

## INTERNATIONAL POLITICAL ECONOMY

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Fall 2016 • 2 credits

Class meets:  
Monday 17:20-19:00  
Room: N15 103

Office hours:  
Tuesday 09:00-11:00  
Room: FT 310

TA: Alex Moise  
Monday 9:00-11:00  
✉✉ By email

*Disclaimer: This syllabus is under construction and will change before the start of term. It can also be adjusted as the course progresses.*

**Course Description** This introductory seminar surveys the major topics of International Political Economy (IPE). It serves as a mandatory introductory course. There are no formal prerequisites for this seminar other than the willingness to read a lot, think hard and participate actively in class discussions. The reading load is substantial and students are expected to have done all the readings before class.

IPE revolves around several key questions such as how economic forces shape the political world order (and vice versa), how external economic actors influence domestic policies and politics in the realm of trade, monetary exchanges, fiscal issues, crises and more; how conflicts and coalitions emerge and shape the politics of policy making in the economic arena; how capitalist democracies work and which institutions underpin their divergent or convergent evolution; how do interests, institutions and ideas shape domestic responses to international economic challenges?

**Learning Outcomes** The course aims at first-hand knowledge of classic debates and cutting-edge literature in IPE. This will arm students with the tools to become critical consumers of theoretical and empirical research in IPE and daily news by developing argumentative and research-related skills.

More specifically, at the end of the course students should be able to:

- Grasp the interplay of economic and political forces at the international level and how those influence world (dis)order;
- Show how different domestic configurations influence international preferences and how this may lead to conflict or cooperation in the international arena;
- Understand how common international economic shocks can lead to different political outcomes in the domestic realm;
- Discuss the impact of interests, ideas and institutions in IPE;
- Read and confront various strands of complex literatures on theoretical and empirical grounds;
- Construct a sound argument and get the basics of research design.

**Readings** There are many IPE textbooks available but for simplicity will use one ([Ravenhill, 2014](#)) whilst also reading chapters from other textbooks when convenient ([Blyth, 2010](#); [Caporaso and Levine, 1992](#); [Cohen, 2008](#); [Frieden and Lake, 2002](#); [Frieden, 2006](#); [Gilpin, 2001](#); [Oatley, 2012](#); [Weingast and Wittman, 2008](#)). Readings assigned from these textbooks are *mandatory* background readings. So are the articles which present more advanced (and controversial) arguments. Readings will be posted online.

**Lectures and Assessment** Apart from the introduction and final exam, we will have ten lectures on core IPE topics: in the first hour, I will present the main issues on a given topic (for which the “background” readings are necessary), while the remaining 40 minutes will be devoted to a presentation and discussion of more advanced arguments (the “presentation”) by 5 students: 2 will present the argument, 2 will challenge it (the 4 students have to write a position paper to be circulated 24 hours before class) and the last student is tasked with producing a critical position paper on the topic summarizing the discussion that will help all students to prepare the final exam. The presentation is 20% of the grade, the position papers 30%, the final exam 40% and participation is 10%.

PLus bonus points concealed as Easter Eggs throughout the whole course material which amount to 100 points (i.e. an additional grade). If this amount that you collect is higher than you lower grade, the sum of bonus points replaces your worst grade. E.g. imagine you got a 71 at one assignment, a pretty bad grade. If the total of your bonus points is 75, the latter replaces the former. This can have a significant impact on your final grade. Student whose grade is A and for whom we cannot improve grade are recommended to the department for a student award conditional on their achievement in other courses.

Item	Date	Share of Grade
Participation	Always!	10%
Presentation	Sign up	20%
Position paper	Sign up	30%
Final exam	December 12	40%

## 1 Introduction

September 19

*We review the nature and main questions of IPE and evaluate different approaches and arguments, sketching out some analytical tools and arguments that will guide our investigation of IPE topics during the semester. Finally, the syllabus is explained together with the assignments for which students will sign up.*

Background [Ravenhill \(2014\)](#), chapters 1 & 2. } Both texts are mandatory for everyone in all classes.  
 Presentation [Rodrik \(2011\)](#), chapter 9.

## 2 Conflict & cooperation

September 26

*What are the sources of conflict and cooperation in IPE? Why do some countries sometimes cooperate while they choose conflict in other times? How do domestic structures constrain international policy-making?*

Background [Ravenhill \(2014\)](#), chapter 3 & 4.  
 Presentation [Henning \(1998\)](#).

