

INTERNATIONAL POLITICAL ECONOMY (IR209)

Course duration: 54 hours lecture and class time (Over three weeks)

Summer School Programme Area: International Relations, Government and Society

LSE Teaching Department: Department of International Relations

Lead Faculty: Professor Jeffrey Chwieroth (Dept. of International Relations)

Pre-requisites: At least one introductory course in either social science (e.g. political science, international relations, sociology, economics), history or law.

Course Objective:

This course introduces students to the study of international political economy (IPE). The course focuses on the political foundations and consequences of the contemporary world economy. Thus, while it is not a course in international economics, the course will employ some basic economic concepts that will be explained in the lectures and reading. Backgrounds in political science, international relations and economics would be very useful but not necessary to take the course.

The course will survey the evolution of the international economic system since the Second World War, with particular reference to contemporary concerns, debates and issues. We will analyse international and domestic explanations for these developments. We will illustrate the varying explanatory power of the different approaches by applying them to a selection of empirical cases. This will provide both the background and the necessary perspective to understand the complexity and multiplicity of perspectives in contemporary IPE.

Some of the empirical issues examined will include:

- Globalisation and the Rise of Populism in the West
- Financial Crises in Latin America (1980-2001); East Asia (1997/1998) and Advanced Economies (2008-2012)
- Global Trade Imbalances between the United States and China
- Brexit and European Monetary Union
- The World Trade Organisation and Trade Policies
- Financial Globalisation
- Economic Development
- The International Monetary Fund and World Bank
- Climate Change and Global Environmental Politics
- Multinational Corporations

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- Regional Trade Agreements

Each of the twelve daily sessions for the course will consist of a long morning lecture, followed by a shorter seminar discussion in the afternoon.

Class Readings:

IR209 is a Moodle-based course. Moodle is an electronic platform that can deliver course outlines, lecture outlines and reading to your desktop. The course outline will provide you with required reading for each topic (available electronically) as well as further supplementary reading (in many cases this will also be available electronically). We also list, though do not provide, relevant background chapters for each topic from three leading texts in the field. **You are strongly encouraged to purchase at least one of these and read it before the course begins, so as to familiarise yourself with the course material.** These texts are: Thomas Oatley, *International Political Economy: Interest and Institutions in the Global Economy* (Pearson/Longman, 5th edition, 2016), John Ravenhill (ed.), *Global Political Economy* (Oxford, 5th edition, 2016), and Jeffry Frieden, David Lake, and J. Lawrence Broz (eds.), *International Political Economy: Perspectives on Global Power and Wealth* (W.W. Norton, 6th edition, 2017).

Most of the additional reading consists of journal articles which you can obtain online from the LSE's Electronic Library. To make an obvious point: the more you read, the more you will get from the course.

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Course Structure and Assessment:

There will be twelve three-hour lectures and twelve 90 minute classes. An assessed essay will be due at the end of the second week of the course and summative final examination at the end of the course (Friday week 3).

The essay of up to 1500 words (bibliography not included, word-count must be stated on the first page of the essay) is to be submitted in **.doc** or **.pdf** format (**1MB max**) to the **Essay Folder** on the Moodle page by **Friday 29 June 2018 at 9:30am**. The Essay will count as 25% of the final mark. Students must answer a question from among those provided on the second day of lecture.

Late submissions will be penalised at the rate of 2 points per hour. (Example – An essay submitted at 9:32am on 29 June could only achieve a maximum mark of 98). Papers received after 9:30am on Monday 2 July will not be marked and will receive a nil return (“zero”).

Any late submission must be sent via email to your class teacher.

The final exam will count as 75% of the final mark. The precise time and location of the final exam will be circulated during the programme.

In addition, there will be one in-class formative assessment in the shape of evaluated presentations.

Alternative Recommended Texts:

For students who wish to read beyond the recommended texts, the following possibilities are suggested. These would be useful for any pre-reading a student may wish to do, or for supplementary reading.

- Paul Krugman and Maurice Obstfeld, *International Economics: theory and policy* (latest edition), Addison Wesley (a standard international economics text: non-technical sections only for non-economists).
- Robert Gilpin, *Global Political Economy: understanding the international economic order*, Princeton University Press, 2001.
- David Held and Anthony McGrew (eds.), *The Global Transformations Reader: an introduction to the globalization debate*, Polity press, 2000.

