

Government 6857: International Political Economy

Spring 2018

Jonathan Kirshner
323 White Hall
jdk5@cornell.edu

Tuesday 2:30-5:00
Uris 331

This seminar provides an overview of international political economy targeted towards PhD students in the Government department. Students from other programs may register only with the permission of the instructor. There are no prerequisites for the course. Students preparing for their International Relations A-Exam should also familiarize themselves with the syllabi from recent versions of this course; they are posted on the blackboard site.

The reading load for this course is substantial, averaging seven articles/chapters or approximately three hundred pages per week. Students are expected to have done all of the readings before each class. Note that most of the assigned journal articles are available on-line; many of the readings will be placed on reserve at Olin library. Some readings will also be available on the course blackboard site. All readings are required.

The requirements for this class are as follows:

Active and thoughtful class participation. All students are expected to participate actively and constructively in discussions of the assigned reading and related topics.

Research Paper: Students are required to write a research paper (of about 25 pages in length). There are a number of preliminary elements and deadlines attendant to this assignment:

- Friday, February 16: a 5-7 page prospectus in which you describe the research area you will focus on as well as a one-page bibliography.
- Friday, March 16: a 12-15 page memo in which you spell out your research question (or dependent variable) (approximately 5-7 pages); and then your main hypotheses (or independent variables) (also about 5-7 pages); finally you should including a reading list of about 3 pages in length in which you mark (with asterisks) the readings that you have been able to do so far.
- Friday, May 11: the final paper is due (in both paper and electronic form). I will grade all papers that come in on time promptly. All others will likely receive an Incomplete (given college requirements about when grades must be submitted); you should be alert to the rules of the department (as well as the Graduate School) with regard to incompletes, which, once frozen, are difficult to resolve.

Week 1 (January 23): Introduction

- Benjamin J. Cohen, *International Political Economy: An Intellectual History* (Princeton University Press, 2008), pp. 1-79.
- Milton Friedman, "The Methodology of Positive Economics," in Milton Friedman, *Essays in Positive Economics* (University of Chicago Press, 1953), pp. 3-43.
- Susan Strange, "Political Economy and International Relations," in Ken Booth and Steve Smith, *International Relations Theory Today* (Penn State University Press, 1995), pp. 154-74.
- Robert Gilpin, *Global Political Economy* (Princeton University Press, 2001), 3-24, 46-76.
- Mark Blyth, "International Political Economy as a Global Conversation," in Mark Blyth, *Routledge Handbook of International Political Economy* (Routledge, 2009), pp. 1-20.
- David Lake, "Open Economy Politics: A Critical Review," *Review of International Organizations* 4:3 (September 2009), pp. 219-44.
- Thomas Oatley, "The Reductionist Gamble: Open Economy Politics in the Global Economy," *International Organization* 65:2 (spring 2011), pp. 311-41.

Week 2 (January 30): Analytical Approaches

- Friedrich von Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35:4 (September 1945), pp. 519-30.
- Richard Swedberg, introduction to Swedberg (ed.) Max Weber, *Essays in Economic Sociology*, (Princeton University Press, 1999), pp. 3-39.
- Mancur Olson, *The Rise and Decline of Nations* (Yale University Press, 1984), pp. 1-74.
- Douglass North, *Structure and Change in Economic History* (Norton, 1982), pp. ix-xi, 3-68, 143-186.
- Mark Blyth, *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century* (Cambridge University Press, 2002), pp. 3-45, 251-75.
- Raymond Vernon, "International Investment and International Trade in the Product Cycle," *Quarterly Journal of Economics* 80:2 (May 1966), pp. 190-207.
- James Kurth, "The Political Consequences of the Product Cycle," *International Organization* 33:1 (Winter 1979), pp. 1-34.