## 3 Trade: international power

October 3

*What are the main trade regimes and how are they established? What is the theory of hegemonic stability? Why does the global order sometimes establish open trade regimes and then switches to protectionism (and vice versa)? Is trade neutral politically or does it have political consequences on global order? Are economic cycles driving the ups and downs of trade regimes?*

Background [Ravenhill \(2014\)](#), chapter 6.  
 Presentation [Krasner \(1976\)](#).

## 4 Trade: domestic politics

October 10

*How do countries adapt to international trade shocks? Why are some countries more vulnerable than others? What kind of coalitions and outcomes are possible on the domestic level?*

Background [Ravenhill \(2014\)](#), chapter 5.

Presentation [Rogowski \(1987\)](#).

## 5 Money

October 17

*We review the evolution of the international monetary system. Why do countries adopt certain currency regimes? What are the trade-offs between monetary policy, exchange rates and capital mobility? What is the “unholy trinity”?*

Background [Gilpin \(2001\)](#), chapter 9.

Presentation [Frieden and Lake \(2002\)](#), chapters 15 & 16.

## 6 Finance

October 24

*What are the international political effects of the financial revolution of the late 1970s? Do international capital flows destabilize or stabilize world order? How should the financial system be managed? What are the mechanisms that lead to financial crises and what are their political effects?*

Background [Gilpin \(2001\)](#), chapter 10.

Presentation [Krippner \(2005\)](#).

## 7 Holiday: no class

October 31

## 8 Crises

November 6

*Why do economic crises happen, what are their sources and how do they influence world order? In this class we review several global crises in a historical perspective, trying to make sense of the new world order after the recession of 2008-09. Why do countries respond the way they do to economic crises?*

Background [Ravenhill \(2014\)](#), chapter 8.

Presentation [Gourevitch \(1986\)](#), chapters 1 & 2.

## 9 Capitalism: Alex Moise

November 14

*Is there only one way to growth? Why do we see different forms of capitalism? Do they converge? What is the source and effect of political institutions on the economy and how do they shape international relations?*

Background [Gilpin \(2001\)](#), chapter 7.

Presentation [Hall and Soskice \(2001\)](#), chapter 1 & [Bohle and Greskovits \(2012\)](#), chapter 1.

Interesting [Fioretos \(2011\)](#) applies the VoC framework to international regimes. See [Story and Walter \(1997\)](#) for an application to financial governance in the EU.

## 10 Nation-states

November 21

*Does globalization reduce the room for maneuver of national governments? Does it force austerity on government in an ever more competitive world? Does it mean that left and right parties are forced to pursue the same policies?*

Background [Ravenhill \(2014\)](#), chapter 10.

Presentation [Mosley \(2000\)](#).

## 11 Transnational production

November 28

*What is a global value chain? How does the internationalization of production reshape global political relations? Are MNC's [multinational companies] too powerful? If so, what are the new forms of dominance? How does the internationalization of production impact labour standards?*

Background [Ravenhill \(2014\)](#), chapter 11.

Presentation [Gereffi et al. \(2005\)](#).

## 12 Inequality

December 5

*With the publication of [Piketty \(2014\)](#), global attention turned towards the issue of inequality. But what does it really mean? How is it measured? What are the sources of inequality in the global order? What are the economic and political consequences of inequality? Does globalization reduce or increase inequality?*

Background [Ravenhill \(2014\)](#), chapter 12.

Presentation [Milanovic \(2016\)](#), chapter 3.

## 13 Final exam

December 12

The exam takes place from 15:30 to 17:10 in N13 416. Do not be late!

*The exam will last 100 minutes and you will have to answer 3 questions out of 10. Questions are based on all course readings. You will be asked to reflect critically on arguments and empirics, presenting debates in a clear and structured manner. **Note that only reading the summaries and the slides of the course will not be enough to pass this exam!***



Note on further classes at IRES: IPE is a huge field and there are many topics that we did not cover in this class, for a reason: they will be covered in other classes in IRES, which students are encouraged to attend. The IPE track offers the following courses: Prof. Greskovits teaches *Social Movements and Social Contention* and probably *States, Classes, and Industries in the International Political Economy* (a PhD class which may be open to MA students) while Prof. Csaba will teach *The Political Economy of Emerging Europe*. Finally, CEU has a strong research group in political economy, PERG [↗](#).

Grading			
91	≤	A	≤ 100
86	≤	A-	≤ 90
81	≤	B+	≤ 85
76	≤	B	≤ 80
71	≤	B-	≤ 75
66	≤	C+	≤ 70
61	≤	C	≤ 65

## References

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