Exams from previous years:

The previous three years' exam papers are good indicators of the kind of examinations you will sit in this course. Exam questions will follow the syllabus and will require a mix of the following:

- Knowledge of the relevant debates
- Analytical skills rather than purely descriptive skills
- Awareness of differing perspectives
- Use of case study material where relevant
- Easy and comprehensible narrative style
- Coherence of essay structure and argument

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Session 1: Introduction to the study of IPE

Why is the study of IPE so distinct from the perspectives of other disciplines? How did the discipline emerge, and what new insights does it provide? Can economics be effectively integrated in to the rest of the social sciences discourse, and if so how? This session will introduce students to some of the conceptual and intellectual debates concerning IPE and what it seeks to achieve.

Required reading:

Oatley, Chapter 1.

Ravenhill, Chapter 1 (Ravenhill).

Additional reading:

Frieden, Lake, and Broz, Chapters 1 (Rogowski) and 3 (Krasner).

Ravenhill, Chapters 2 (Watson), 3 (Dupont and Aggarwal), and 4 (Hiscox).

Katzenstein, Keohane, and Krasner. (1998), "International Organization and the Study of World Politics", *International Organization* 52:4, pp. 645-685.

Keohane, R. (2009), 'The Old IPE and the New.' *Review of International Political Economy* 16(1): 34-46.

Mastanduno, M. (2009), "System Maker and Privilege Taker: U.S. Power and the International Political Economy", *World Politics* 61(1): 121-154.

Krugman & Obstfeld, "Introduction: What is International Economics About?" pp.1-8.

Robert Gilpin (1987), *The Political Economy of International Relations*, Princeton University Press , pp.8-24.

Cohen, Benjamin J. (2008), *International Political Economy: An Intellectual History*. Princeton University Press.

Martin, L.L., and B.A. Simmons. (2013), "International Organizations and Institutions", in W. Carlsnaes, T. Rise, and B.A. Simmons (Eds.), *Handbook of International Relations*, 2nd Edition. SAGE Publications.

Seminar questions:

1. What are the main perspectives on international political economy, and why is the study of IPE so difficult?
2. Can domestic and international theories of political economy be reconciled?

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Session 2: The establishment of the post-war institutional system

The post war international institutional system was agreed amongst nation states with little or no discussion with private or non-state interests. The structure that emerged placed nation states at the heart of the institutional process, and this has played out in certain very specific ways. This session will review how the system came into being, some of the basic concepts and principles that underpinned it, and some of the problems it encountered, particularly in areas where states had little familiarity or expertise with dealing with issues, especially in trade and commercial practices.

Required reading:

Ikenberry, John (1992), 'A World Economy Restored: Expert Consensus and the Anglo-American Postwar Settlement', *International Organization* 46:1, pp. 289-321.

Oatley, Chapter 1: "The Global Economy in Historical Context" and Chapter 10.

Ravenhill, Chapter 8 (Helleiner).

Additional reading:

Ruggie, J. G. (1982), "International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order", *International Organization*, 36:2, pp. 379-415.

Odell, J. (1988), "From London to Bretton Woods: Sources of Change in Bargaining Strategies and Outcomes," *Journal of Public Policy*, July-December, pp. 287-316.

Gilpin, *Global Political Economy*, Chapters 6, 7, 8, 9, and 10.

Milner, H. (1997), *Interests, institutions, and information*, Princeton University Press, Chapter 5.

Seminar questions:

1. What are the major intellectual influences that shaped the post war order?
2. What are the strengths and weaknesses of the theory of hegemonic stability in terms of its ability to explain the post war international institutional system?

Session 3: From GATT to WTO: The Uruguay Round and the WTO as an institution

The Uruguay round agreement and the creation of the WTO was heralded as the most significant international institutional event since the creation of the United Nations. This session will consider why this was so, what the new WTO was meant to achieve, and how these developments fit into the broader scheme of things at the international and domestic levels.

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Required reading:

Oatley, Chapter 2.

Ravenhill, Chapter 5 (Capling and Trommer).

Frieden, Lake, and Broz, Chapter 4 (Davis).

Additional reading:

Frieden, Lake, and Broz, Chapters 8 (Bailey, Goldstein, and Weingast), 22 (Baldwin), and 30 (Ehrlich).

Woolcock, S. (2012), 'The Evolution of the International Trading System.' In Heydon, K. and Woolcock, S. [*The Ashgate Research Companion for International Trade Policy*](#).

