samuel Huntington, “Jose Can You See?”

Devesh Kapur and John McHale, “Migration’s New Payoff”

Bob Davis, “Despite His Heritage”

Consider carefully the issue of the international movement of people: i.e., international migration. What are the most important political-economic concerns regarding migration? What is migration’s impact on labor
markets in both the sender and host country? Which country benefits more from the migration? Are the gains mutual or zero-sum in nature? Is migration a positive force in enhancing economic performance in the host country? What factors account for the controversy over migration?

Assignment: Trump is re-writing US immigration law. Consider the soundness of his proposals in a one-page memo. Propose your own plan. You are working individually on this one.

9. Environmental Relations
   (April 16, 18)
   Robert Solow, “Sustainability: An Economist’s Perspective”
   Giulio Gallarotti, “It Pays to be Green: The Managerial Incentive Structure and Environmentally Sound Strategies”
   Wilfred Beckerman and Joanna Pasek, “The Equitable International Allocation of Tradable Carbon Emission Permits”
   Martin Soroos, "The Commons in the Sky: The Radio Spectrum and Geosynchronos Orbit as Issues in Global Policy"

One of the most pressing new issues (and certainly the most perplexing perhaps) in international economic relations is that of the global environment. Preserving the global commons is seen as a top priority for nations around the world. Why do you believe there is a problem? How does it relate to the famous "commons" problem of the middle ages? What are the economic causes of the problem? Many people blame the market (i.e., business) for much of the environmental problem. Is it valid to do so? Or, does the market hold the key to solving the environmental problem? Solow believes it does.

Team Assignment: You are an EPA staffer and are charged with creating an environmental plan for the future of the US. Write a two-page memo. You are working individually on this one.

10. North-South Relations: The Causes of Underdevelopment

   Joan Spero and Jeffrey Hart, Politics of International Economic Relations, Chapter 5, 7
   Peter Bauer and Anthony Daniels, "No Aid at All"
   Amartya Sen, Development As Freedom, pp. 1-53
   Joyce Jacobson, “A Key Global Challenge: Reducing Losses due to Gender Inequality”
   Elizabeth M. King, The Challenge of Women and Development
   N. Anne Hill and Elizabeth King, “Women's Education and Economic Well-Being”
Underdevelopment has long been addressed with one principal weapon: government-to-government aid. Nothing has yet shaken the solution of aid from its lofty perch. Yet, by almost all accounts, this solution has failed miserably in promoting development (see Bauer and Daniels reading). More recent thinking has espoused more grass-roots solutions to the problem of poverty in the developing world. Marshaled on the rhetoric of human development (Sen), these solutions have sought to substitute visions of bottom-up development for the trickle-down strategies which underlie government-to-government aid. The goal here is to invest in social capital and infrastructure, thereby producing more capable and prosperous individuals, which in turn will galvanized local economies. Eventually, the local growth will manifest itself on a national level. On a more logistical level, the idea has latched onto microfinance as a viable champion. Through small-scale lending at the local level, the foundations for national development can be created. One interesting twist to the story is the role of women. In fact, some microfinance arrangements have been directed exclusively at groups of women with what many think have been stellar results (the Grameen Bank in India). The logic of the work of Jacobson, King and Hill on women and development suggests that the liberation of women would represent a crucial economic engine of growth for the economies of less developed nations.

Assignment: Preparation for upcoming negotiation.

11. Negotiation on Development
   (April 23, 25, 30)

   North-South diplomacy in UNCTAD:
   instructions and background materials will be distributed
   before the first meeting

12, 13. Team presentations on business/organization projects
   (May 2, 7, 9)

**Final Assignment and Final Due Dates: To Be Announced**