

**UNIVERSITY OF TORONTO  
DEPARTMENT OF POLITICAL SCIENCE  
2015-16**

**International Political Economy (POL 370 Y)**

Lecture: UC 163--Wednesday, 10AM-12noon  
Instructor (Fall Term): Louis W. Pauly  
Email: louis.pauly@utoronto.ca  
Website: [www.munkschool.utoronto.ca/pauly](http://www.munkschool.utoronto.ca/pauly)  
Office hours: By appointment

Instructor (Winter/Spring Term): Gustavo Carvalho  
Email: gustavo.carvalho@utoronto.ca  
Office hours: To be announced

TA: Lennart Maschmeyer  
Email: lennart.maschmeyer@mail.utoronto.ca  
Office hours: To be announced

This course introduces a dynamic field of study that bridges international relations, comparative politics, and international economics. It provides a framework for understanding and evaluating the theory and practice of politics at the core of the contemporary global economy.

A grounding in international relations (POL 208 or equivalent) and familiarity with basic principles of economics (ECO 100 or 105 or equivalent) are pre-requisites. The course is organized in the lecture format around required readings, class attendance, a quiz, two term tests, and an essay.

Grading and dates: First term: Quiz (15%; in class on October 14); Term test (25%; in class on November 25); attendance (10%). Second term: Simulation exercise and essay (15%); term test (25%); attendance (10%).

Academic Integrity and Plagiarism: Academic integrity is fundamental to learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T degree that you earn will be valued as a true indication of your individual academic achievement, and will continue to receive the respect and recognition it deserves.

Familiarize yourself with the University of Toronto's [Code of Behavior on Academic Matters](#). It is the rule book for academic behavior here, and you are expected to know the rules. Potential offences include, but are not limited to:

In papers and assignments

- a) Using someone else's ideas or words without appropriate acknowledgement.

- b) Copying material word-for-word from a source (including lecture and study group notes) and not placing the words within quotation marks.
- c) Submitting your own work in more than one course without the permission of the instructor.
- d) Making up sources or facts.
- e) Including references to sources that you did not use.
- f) Obtaining or providing unauthorized assistance on any assignment, including working in groups or assignments that are supposed to be individual work, and having someone rewrite or add material to your work while editing it.
- g) Lending your work to a classmate who submits it as his/her own.

#### Misrepresentation

- a) Falsifying or altering any documentation required by the University, including doctor's notes.
- b) Falsifying institutional documents or grades.

To remind you of these expectations, and help you avoid accidental offences, we will ask you to include a signed Academic Integrity Checklist with every assignment. If you do not include the statement, your work will not be graded.

The University of Toronto treats cases of academic misconduct very seriously. All suspected cases of academic dishonesty will be investigated following the procedures outlined in the Code. The consequences for academic misconduct can be severe, including a failure in the course and a notation on your transcript. If you have any questions about what is or is not permitted in this course, please do not hesitate to contact the instructor. If you have questions about appropriate research and citation methods, seek out additional information from the instructor, or from other available campus resources like the U of T Writing Website. *If you are experiencing personal challenges that are having an impact on your academic work, please speak to the instructor or seek the advice of your college registrar.* (Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com website.)

Accessibility Services: Students with diverse learning styles and needs are welcome in this course. In particular, if you have a disability/health consideration that may require accommodations, please feel free to approach the instructor and/or Accessibility Services at (416) 978 8060 ([accessibility.utoronto.ca](http://accessibility.utoronto.ca)).

Readings: The following paperback books include most required readings and are available for purchase in the University Bookstore:

Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century*. Norton, 2006.

John Ravenhill, ed. *Global Political Economy*, 4<sup>th</sup> edition. Oxford University Press, 2014.

Instructions for access to other required readings will be provided. For additional background of direct relevance to the course, the following books are recommended but not required.

William Coleman and Louis Pauly, eds., *Global Ordering: Institutions and Autonomy in a Changing World*. Vancouver: University of British Columbia Press, 2008; and

Edgar Grande and Louis Pauly, eds. *Complex Sovereignty: Reconstituting Political Authority in the Twenty-First Century*. Toronto: University of Toronto Press, 2005.