Week 3 (February 6): State and Nation

- Robert Gilpin, *War and Change in World Politics* (Cambridge University Press, 1981), pp. ix-xiv, 9-49, 156-210.
- Jonathan Kirshner, "Realist Political Economy: Traditional Themes and Contemporary Challenges," in Blyth (ed.), *Handbook of International Political Economy*, pp. 36-47.
- Onur Ince, "Friedrich List and the Imperial Origins of the National Economy," *New Political Economy* 21:4 (2016), pp. 380-400.
- Rawi Abdelal, *National Purpose in the World Economy* (Cornell University Press, 2005), pp. 1-44, 150-201.
- Miles Kahler, "External Ambition and Economic Performance," *World Politics* 40:4 (July 1988), pp. 419-51.
- Robert Art, "The United States and the Rise of China: Implications for the Long Haul," in Robert Ross and Zhu Feng (eds.), *China's Ascent: Power, Security, and the Future of*

- International Politics* (Cornell University Press, 2007), pp. 260-90.
- Matthias Matthijs “The Eurozone’s ‘Winner-Take-All’ Political Economy: Institutional Choices, Policy Drift, and Diverging Patterns of Inequality,” *Politics & Society* 44:3 (2016), pp. 393-422.

Week 4 (February 13): The Problem of Cooperation

- Steven Krasner, “State Power and the Structure of International Trade,” *World Politics* 28:3 (April 1976), pp. 317-47.
- Timothy McKeown, “Hegemonic Stability Theory and 19th Century Tariff Levels in Europe,” *International Organization* 37:1 (winter 1983), pp. 73-91.
- Ronald Coase, “The Problem of Social Cost,” *Journal of Law and Economics* 3 (October 1960), reprinted in his *The Firm, The Market and The Law*, pp. 95-119, 153-156.
- Ronald Coase, “The Institutional Structure of Production,” *American Economic Review* 82:4 (September 1992), pp. 713-719.
- Robert Keohane, *After Hegemony* (Princeton University Press, 1984), pp. 31-64, 85-109.
- Kenneth Oye, *Economic Discrimination and Political Exchange* (Princeton University Press, 1993), pp. 3-50, 71-104.
- John Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in Postwar Economic Order,” *International Organization* 36:2 (Spring 1982), pp. 379-416.

Week 5 (February 27): Keynes

- Robert Skidelsky, *Keynes: The Return of the Master* (Public Affairs, 2009).
- John Maynard Keynes, *The Economic Consequences of the Peace* (1919), *Collected Writings* (CW) version, Volume II, pp. 143-59.
- John Maynard Keynes, “The End of Laissez Faire,” (1925), CW version, vol. IX, 272-294.
- John Maynard Keynes, “Am I a Liberal?” (1926) CW version, vol. IX, pp. 295-306.
- John Maynard, “The General Theory of Employment,” *Quarterly Journal of Economics* 51:2 (February 1937), pp. 209-23. (Also in CW, vol. XIV, pp. 109-23.)
- John Maynard Keynes, “Post War Currency Policy,” (memo, 8 September 1941). CW XXV, pp. 21-33.
- Jonathan Kirshner, “Keynes’s Early Beliefs and Why They Still Matter,” *Challenge* 58:5 (October 2015), pp. 398-412.

Week 6 (March 6): Domestic Politics

- Peter Katzenstein (ed.), *Between Power and Plenty* (Wisconsin, 1978), pp. 295-336.
- Peter Katzenstein, *Small States in World Markets* (Cornell, 1983), pp. 17-38, 191-211.
- Alexander Gerschenkron, *Economic Backwardness in Historical Perspective*, (Harvard University Press, 1962), pp. 5-30.
- Peter Gourevitch, “Breaking with Orthodoxy: The Politics of Economic Policy Responses to the Depression of the 1930s,” *International Organization* 38:1 (winter 1984), pp. 95-129.
- Jeffrey Frieden and Ronald Rogowski, “The Impact of the International Economy on National Policies: Analytical Overview,” in Robert Keohane and Helen Milner (eds.),

Internationalization and Domestic Politics (Cambridge University Press, 1996), 25-47.
Jeffrey Frieden, "Invested Interests: The Politics of National Economic Policies in a World of Global Finance," *International Organization* 45:4 (September 1991), pp. 425-52.
Jonathan Kirshner, *Appeasing Bankers: Financial Caution on the Road to War* (Princeton University Press, 2007), pp. 58-121.

