

# International Relations 330: Politics of the World Economy

## Fall 2024

**Instructor:** Dr. Victoria Chonn-Ching

**Email:** [chonnchi@usc.edu](mailto:chonnchi@usc.edu)

**Days:** Tu and Th, 11:00 a.m.–12:20 p.m.

**Office hours:** Tuesdays, 1:00 p.m.-2:30 p.m.

**Class location:** LVL 16

**Office location:** DMC 354

**Additional office hours (online):** Can be booked using the following link:

<https://victoriaccusc.youcanbook.me>.



Photo of Bretton Woods Conference meeting in New Hampshire

### **COURSE OVERVIEW**

This class introduces to students the conceptual approaches, critical turning points, and key issues that have characterized the field of International Political Economy (IPE) since the 20<sup>th</sup> century. By examining a diverse body of scholarship, we will look at how politics shape foreign economic policies and how changes in the global economy can influence the preferences and bargaining power of different state and non-state actors.

During this semester, we will examine some of the dominant approaches to the study of IPE and the transformation of the world economy. Then, we will explore increased economic interdependence in trade and what this means for the governance of the world economy. We will also study the impact of regionalization and the activities of transnational corporations. We will then turn to the consequences of globalization, opportunities for economic development, and the impact on the environment. Finally, we will discuss the future challenges in the governance of the world economy.

By the end of this course, students will be able to:

OBJECTIVES	ASSESSMENT
Identify, understand, and critically examine key analytical perspectives used in IPE and what has shaped the global political economy in modern times.	Weekly individual in-class participation, op-ed piece, in-class group exercises, midterm, and final papers.
Understand and evaluate the factors and processes associated with changes in the global economy, and in the foreign and domestic economic policies of key state-actors.	
Analyze the main issues and concerns associated with recent political economy debates.	Students' midterm, op-ed piece, and final papers.
Analyze how international trade, and financial structures are created, and how they can affect domestic institutions and policies, and vice-versa.	

**COURSE REQUIREMENTS**

Students are expected to complete all required readings prior to each meeting and actively participate in class. Similarly, all assignments and examinations should be submitted according to the specified deadlines. In case there are any emergencies and/or issues that could interrupt their timely submission, students should talk to me in advance to make the corresponding arrangements.

The following books are required and can be accessed via the USC Library. All other materials are available via Brightspace and/or online using the links provided.

- Cohn, T. and Hira, A. (2021). Global Political Economy: Theory and Practice. Routledge, New York, NY, 8th edition.
- Frieden, J. A., Lake, D. A., and Broz, J. L. (2010). International Political Economy: Perspectives on Global Wealth and Power. W.W. Norton, New York, 5th edition.

**GRADE COMPONENTS**

Class discussion	15%
Op-ed piece	15%
Response memos (3, can drop lowest score)	20%
Midterm exam	25%
Final paper	25%

As indicated on the table, your grade will be based on:

### 1. Class participation (15%)

Students are expected to read each week's assigned materials and contribute to class discussions. It is essential for students to participate so the class is as interactive as possible—we all learn from each other. If students are not in class, then they cannot contribute to class discussion. Off-line and in-class activities also count for class participation.

### 2. Op-ed piece (15%)

Critical thinking and clear expression are important skills that are expected to develop while in college. To be a critical observer, students need to stay on top of current events. To be an effective communicator, writing plays an essential role. This assignment requires students to do both. For this class, students will provide five-pages (max.) of written commentary and analysis on an important news event related to international political economy. *Summarizing an event or others' opinions will not count.* To identify current events, students should regularly consult verifiable and reliable sources like Wall Street Journal, Financial Times, The Economist, BBC News, The Guardian.

When submitting your assignment, please attach a PDF (screen shot, link, etc.) of two news articles that informed your piece. The due date is **October 8 by 11:59 p.m.** Late assignments will be penalized 1/3 letter grade per each day late (including weekends). Additional instructions for this assignment will be discussed in class.