Hoekman, Bernard, et. al. (2002) *The World Trade Organization*, available at <http://documents.worldbank.org/curated/en/805981468763835259/Development-trade-and-the-WTO-a-handbook>

Goldstein, J.L., D. Rivers, and M. Tomz. (2007), 'Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade'. *International Organization*, 61 no 1 p. 37-67.

Irwin, Douglas A. 1995, "[The GATT in Historical Perspective.](#)" *American Economic Review*, 85(2): 323-28.

Krugman and Obstfeld, *International Economics: theory and policy (6th edition)*, Chapter 11 (pp.276-292).

Hocking, B. (2004): 'Changing the Terms of Trade Policy Making: from the "Club" to the "Multistakeholder" Model,' *World Trade Review* 3 (1), pp. 3-26

Gallagher, Kevin P. (2007), 'Understanding Developing Country Resistance to the Doha Round', *Review of International Political Economy* 15(1): 62-85.

Narlikar, Amrita. (2006), "[Fairness in International Trade Negotiations: Developing Countries in the GATT and WTO.](#)" *The World Economy* 29(8): 1005-1029.

Milner, H. (2013), "International Trade", in W. Carlsnaes, T. Rise, and B.A. Simmons (Eds.), *Handbook of International Relations*, 2nd Edition. SAGE Publications.

Seminar questions:

1. Why was the Uruguay round and the creation of the WTO considered to be the most important international institutional development since the Second World War?
2. Is the WTO the appropriate forum for minimum harmonised global standards pertaining to Trade-Related Intellectual Property, labour standards and environmental standards?

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Session 4: IMF and World Bank in the international system

We consider the debate over the nature and effects of IMF and World Bank lending and the policy conditionality that is usually attached to such lending. The IMF in particular has come under severe criticism and scrutiny in recent years. We discuss the continuing debate over whether the governance structure of these institutions is legitimate and how they should be reformed.

Required reading:

Woods, Ngaire, (2010), "Global Governance after the Financial Crisis: A New Multilateralism or the Last Grasp of the Great Powers?", *Global Policy* 1 (1): 51-63.

Weaver, Catherine, 'The World's Bank and the Bank's World', *Global Governance* 13:4 (2007) pp. 493-512.

Frieden, Lake, and Broz, Chapter 32 (Frieden).

Additional reading:

Reinhart, Carmen M., and Christoph Trebesch. (2015), "The International Monetary Fund: 70 Years of Reinvention," NBER Working Paper No. 21805 Available at <http://www.nber.org/papers/w21805.pdf>

Grabel, Ilene. (2011), "Not your grandfather's IMF: global crisis, 'productive incoherence' and developmental policy space," *Cambridge Journal of Economics*, vol. 35, no.5: 805-830. <http://cje.oxfordjournals.org/content/35/5/805.full.pdf+html>

Boughton, James M. (2004), '[The IMF and the Force of History: Ten Events and Ten Ideas that have Shaped the Institution](http://www.imf.org/external/pubs/ft/wp/2004/wp0475.pdf)' IMF Working Paper No. 04/75 Available at <http://www.imf.org/external/pubs/ft/wp/2004/wp0475.pdf>.

Woods, Ngaire. (2006), *The Globalizers: The IMF, the World Bank, and their Borrowers*. Cornell University Press.

Martinez-Diaz, Leonardo. (2009), *Toward a Grand Bargain on World Bank Reform*, Brookings Institution, Available at <https://www.brookings.edu/articles/toward-a-grand-bargain-on-world-bank-reform/>

Vestergaard, Jakob, and Robert H. Wade. (2013), "Protecting Power: How Western States Retain the Dominant Voice in the World Bank's Governance," *World Development*, vol. 46: 153-164.

Mohan, Rakesh and Muneesh Kapur. (2015). "Emerging Powers and Global Governance: Whither the IMF?" IMF Working Paper WP/15/219 Available at <http://www.imf.org/external/pubs/ft/wp/2015/wp15219.pdf>

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Seminar questions:

1. Are IMF and World Bank lending programmes politically flawed?
2. Does the US dominate the IMF and World Bank? Should it?

Session 5: Development, the international system and domestic institutions: East Asia and Latin America

Why are some countries rich and others poor? Why, specifically, did East Asia's postwar growth experience differ so dramatically from that of the rest of the developing world? What were the relative importance of international and domestic factors in economic policy choices and outcomes? Why have contemporary economists placed so much emphasis upon the role of domestic institutions in economic development? How have the global financial crisis and the rise of China shaped development thinking?