Week 7 (March 13): Trade

Wolfgang Stolper and Paul Samuelson, "Protection and Real Wages," *Review of Economic Statistics*, IX:1 (November 1941), pp. 58-73.
Charles Kindleberger, "Group behavior and International Trade," *Journal of Political Economy* 59:1 (February 1951), pp. 30-46.
Joanne Gowa, "Bipolarity, Multipolarity, and Free Trade," *American Political Science Review* 83:4 (December 1989), pp. 1245-56.
Michael J. Hiscox, *International Trade and Political Conflict: Commerce, Coalitions, and Mobility* (Princeton University Press, 2002), pp. 1-41, 133-164.
Cornelia Woll, *Firm Interests: How Governments Shape Business Lobbying in Global Trade* (Cornell University Press, 2008), pp. 1-38, 126-62.
Erica Owen and Noel P. Johnson, "Occupation and the Political Economy of Trade," *International Organization* 71:4 (autumn 2017), pp. 665-699.
Sungmin Rho and Michael Tomz, "Why Don't Trade Preferences Reflect Economic Self Interest?" *International Organization* 71:S1 (April 2017), pp. S85-S108
Henry Farrell and Abraham Newman, "The New Interdependence Approach: Theoretical Development and Empirical Demonstration," *Review of International Political Economy* 23:5 (October 2016), pp. 713-736.

Week 8 (March 20): Money

Richard Cooper, "Prolegomena to the Choice of an International Monetary System," *International Organization* 29:1 (winter 1975), pp. 63-98.
Benjamin Cohen, *The Geography of Money* (Cornell University Press, 2000), 8-46, 119-49.
Jonathan Kirshner (ed.), *Monetary Orders: Ambiguous Economics, Ubiquitous Politics* (Cornell University Press, 2003), pp. 3-24, 260-80.
Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression 1919-1939* (Oxford University Press, 1992), pp. 3-28, 390-99.
Kathleen McNamara, *The Currency of Ideas: Monetary Politics in the European Union* (Cornell University Press, 1998), pp. 13-71, 159-78.
Ilene Grabel, "Creating 'Credible' Economic Policy in Developing and Transitional Economies," *Review of Radical Political Economics* 29:3 (summer 1997), pp. 70-78.
Eric Helleiner and Jonathan Kirshner (eds.), *The Future of the Dollar* (Cornell University Press, 2009), pp. 1-23, 216-27.
Steven Liao/Daniel McDowell, "No Reservations: International Order and Demand for the Renminbi as a Reserve Currency," *International Studies Quarterly* 60:2 (2016), 272-93.

Week 9 (March 27): Finance and Capital Mobility

- David Andrews, "Capital Mobility and State Autonomy: Toward a Structural Theory of International Monetary Relations," *International Studies Quarterly* 38:2 (1994), 193-218.
- Eric Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Cornell University Press, 1994), pp. 1-22, 123-69, 195-209.
- Rawi Abdelal, *Capital Rules: The Construction of Global Finance* (Harvard University Press, 2007), pp. 1-53, 196-223.
- Mark Blyth, "The Political Power of Financial Ideas: Transparency, Risk, and Distribution in Global Finance," in Kirshner, *Monetary Orders*, pp. 239-259.
- Thomas Pepinsky, "The Domestic Politics of Financial Internationalization in the Developing World," *Review of International Political Economy* 20:4 (2013), pp. 848-80.
- Ilene Grabel, "The Rebranding of Capital Controls in an era of Productive Incoherence," *Review of International Political Economy* 22:1 (February 2015), pp. 7-43.
- Kevin Gallagher, "Countervailing Monetary Power: Re-regulating Capital Flows in Brazil and South Korea," *Review of International Political Economy* 22:1 (2015), pp. 77-102.

Week 10 (April 10): Financial Crises

- Charles P. Kindleberger, *Manias, Panics, and Crashes* (Basic Books, 1996 (3rd ed.)), pp. 11-20, 146-89.
- Reinhart and Rogoff, *This Time is Different: Eight Centuries of Financial Folly*, (Princeton University Press, 2009), pp. xxv-xxxv, xxxix-xlv, 3-20, 277-292.
- Roman Frydman and Michael D. Goldberg, *Imperfect Knowledge Economics* (Princeton University Press, 2007), pp. xiii-xx, 3-40.
- Ilene Grabel, "Not Your Grandfather's IMF: Global Crisis, 'Productive Incoherence' and Developmental Policy Space," *Cambridge Journal of Economics* 35 (2011), pp. 805-30.
- Eric Helleiner. "Understanding the 2007-08 Global Financial Crisis: Lessons for Scholars of International Political Economy?" *Annual Review of Political Science* 14 (2011), 67-87.
- Stephen C. Nelson and Peter J. Katzenstein, "Uncertainty, Risk, and the Financial Crisis of 2008," *International Organization* 68:2 (spring 2014), pp. 361-92.
- Mark Blyth/Matthias Matthijs, "Black Swans, Lame Ducks, & the Mystery of IPE's Missing Macroeconomy," *Review of International Political Economy* 24:2 (2017), pp. 203-231.