### 3. Response memos (20%)

Students will write three response memos of the readings, of which the lowest grade will be dropped. The first response memo must be submitted by **September 12 by 11:59 p.m.** These memos will help students develop and practice the critical assessment skills that will be used in the op-ed piece and the final paper. These memos should be 2 pages long (max.), 1-inch margins, 12-point Times New Roman or Cambria, 1.5 spaced. The objective is to showcase students' critical understanding of one reading that is completed in advance. The memos cannot be done "retroactively." For example, a response submitted on September 19 should not be of a reading assigned for September 12.

When writing these memos please make sure to:

- a) Identify the main question and arguments the author(s) and/or reading(s) are presenting.
- b) Describe the arguments and assess the evidence used by the author(s).
- c) What are some unknowns in these readings—That is, what questions are left unanswered for you and why answering it is important?

### 4. In-class midterm (25%)

The midterm will take place on **October 15** during class time. No make-up exams will be given. Exceptions may only be possible when arrangements are made with the professor prior to the test date and when official documents are submitted to verify illness or family emergency. A document stating that you merely visited the health center does not count as evidence of illness or emergency. Any forgery of documents will be reported to the Office of Student Judicial Affairs and Community Standards.

## 5. Final paper (25%)

Students will write a final paper on a prompt that will be provided after the midterm. The paper will be due the last week of class. To help students develop their papers, they are expected to submit the following parts:

- One page (max.) describing your paper topic, due **October 31 by 11:59 p.m.**
- Two main arguments your paper is making, due **November 14 by 11:59 p.m.**

Each submission will count toward the final grade of the paper. *Failure to submit them will cause a 10% deduction of the final paper's grade you obtain (5% for each part—this includes when it's late).*

### Final paper format:

- 8 pages max., excluding bibliography
- 12-point font (i.e., Times New Roman, Calibri, or Cambria)
- 1-inch margins
- Double-spaced
- No footnote citations.

## GRADING SCALE

The grading scale for this class is as follow:

A	96-100	C	73-76
A-	90-95	C-	70-72
B+	87-89	D+	67-69
B	83-86	D	63-66
B-	80-82	D-	60-62
C+	77-79	F	59 and below

## CLASS POLICIES

### MAKE-UP REQUIREMENTS

There will be **no make-up assignments and tests for unexcused absences**. Acceptable excuses, which include medical, family, or other emergencies and official university-related business, must be provided to me in writing in advance to be considered. Students who are unable to complete a requirement for legitimate reasons that do not qualify as excused under university guidelines, and who provide notification may, at my discretion, complete a requirement belatedly. Any requirement turned in on after the deadline will incur a penalty of **1/3 of your grade per day late**. *Submissions after one week from the original deadline will not be accepted and will be assigned a grade of zero.*

### GRADING POLICY

Students may contest the grade on an exam and/or assignment due to clerical error up to one week after it is returned. Students will need to submit a written description of the error they

believe occurred along with the exam and/or assignment. Clerical mistakes will be corrected, and the corresponding partial credit will be provided. Keep in mind that this process does not guarantee the grade to go up. In addition, everything submitted by students is graded according to the criteria and rubric provided on this syllabus; thus, requests for regrading that are not due to clerical error will not be accepted.

### E-MAIL POLICY

Students are expected to send respectful and complete email messages. I will address you with courtesy and respect, thus students should write back in a similar fashion. I will try to reply to students' messages in a timely manner. Please allow a wait-period of 48 hours after you send a message for me to email back. I will try my best to respond as soon as I see your messages.

## **CLASS SCHEDULE**

### **Aug 27: Introduction**

- Class introduction. No readings.

### **Aug 29: Theoretical Perspectives—What is IPE?**

- Cohn and Hira, Chapter 1: Introduction.
- Frieden, Lake, and Broz, Introduction.
- Keohane, Robert O. "The Old IPE and the New." *Review of International Political Economy* 16(1) (February 2009), pp. 34–46.

### **Sep 3: Traditional Approaches—Mercantilism**

- Cohn and Hira, Chapter 3: Neomercantilism.