Required reading:

Oatley, chapters 6-7.

Ravenhill, chapters 12 (Wade) and 13 (Phillips).

Frieden, Lake, and Broz, chapter 7 (Acemoglu).

Additional reading:

Keefer, P. (2004) Frieden, Lake, and Broz, chapters 26 (Milanovic), 27 (Rodrik), and 28 (Sokoloff and Engerman).

“What Does Political Economy Tell Us about Economic Development—and Vice Versa?” *World Bank Working Paper No. 3250*, at: <http://documents.worldbank.org/curated/en/180031468761657930/What-does-political-economy-tell-us-about-economic-development-and-vice-versa> (more difficult)

Zhao, S.(2010): ‘[The China Model: Can it Replace the Western Model of Modernization?](#)’, *Journal of Contemporary China*, 19(65): 419-436.

Kennedy, S. (2010), ‘[The Myth of the Beijing Consensus](#)’, *Journal of Contemporary China*, 19(65): 461-477.

Dadush, U. and Shaw, W. (2011), [How Emerging Markets are Reshaping Globalization](#). Brookings/Carnegie Endowment: [Chapter1](#)

Gourevitch, Peter. (2008), "The Role of Politics in Economic Development," *Annual Review of Political Science* 11:137-159.

Rodrik, Dani. (2004), “[Rethinking Economic Growth in Developing Countries](#),” The Luca d’Agliaio Lecture for 2004: available at: [http://ksghome.harvard.edu/~drodrik/Luca d Agliano Lecture Oct 2004.pdf](http://ksghome.harvard.edu/~drodrik/Luca_d_Agliaio_Lecture_Oct_2004.pdf)

Williamson, John. 2010, “The Impact of the Financial Crisis on Development Thinking,” Max Fry Annual Lecture delivered at the University of Birmingham, United Kingdom, October 13, 2010. Available at <http://www.piie.com/publications/papers/williamson20101013.pdf>

Seminar questions:

1. Do international or domestic factors explain why some countries have developed and others have not?
2. Is there such thing as a “Beijing consensus?” If so, why is it attractive and does it represent an alternative to the “Washington consensus”?

Session 6: The IPE of the global environment

Global environmental concerns are the one major issue on which nations have to cooperate. Yet nation states are reluctant to commit to institutional and other arrangements that would constrain national policy autonomy, and often prefer to address environmental problems directly. Yet the global environmental agenda is growing constantly, and the politics and science of debates surrounding environmental issues are growing more complex and difficult to manage. This session will look at what some of the issues on the agenda are, how national and international systems prefer to respond, and discuss whether these approaches will solve these problems or not.

Required reading:

Ravenhill, Chapter 14 (Dauvergne).

Frieden, Lake, and Broz, Chapter 29 (Frankel) and 31 (Keohane and Victor).

Additional reading:

Bernstein, S. (2002), '[Liberal Environmentalism and Global Environmental Governance](#)', *Global Environmental Politics*, 2(3): 1-16.

Keohane, R. O. and Victor, D. G. (2011), '[The Regime Complex for Climate Change](#)', *Perspectives on Politics*, 9(01): 7-23.

Bernstein, Steven (2000), "Ideas, Social Structure and the Compromise of Liberal Environmentalism", *European Journal of International Relations*, 6:4, pp. 464-512.

Clapp, J. and Helleiner, E. (2012). "International Political Economy and the Environment: Back to the Basics?", *International Affairs* 88 (3):485-501.

Elliot, L. (2004), *The Global Politics of the Environment*, MacMillan.

De Dombre, E.R. (2006), *The Global Environment and World Politics*, Continuum,. Chapter One.

Falkner, Robert, Hannes Stephan, and John Vogler. (2010), "International Climate Policy after Copenhagen: Towards a 'Building Blocks' Approach", *Global Policy* 1 (3): 252-262.

Duncan Brack and Kevin Gray, Multilateral Environmental Agreements and the WTO: a Report, RIIA and IISD, September 2003, available at, https://www.iisd.org/pdf/2003/trade_meas_wto.pdf

Wapner, Paul (1995), "Politics beyond the State: Environmental Activism and World Civic Politics", *World Politics*, 47:3, pp. 311-340.