Week 11 (April 17): Regimes and Institutions

- Michael Barnett and Martha Finnemore, *Rules For The World: International Organizations In Global Politics* (Cornell University Press, 2004), pp. 1-44.
- Lloyd Gruber, *Ruling the World: Power Politics and the Rise of Supranational Institutions* (Princeton University Press, 2000), pp. 3-12, 33-57.
- Helen Milner, *Interests, Institutions and Information* (Princeton 1997), pp. 1-66.
- G. John Ikenberry, *Liberal Leviathan: The Origins, Crisis and Transformation of the American World Order* (Princeton University Press, 2011), pp. 79-117, 159-219.
- Juliet Johnson, *Priests of Prosperity: How Central Bankers Transformed the Postcommunist World* (Cornell University Press, 2016), pp. vii-xiii, 1-48, 226-61.
- Stephen Nelson, *The Currency of Confidence: How Economic Beliefs Shape the IMF's*

Relationship with its Borrowers, (Cornell University Press, 2017), pp. 1-49.
Cynthia Roberts, Leslie Elliott Armijo, and Saori Katada, *The BRICS and Collective Financial Statecraft* (Oxford University Press, 2018), pp. 1-66

Week 12 (April 24): Economic Power and Statecraft

Jonathan Kirshner, "Economic Sanctions: State of the Art," *Security Studies* 11:4 (summer 2002), pp. 160-179.
Jonathan Kirshner, *Currency and Coercion* (Princeton, 1995), pp. 3-42, 170-215.
Rawi Abdelal and Jonathan Kirshner, "Strategy, Economic Relations, and the Definition of National Interests," *Security Studies* 9:1 (autumn 1999), pp. 123-62.
Robert Pollard, *Economic Security and the Origins of the Cold War, 1945-1950* (Columbia University Press, 1985), pp. 59-106.
Kevin Narizny, "The Political Economy of Alignment: Great Britain's Commitments to Europe, 1905-39," *International Security* 27:4 (spring 2003), pp. 184-219.
Robert Ross, "Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia," *Security Studies* 15:3 (2006), pp. 355-95.
Min Ye, "China and Competing Cooperation in Asia-Pacific: TPP, RCEP, and the New Silk Road," *Asian Security* 11:3 (2015), pp. 206-24.
Jean-Marc F. Blanchard and Colin Flint, "The Geopolitics of China's Maritime Silk Road Initiative," *Geopolitics* 22:2 (2017), pp. 223-245.

Week 13 (May 1): The Euro as a Political Laboratory

Jean Pisani-Ferry, *The Euro Crisis and its Aftermath* (Oxford University Press, 2011).
Randall Germain and Herman Schwartz, "The Political Economy of Failure," The Euro as an Intl Currency," *Review of International Political Economy*, 21:5 (2014), pp. 1095-1122.
Kathleen McNamara, "'The Forgotten Problem of Embeddedness: History Lessons for the Euro,'" in Matthijs/Blyth (eds) *The Future of the Euro* (Oxford, 2015), pp. 21-43.
Jeffrey Frieden and Stefanie Walter, "Understanding the Political Economy of the Eurozone Crisis," *Annual Review of Political Science* 20 (2107), pp. 371-390.
Matthias Matthijs and Mark Blyth, "When Is It Rational To Learn The Wrong Lessons? Technocratic Authority, Social Learning, and Euro Fragility," *Perspectives on Politics* 16:1 (2018), pp. TBD.

Week 14 (May 8): Progress in IPE?

Nicola Phillips and Catherine Weaver (eds.), *International Political Economy: Debating the Past, Present and Future* (Routledge, 2011), pp. 1-73, 105-15, 186-93, 203-09.
Benjamin Cohen, "The IPE of Money Revisited," *Review of International Political Economy* 24:4 (August 2017), pp. 657-680.
Stephen Chaudoin and Helen Milner (2017), "Science and the system: IPE and International Monetary Politics," *Review of International Political Economy* 24:4 (2107), pp. 681-698.
Thomas Oatley, "Open Economy Politics and Trade Policy," *Review of International Political Economy* 24:4 (2017), pp. 699-717.