**Sep 5: No class. I'll be presenting at the American Political Science Association (APSA) Annual Convention.**

### **Sep 10: Traditional and New Approaches—Liberalism**

- Cohn and Hira, Chapter 4: Liberalism.

### **Sep 12: Traditional and New Approaches —Marxism and Structural Approaches**

- Cohn and Hira, chapter 5: Critical Perspectives.
- Wallerstein, Immanuel. "The Rise and Future Demise of The World Capitalist System: Concepts for Comparative Analysis." *Comparative Studies in Society and History*, 16 (1974), pp. 387-415.

### **Sep 17: Traditional and New Approaches —Feminism and Constructivism**

- Broome, A. (2012). "Constructivism in International Political Economy," in *Global Political Economy: Contemporary Perspectives* (ed. Ronen Palan), Routledge.
- Peterson, V. S. (2005). "How (the meaning of) gender matters in political economy," in *New Political Economy*, Vol. 10, No. 4, pp. 499-521.

### Sep 19: Historical Overview—Late 19<sup>th</sup> and Early 20<sup>th</sup> Centuries

- O'Brien, R. and Williams, M. *Global Political Economy: Evolution and Dynamics*, Palgrave MacMillan (2016), Chapter 4: Industry, Empire and War: 1800-1945.
- Sluga, Glenda. "Remembering 1919: International Organizations and the Future of World Order," *International Affairs*, vol. 59, no. 1 (2019), pp. 25-43.
- Frieden, Lake, and Broz, Chapter 5: Free Trade: The Repeal of the Corn Laws.

### Sep 24: Post-WWI

- Burbank, Jane and Frederick Cooper, "Empires after 1919; Old, New, Transformed," *International Affairs*, vol. 59, no. 1 (2019), pp. 81-100.
- Frieden, Lake, and Boz, Chapter 2: The Political Economy of the Smoot-Hawley Tariff.
- Listen to Planet Money Podcast, Episode 253 "Gold Standard RIP". Available at <https://www.npr.org/sections/money/2015/01/16/376967946/episode-253-gold-standard-r-i-p>

### Sep 26: Political and Economic Crises

- Eichengreen, Barry. "Did International Economic Forces Cause the Great Depression?" *Contemporary Economic Policy* (1988), pp. 90-114.
- Kindleberger, Charles. *The World in Depression 1929-1939* (Berkeley: University of California, 1975), chapters 1 and 14.
- Video: 1929 Stock Market Crash and the Great Depression <https://www.youtube.com/watch?v=qISxPouPCIM>

### Oct 1: Post-WWII

- Cohn and Hira, Chapter 2: Managing the Global Economy Since World War II: The Institutional Framework.
- O'Brien, R. and Williams, Chapter 5: Growing a Global Economy: 1945-2019.
- Frieden, Lake, and Boz, Chapter 8: British and American Hegemony Compared: Lessons for the Current Era of Decline.

### Oct 3: The Bretton Woods Order

- Floretos, O. and Heldt, E. C. (2019). "Legacies and innovations in global economics governance since Bretton Woods," *Review of International Political Economy*, Vol. 26, No. 6, pp. 1089-1111.
- Morgenthau, Henry. "Bretton Woods and International Cooperation" (1944), *Foreign Affairs*, Special Issue: "What was the Liberal Order?" March 2017.
- Video: The Cold War: The Marshall Plan <https://www.dailymotion.com/video/x6kii1z>

### Oct 8: International Trade System—To Trade or To Not Trade?

- Cohn and Hira, Chapter 8: Global Trade Relations.
- Rodrik, D. (2011). *The Globalization Paradox*, New York: W.W. Norton. Read Chapter 3: Why Doesn't Everyone Get the Case for Free Trade?

**Oct 10: No class. Fall break.**

**Oct 15: In-class midterm**

**Oct 17: International Trade System—Global Trade Regime**

- Deardorff, Alan and Robert R. Stern. "What You Should Know about the World Trade Organization," *Review of International Economics*, 10(3), 2002, pp. 404-423.
- Frieden, Lake, and Boz, Chapter 1: State Power and the Structurer of International Trade.
- Hopewell, K. (2021). "Trump & Trade: The Crisis in the Multilateral Trading System," *New Political Economy*, Vol. 26, No. 2, pp. 271-282.