Course readings and additional references are listed below. Those preceded by an asterisk are required. Please read them before class.

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### **September 16: Course Overview**

### **September 23: Historical and Theoretical Context**

\*Frieden, Foreword, Preface, Prologue, Chapter 20, Conclusion.

\*Ravenhill, Chapters 1.

David A. Lake, "International Political Economy: A Maturing Interdiscipline," in *The Oxford Handbook of Political Economy*, Weingast and Wittman, eds. New York: Oxford University Press, 2006: 757-777.

Robert Gilpin, *Global Political Economy*.

Susan Strange, *States and Markets*.

Benjamin J. Cohen, *International Political Economy: An Intellectual History*.

### **September 30: Governing a Global Economy: Dilemmas of Collective Action**

\*Ravenhill, Chapter 3. (Guest Lecturer: Vinod Aggarwal)

Coleman and Pauly, Chapters 1, 2.

Robert Keohane and Joseph Nye, *Power and Interdependence*.

Hedley Bull, *The Anarchical Society*.

Robert Cox, *Production, Power, and World Order*.

Immanuel Wallerstein, *The Capitalist World Economy*.

Fred Block, *Origins of International Economic Disorder*.

Steven Krasner, ed. *International Regimes*.

### **October 7: Global Capitalism, 1896-1914**

\*Frieden, Chapters 1-5.

## **October 14: The Thirty-Year Crisis**

\*Frieden Chapters 6-10.

## **QUIZ**

## **October 21: Rebuilding World Order**

\*Frieden, Chapters 11-15.

## **October 28: Global Capitalism Re-emerges**

\*Frieden, Chapters 16-20

## **November 4: Theories of Political Economy**

\*Ravenhill, Chapter 2.

## **November 11: Theory and Practice of Global Trade**

\*Ravenhill, Chapters 5 and 6.

## **November 18: Theory and Practice of Global Finance**

\*Ravenhill, Chapters 7 and 8.

## **November 25: TERM TEST**

## **December 2: Theoretical Perspectives on Globalization**

\*Ravenhill, Chapter 9.

David A. Lake, "Open Economy Politics: A Critical Review," *Review of International Organizations*, vol. 4, 2009, pp. 219-44. (Open access.)

*Review of International Political Economy*, Special Issue, vol. 16:1, 2009.

Thomas Oatley, "The Reductionist Gamble: Open Economy Politics in the Global Economy," *International Organization*, vol. 65:2, 2011, pp. 311-341.

## **January 13: Globalization and the State**

\*Ravenhill, Chapter 10.

\* Dani Rodrik, "How Far Will International Economic Integration Go?," *The Journal of Economic Perspectives*, vol. 14:1, 2000, 177-186

Martin Wolf, *Why Globalization Works*. New Haven, London: Yale University Press, 2005.

Michael Mann, "Has Globalization Ended the Rise and Rise of the Nation-State?," *Review of International Political Economy*, vol. 4:3, 1997, 472-496.

## **January 20: International Institutions, Non-state Actors, and Global Collective Action**

\* Robert O. Keohane, "International Institutions: Two Approaches," *International Studies Quarterly*, vol. 32: 4, 1988, 379-396.

\* Ngaire Woods, "Global Governance and the Role of Institutions," in *Governing Globalization: Power, Authority, and Global Governance*, Held and McGrew eds., Cambridge: Polity Press, 2002: 25-45.

Mancur Olson, *The Logic of Collective Action*. Cambridge: Harvard University Press, 1965: 5-52.

Elinor Ostrom, "Collective Action and the Evolution of Social Norms," *Journal of Economic Perspectives* vol. 14:3, 2000, 137-158.

Ann Marie Clark, Elisabeth J. Friedman and Kathryn Hochstetler, "The Sovereign Limits of Global Civil Society: a Comparison of NGO Participation in UN World Conferences on the Environment, Human Rights, and Women," *World Politics* vol. 51:1, 1998, 1-35.

Todd Gitlin, "Occupy's Predicament: the Moment and the Prospects for the Movement," *The British Journal of Sociology* vol. 64:11, 2013, 3-25.