Elliott, Lorraine. 'Global Environmental Governance' in *Global Governance: Critical Perspectives*, edited by R. Wilkinson and S. Hughes (2002): 57-74.

Newell, P. (2008), '[The Political Economy of Global Environmental Governance](#)', *Review of International Studies*, 34(3): 507-529.

Seminar questions:

1. What are the main impediments to global environmental cooperation, and why is it so difficult to forge agreement?
2. Who are the winners and losers from effective global climate governance? Do normative and moral concerns matter more in this issue area than in others?

Session 7: The politics of currency crises: Bretton Woods, The European Monetary System 1992-3.

Why are pegged exchange rate systems fragile? We first investigate a classic case of the postwar period, the breakdown of the Bretton Woods system of pegged exchange rates in the early 1970s. We then turn to consider the problems of the European Monetary System in the 1980s and early 1990s.

Required reading:

Oatley, Chapters 10-11.

Frieden, Lake, and Broz, Frieden (14).

Additional reading:

Frieden, Lake, and Broz, Chapter 13 (Aizenman) and 17 (Broz).

Cohen, B.J. 'The Triad and the Unholy Trinity: Problems of International Monetary Cooperation', in Frieden, Lake, and Broz, (eds.) *International Political Economy: Perspectives on Global Power and Wealth* (2010), ch. 15.

Eichengreen, B, '[The EMS Crisis in Retrospect](http://papers.nber.org/papers/w8035.pdf)', NBER Working Paper 8035 (2000). available at: <http://papers.nber.org/papers/w8035.pdf>.

IMF, *World Economic Outlook* (May 1998), [Chapter 4](http://www.imf.org/external/pubs/ft/weo/weo0598/pdf/0598ch4.pdf). available at: <http://www.imf.org/external/pubs/ft/weo/weo0598/pdf/0598ch4.pdf>

Walter, Andrew. 1993. *World Power and World Money*, ch.6.

Calvo, G. and Reinhart, C. 'Fear of Floating' *Quarterly Journal of Economics* 117:2 (May 2002). Available in journals in the electronic library.

Eichengreen, B. (2010), *The Rise and Fall of the Dollar and the Future of the International Monetary System*. Oxford: Oxford University Press. Chapters 1 – 3.

Seminar questions:

1. Was the breakdown of the Bretton Woods pegged exchange rate system the inevitable result of US decline?
2. If pegged exchange rate systems are difficult to maintain under circumstances of international capital mobility, why do so many developing countries peg their currencies?

Session 8: The Political Economy of Financial Crises

We investigate why developing countries have been particularly prone to deep financial crises and why, more recently, financial fragility reappeared in the developed countries. First, we examine the case of ‘petro-dollar recycling’ in the 1970s and the Latin American debt crisis of the 1980s. We then turn to consider the so-called ‘capital account crises’ of the 1990s, in Mexico, East Asia and Argentina. Finally, we discuss the origins and consequences of the recent global financial crisis. We focus on the political and institutional factors that contribute to financial fragility.

Required reading:

Ravenhill, Chapter 8 (Pauly).

Frieden, Lake, and Broz, Chapter 15 (Chinn and Frieden).

Additional reading:

IMF, *Global Financial Stability Report, September 2003*, ch.4: Volatility of Private Capital Flows to Emerging Markets, <http://www.imf.org/External/Pubs/FT/GFSR/2003/02/pdf/chp4.pdf>

Radelet, S. and Sachs, J. '[What Have We Learned, So Far, From the Asian Financial Crisis?](#)' CAER II Discussion Paper No. 37 (March 1999). Edwards, S. 'The Mexican Peso Crisis', *The World Economy*, 21/1, (January 1998), 1-30.

Eichengreen, Hausmann and Panizza, '[Currency Mismatches, Debt Intolerance and Original Sin: Why They Are Not the Same and Why it Matters](#)' NBER Working Paper 10036 (October 2003).

James, Harold, “Who Broke Global Finance, and Who Should Pay for It?”, *Foreign Affairs*, January/February 2009: <https://www.foreignaffairs.com/authors/harold-james>

Brender, Anton and Florence Pisani. 2009: [Globalized finance and its collapse](#)

Levine, Ross (2010). “An Autopsy of the U.S. Financial System”, *NBER Working Paper No. 15956*, April. <http://www.nber.org/papers/w15956>.