**Oct 22: Global Financial Order—International Monetary Relations**

- Cohn and Hira, Chapter 6: International. Monetary Relations.
- Pistilli, M. (2024). "How Would a New BRICS Currency Affect the US Dollar?" Nasdaq. Avialble at <https://www.nasdaq.com/articles/how-would-new-brics-currency-affect-us-dollar-updated-2024>

**Oct 24: Global Financial Crises**

- Cohn and Hira, Chapter 7: Financial Crises
- Wise, Carol, Leslie Armijo, and Saori Katada, eds., *Unexpected Outcomes: How Emerging Economies Survived the Global Financial Crisis* (Washington, DC: Brookings Institution, 2015), chapters 1 & 9.

**Oct 29: Regionalism—The Future of Multilateralism**

- Cohn and Hira, Chapter 9: Preferential Trade Agreements and the Global Trade Regime.
- Oatley, T. (2011). *Debates in International Political Economy*, Boston: Longman/Pearson, Chapter 5: Free Trade Agreements are Stepping Stones v. Free Trade Agreements are Stumbling Blocks.
- Spilker, G., T. Bernauer, and V. Umaña (2018). "What Kinds of Trade Liberalization Agreements Do People in Developing Countries Want?" in *International Interactions*, Vol. 44, No. 3, pp. 510-536.

**Oct 31: Multinational Corporations**

- Cohn and Hira, Chapter 10: Multinational Corporations and Global Production.
- Pandya, Sonal S. "Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century." *Annual Review of Political Science*, 19, 2016, pp. 455-475.
- Verbeke, Alain. "Will the COVID-19 Pandemic Really Change the Governance of Global Value Chains?" *British Journal of Management*, Vol. 31, 2020, pp. 444-446.

**Nov 5: Globalization**

- Farrell, Henry and Abraham Newman. "Chained to Globalization: Why It's Too Late to Decouple," *Foreign Affairs* (Jan/Feb 2020).

- Milanovic, Branco. “The Two Faces of Globalization: Against Globalization as We Know It,” *World Development* 31 (2003), pp. 667-683.
- Peterson Institute for International Economics, “What is Globalization? And How Has the Global Economy Shaped the United States?” Available at <https://www.piie.com/microsites/globalization/what-is-globalization>
- Video: Davos 2019—The Modern History of Globalization (watch up to “New Narratives”). Available at <https://www.youtube.com/watch?v=86lxKzJvTlw> (about 40 mins.)

### **Nov 7: Economic Development**

- Cohn and Hira, Chapter 11: International Development
- Frieden, Lake, and Boz, Chapter 3: History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World.
- Frieden, Lake, and Boz, Chapter 26: Root Causes: A Historical Approach to Assessing the Role of Institutions in Economic Development.

### **Nov 12: Globalization and the Environment**

- Dietz, T., Ostrom, E., and Stern, P. C. (2003). “The struggle to govern the commons,” *Science*, Vol. 302, No. 12, pp. 1907-1910.
- Frieden, Lake, and Boz, Chapter 29: Globalization and the Environment.
- Nordhaus, William. “The Climate Club: How to Fix a Failing Global Effort,” *Foreign Affairs*, Vol 9, Issue 33, May/June 2020
- Weber, A. (2024). “Greening the Bretton Woods Institutions,” *IMF Finance & Development Magazine*. Available at <https://www.imf.org/en/Publications/fandd/issues/2024/06/Point-of-View-Greening-the-Bretton-Woods-institutions-Axel-Weber>

### **Nov 14: No class. In DC presenting at the CAPS-RAND-NDU-USIP Conference**

### **Nov 19: Globalization and Migration**

- Blodgett Bermeo, Sarah and Leblang, David. “Migration and Foreign Aid.” *International Organization* 69(3), pp. 627–657.
- Porter, Eduardo and Karl Russell. “Migrants are on the Rise Around the World, and Myths About Them are Shaping Attitudes,” *The New York Times*, June 20, 2018.
- Tacoli, Cecilia and David Okali. “The Links Between Migration, Globalisation, and Sustainable Development,” *International Institute for Environment and Development*, 2021.
- Podcast: “What Would a Smart Immigration Policy Look Like?” <https://www.cfr.org/podcasts/what-would-smart-immigration-policy-look>

### **Nov 21: China’s Global (Economic) Ambitions**

- Huang, Yasheng. “Why Did China Take Off?” *Journal of Economic Perspectives*, 26, 2012, pp. 147-170.