Herbert A. Simon, "Human Nature in Politics: the Dialogue of Psychology with Political Science," *The American Political Science Review* vol. 79:2, 1985, 293-304.

## **January 27: Globalization and Power**

\* Robert O. Keohane and Joseph S. Nye. *Power and Interdependence*. New York: Longman, 2001: 3-32.

\* Susan Strange, "Finance, Information and Power" *Review of International Studies* vol. 16:3, 1990, 259-274

Benjamin Cohen, "The Macrofoundations of Monetary Power," in *International Monetary Power*, Andrews ed., Ithaca: Cornell University Press, 2006: 31-50.

Geoffrey Underhill and Xiaoke Zhang, "Setting the Rules: Private Power, Political Underpinnings, and Legitimacy in Global Monetary and Financial Governance," *International Affairs* vol. 84:3, 2008, 535-554.

Amos Tversky and Daniel Kahneman, "Rational Choice and the Framing of Decisions," *The Journal of Business* vol. 59:4, 1986, S251-S278.

## February 3: The Globalization of Production

\*Ravenhill, Chapter 11.

\* Nathan M. Jensen, "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment," *International Organization* vol. 57:3, 2003, 587-616.

\* Pew Research Center, "Faith and Skepticism about Trade, Foreign Investment," Global Attitudes Project, 2014. Available at: <http://www.pewglobal.org/2014/09/16/faith-and-skepticism-about-trade-foreign-investment/>

Helen V. Milner, "International Trade," in *Handbook of International Relations*, Carlsnaes, Risse and Simmons eds., Los Angeles: Sage, 2013: Chapter 29.

Paul Krugman, "Dutch Tulips and Emerging Markets," *Foreign Affairs* vol. 74:4, 1995, 28-44.

Andrew Kerner, "What We Talk About When We Talk About Foreign Direct Investment," *International Studies Quarterly* vol. 58:4, 804-815.

Shayerah Ilias Akhtar, "Ex-Im Bank's General Statutory Authority Expires," Congressional Research Service Insights, 2015. Available at: <http://fas.org/sgp/crs/misc/IN10305.pdf>

## February 24: Term Test

## March 2: Sovereign Debt and the Globalization of Finance

\* Barbara Stallings, "The Globalization of Capital Flows: Who Benefits?," *The Annals of the American Academy of Political and Social Sciences*, Vol. 610, 2007, 202-216.

\* Jonathan Eaton, "Sovereign Debt: a Primer," *The World Bank Economic Review* vol. 7:1, 1993, 137-172.

\* Carla Norloff, "Key Currency Competition: the Euro versus the Dollar," *Cooperation and Conflict* vol. 44:4, 2009, 420-442.

Louis W. Pauly, "Capital Mobility and the New Global Order," in *Political Economy and the Changing Global Order*, Stubbs and Underhill eds. Toronto: Oxford University Press, 2000, chapter 8.

Susanne Soederberg, "The Transnational Debt Architecture and Emerging Markets: the Politics of Paradoxes and Punishment," *Third World Quarterly* vol. 26:6, 2005, 927-949.

Charles A.E. Goodhart, "The Two Concepts of Money: Implications for the Analysis of Optimal Currency Areas," *European Journal of Political Economy* vol. 14:3, 1998, 407-432.

Harold James, "The Enduring International Preeminence of the Dollar," in *The*

*Future of the Dollar*, Helleiner and Kirshner eds. Ithaca: Cornell University Press, 2009, Chapter 2.

Eric Helleiner, "The Mystery of the Missing Sovereign Debt Restructuring Mechanism," *Contributions to Political Economy* vol. 27:1, 2008, 91-113.

Axel Dreher and Roland Vaubel, "The Causes and Consequences of IMF Conditionality," *Emerging Markets Finance and Trade* vol. 40:3, 2004, 26-54.

### **March 9: Globalization and Development**

\*Ravenhill, Chapter 13.

\* Nancy Birdsall, Augusto de la Torre, and Felipe Valencia Caicedo, "The Washington Consensus: Assessing a Damaged Brand," Center for Global Development, 2010.