Helleiner, Eric. (2011): '[Understanding the 2007-2008 Global Financial Crisis: Lessons for Scholars of International Political Economy?](#)', *Annual Review of Political Science*, 14: 67-87.

Lo, A. (2012), “Reading about the Financial Crisis: A Twenty-One-Book Review”, *Journal of Economic Literature* 50 (1): 151-178.

Seminar questions:

1. Are emerging market countries any more prone to serious financial crises than advanced countries? If so, why?
2. Why have so many developing countries borrowed offshore in the apparently dangerous form of hard currency bank loans?

Session 9: The Politics of Global Imbalances

Some authors have claimed that the international monetary and financial system has imperceptibly moved in the direction of a “new Bretton Woods” system, pointing to the tendency of developing countries to peg to the dollar and to accumulate large dollar reserves. Others argue that the historical parallels are misleading. This debate is also relevant to the issue of whether large global “imbalances”, in particular the re-emergence of large US external deficits, are sustainable over the long term. We also discuss the link between imbalances and the rise of populism in the West.

Required reading:

Eichengreen, Barry. 2004. “[Global Imbalances and the Lessons of Bretton Woods](#).” NBER Working Papers.

Frieden, Lake, and Broz, Chapter 2 (Frieden).

Anne Case and Angus Deaton. (2017), Mortality and Morbidity in the 21st Century. Available at https://www.brookings.edu/wp-content/uploads/2017/03/6_casedeaton.pdf

Additional reading:

Dooley, Folkerts-Landau, and Garber. 2003. “[An Essay on the Revived Bretton Woods System](#),” NBER Working Papers.

Walter, Andrew. 'Global Economic Governance after the Crisis: The G2, the G20, and Global Imbalances.' *Bank of Korea Working Paper*, 2011 | [Read Paper](#)

Gourinchas, P-O, and Rey, H. (2005), “[From World Banker to World Venture Capitalist: US External Adjustment and the Exorbitant Privilege](#).” NBER Working Papers.

Dooley, Folkerts-Landau, and Garber. (2004), “[The Revived Bretton Woods System: The Effects of Periphery Intervention and Reserve Management on Interest Rates & Exchange Rates in Center Countries](#)”, NBER Working Papers.

Summers, Larry. (2005), "[The US Current Account Deficit and the Global Economy](https://www.harvard.edu/president/speeches/summers_2006/0324_rbi.php)," And his "Reflections on Global Account Imbalances and Emerging Markets Reserve Accumulation," 2006: https://www.harvard.edu/president/speeches/summers_2006/0324_rbi.php

McKinsey (2007) [The New Power Brokers: How Oil, Asia, Hedge Funds and Private Equity are Shaping Capital Markets](#)

Seminar questions:

1. With regard to contemporary global imbalances, who is exploiting whom?
2. Are global macroeconomic imbalances the principal cause of the recent rise of populism in the West?

Session 10: Globalisation and economic policy: integration and welfare in Europe

To what extent is deeper integration in Europe, including EMU, a response to globalization? What were the origins and consequences of the Single Market Programme in Europe? What explains the Maastricht treaty on monetary union and the subsequent adoption of a single currency? Is the European welfare state under threat from globalization? Does deeper integration increase the EU's power within the international political economy? What complications do Brexit and Europe's 2008-2012 debt crisis pose?

Required reading:

Ravenhill, Chapter 10 (McGrew).

Frieden, Lake, and Broz, Chapter 16 (Copelovitch, Frieden, and Walter).

Dani Rodrik. (2017), "Populism and the Economics of Globalization", NBER Working Paper 23559. Available at: <http://www.nber.org/papers/w23559>

Additional reading:

Ravenhill, Chapter 11 (Hay).

Owen, E. and S. Walter. (2017), 'Open Economic Politics and Brexit: Insights, Puzzles, and Ways Forward,' *Review of International Political Economy* 24 (2):179-202.

Sadeh, T., and A. Verdun. 'Explaining Europe's Monetary Union: A Survey of the Literature,' *International Studies Review* 11 (2):277-301.

Abdelal, R. (2006): '[Writing the rules of global finance: France, Europe and capital liberalization](#),' *Review of International Political Economy*, 13(1): 1-27.

Dyson, K. 'The Franco-German relationship and Economic and Monetary Union: Using Europe to 'bind Leviathan'', *West European Politics*, 22/1 (January 1999), 25-44.