Available at:

[http://www.cgdev.org/sites/default/files/1424155\\_file\\_Birdsall\\_Torre\\_Caicedo\\_Assessing\\_the\\_WC\\_FINAL\\_0.pdf](http://www.cgdev.org/sites/default/files/1424155_file_Birdsall_Torre_Caicedo_Assessing_the_WC_FINAL_0.pdf)

\* Nilima Guljarani, "Transcending the Great Foreign Aid Debate: Managerialism, Radicalism, and the Search for Aid Effectiveness," *Third World Quarterly* vol. 32:2, 2011, 199-216.

John Williamson, "The Washington Consensus as Policy Prescription for Development," Institute for International Economics, 2004. Available at:

<http://www.iie.com/publications/papers/williamson0204.pdf>

Mahrukh Doctor, "Assessing the Changing Roles of the Brazilian Development Bank," *Bulletin of Latin American Research* vol. 34:2, 2015, 197-213.

Jeffrey A. Frankel and David Romer, "Does Trade Cause Growth?," *The American Economic Review* vol. 89:3, 1999, 379-399.

Pablo Druck, Nicolas E. Magud, and Rodrigo Mariscal, "Collateral Damage: Dollar Strength and Emerging Market's Growth," *IMF Working Paper* 15/179, International Monetary Fund, 2015. Available at:

<https://www.imf.org/external/pubs/ft/wp/2015/wp15179.pdf>

José Antonio Ocampo and Mariángela Parra-Lancourt, "The Terms of Trade for Commodities since the Mid-19<sup>th</sup> Century," *Journal of Iberian and Latin American Economic History* vol. 28:1, 11-43.

Theotonio dos Santos, "The Structure of Dependence," in *International Political Economy: State-Market Relations in the Changing Global Order*, Goddard, Passé-Smith and Conklin eds. Boulder: Lynne-Rienner Publishers, 1996: 165-175.

### **March 16: Globalization and the Environment**

\*Ravenhill, Chapter 14.

\* Garrett Hardin, "The Tragedy of the Commons," *Science* Vol. 162, 1968, 1243-1248.

Elizabeth Dickinson, "Capping It Off: How a Concept Became an Environmental Policy Catchphrase," *Foreign Affairs*, February 19, 2010. Available at: [foreignpolicy.com/2010/02/19/capping-it-off](http://foreignpolicy.com/2010/02/19/capping-it-off).

Kal Raustiala, "States, NGOs, and International Environmental Institutions," *International Studies Quarterly* vol. 41:4, 1997, 719-740.  
Graeme Auld, Stefan Renckens and Benjamin Cashore, "Transnational Private Governance Between the Logics of Empowerment and Control," *Regulation & Governance* vol. 9: , 2015, 108-124.

### **March 23: Globalization, Inequality and Poverty**

\*Ravenhill, Chapter 14.

\* Thomas Nagel, "The Problem of Global Justice," *Philosophy and Public Affairs* vol. 33:2, 2005, 113-147.

Ian Clark, "Legitimacy in a Global Order," *Review of International Studies* vol. 29:S1, 2003, 75-95.

Andrew Walton, "What is Fair Trade?," *Third World Quarterly* vol. 31:3, 2010, 431-447.

Pamela Blackmon, "Rethinking Poverty Through the Eyes of the International Monetary Fund and the World Bank," *International Studies Review* vol. 10:2, 2008, 179-202.

Elizabeth A. Donnelly, "Making the Case for Jubilee: the Catholic Church and the Poor-Country Debt Movement," *Ethics & International Affairs* vol. 21:1, 2007, 107-133.

Tim Koechlin, "Fighting Global Poverty, Three Ways," *Review of Radical Political Economics* vol. 39:3, 2007, 377-384.

Martin Sandbu, "The Tobin Tax Explained," *The Financial Times*, August 27<sup>th</sup>, 2009. Available at: <http://www.ft.com/cms/s/0/6210e49c-9307-11de-b146-00144feabdc0.html#axzz3kDo6rStF>.

### **March 30: Simulation – 1<sup>st</sup> round**

### **April 6: Simulation – 2<sup>nd</sup> round**

**Essay Due**