Lamy, P. (2002), 'Stepping stones or stumbling blocks? The EU's approach towards the problem of multilateralism vs regionalism in trade policy', *The World Economy* (25:10): 1399-1413.

Navarro, Vincente, John Schmitt and Javier Astudillo, 'Is Globalisation Undermining the Welfare State?' *Cambridge Journal of Economics*, 28:1 (2004), 133-152.

Cohen, B. ['Phoenix Risen: The Resurrection of Global Finance'](#), *World Politics* 48/2 (January 1996).

Mosley, Layna. ['Room to Move: International Financial Markets and National Welfare States'](#), *International Organization*, 54/4 (Autumn 2000) 737-773.

Eichengreen, Barry. 'The Euro's Never-Ending Crisis', *Current History* 110 (734).

Ikenberry, G. John. 'The International of the Liberal International Order?', *International Affairs* 94:1 (2018): 7-23.

Seminar questions:

1. Is the deepening and expansion of European integration in recent decades a response to external pressures or internal opportunities?
2. Can the European Union survive the strains of globalization and monetary union?

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Session 11: MNCs in the global political economy

During the last half-century the importance and strength of foreign direct investment and multinational corporations has grown significantly. How did this come about and what does it mean for the management of the international system? What does it mean for developing countries? Have global firms come to rival states as actors in the global political economy? What accounts for the changing political landscape for MNCs in the West?

Required reading:

Oatley, chapters 8 and 9.

Ravenhill, chapter 7 (Thun).

Frieden, Lake, and Broz, chapter 12 (Li and Resnick).

Additional reading:

Frieden, Lake, and Broz, chapters 9 (Caves), 10 (Pandya), and 33 (Mansfield and Mutz).

Levy, David L. and Aseem Prakash (2003), "Bargains Old and New: Multinational Corporations in Global Governance", *Business and Politics*, Vol. 5, no. 2, 131-150.

Story, J. (2011), "China and the Multinational Experience", in D. Coen, W. Grant, and G. Wilson (Eds.), *The Oxford Handbook of Business and Government*. Oxford University Press.

Thun, E. (2011), "The Globalization of Production", in J. Ravenhill (Eds.), *Global Political Economy*, 3rd Edition. Oxford University Press.

Shah M. Tarzi, "Third World Governments and Multinational Corporations: Dynamics of Host's Bargaining Power", in Frieden, Lake, and Broz, (eds.) *International Political Economy: Perspectives on Global Power and Wealth* (2010), ch. 10.

Robert Gilpin, Chapter 11: "The State and the Multinationals", in *Global Political Economy: Understanding the international economic order*, Princeton University Press, 2001

Transcript of an IMF Book Forum—The World Is Flat: A Brief History of the Twenty-First Century (2005; summary of Thomas Friedman, *The World is Flat*): <http://www.imf.org/external/np/tr/2005/tr050408bf.htm>.

Dicken, Peter. (2011), *Global Shift: Mapping the Contours of the Global Economy* London: SAGE Publications.

Seminar questions:

1. What determines the relative bargaining power of states and MNCs in the global economy?
2. Does the rise of foreign direct investment and outsourcing "flatten" the world economy? If so, how? 15

Session 12: Regionalism in the World Economy

The origins of the 'new regionalism' in the Americas, Asia and Africa. We investigate the emergence of NAFTA, Mercosur, the ASEAN FTA and other regional arrangements outside of Europe. What explains this trend towards regionalism? What are its consequences for global governance and the multilateral trading system in particular?

Required reading:

Ravenhill, Chapter 6 (Ravenhill).

Frieden, Lake, and Broz, Chapter 11 (Simmons).

Additional reading:

Panagariya, A. (1999), 'The Regionalism Debate: An Overview', *World Economy* 22/4.

Chase, K. (2003), 'Economic Interests and Regional Trading Arrangements: The Case of NAFTA', *International Organization* (57:1): 137 - 174.

New Political Economy (2000) special issue on regionalism (5:3).

Fawcett, L. (2004), '[Exploring Regional Domains: A Comparative History of Regionalism.](#)' *International Affairs* 80(3): 429-446.

Manger, M. S. (2009), [Investing in Protection: The Politics of Preferential Trade Agreements between North and South.](#) Cambridge University Press.

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Seminar questions:

1. What accounts for the proliferation of regional trading arrangements since the mid-1980s?
2. Does regionalism enhance or undermine international economic order?

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