- Yu, Miaojie. "China's International Trade Development and Opening-up Policy Design Over the past Four Decades," *China Economic Journal*, 11, 2018, pp. 301-318.
- Zhou, Weifang and Mario Esteban, "Beyond Balancing: China's Approach toward the Belt and Road Initiative," *Journal of Contemporary China*, 27 (2018), pp. 487-501.
- Video: China: Power and Prosperity, <https://www.youtube.com/watch?v=JovtmKFXi3c> (1 hour and 40 mins).

### **Nov 26: The US-China Trade War**

- Liu, Tao and Wing Thye Woo, "Understanding the U.S.-China Trade War," *China Economic Journal*, 11 (2018), pp. 319-340.
- Tankersley, J. (2024). "Biden's tariffs mark end of era for cheap Chinese goods," *The New York Times*. Available at <https://www.spokesman.com/stories/2024/may/18/bidens-tariffs-mark-end-of-era-for-cheap-chinese-g/>
- Zhou, Weihuan and Henry Gao. "US-China Trade War: A Way Out?" *World Trade Review*, 19, 2020, pp. 605-617.

### **Dec 3: The US-China Chip War**

- Fact Sheet: President Biden Takes Action to Protect American Workers and Business from China's Unfair Trade Practices. Available at <https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/14/fact-sheet-president-biden-takes-action-to-protect-american-workers-and-businesses-from-chinas-unfair-trade-practices/>
- Mark, J. and Roberts D. T. (2024). "United States-China Semiconductor Standoff: A Supply Chain Under Stress," *The Atlantic Council*.
- Miller, C. (2023). "The US-China Chip Rivalry," *Citi Research*.

### **Dec 5: Reemergence of Old Policies and Trends?**

- Agarwal, R. (2023). "Industrial Policy and the Growth Strategy Trilemma," *IMF Finance & Development Magazine*. Available at <https://www.imf.org/en/Publications/fandd/issues/Series/Analytical-Series/industrial-policy-and-the-growth-strategy-trilemma-ruchir-agarwal>
- Gamble, Andrew. (2021), "Making Sense of Populist Nationalism," *New Political Economy*, Vol. 2, No. 2, pp. 283-290.
- Pettis, M. (2024). "Which Country Should Design U.S. Industrial Policy?" *Carnegie Endowment*. Available at <https://carnegieendowment.org/china-financial-markets/2024/07/which-country-should-design-us-industrial-policy?lang=en>
- Werner, J. (2021). "Against Economic Nationalism," *Boston Review*. Available at [https://www.bostonreview.net/forum\\_response/against-economic-nationalism/](https://www.bostonreview.net/forum_response/against-economic-nationalism/)

**Final paper due December 8 by 11:59pm.**

## **ADDITIONAL POLICIES AND SUPPORT MATERIAL**

### ACADEMIC CONDUCT

Plagiarism or presenting someone else's ideas as your own, either verbatim or recast in your own words, is a serious academic offense with consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Section 11, *Behavior Violating University Standards* (<https://scampus.usc.edu/1100-behavior-violating-university-standards-and-appropriate-sanctions>). Other forms of academic dishonesty are equally unacceptable. See additional information about university policies on scientific misconduct on <https://policy.usc.edu/research-and-scholarship-misconduct/>.

Discrimination, sexual assault, and harassment are not tolerated by the university. You are encouraged to report any incidents to the *Office of Equity and Diversity* (<http://equity.usc.edu>) or to the *Department of Public Safety* (<https://dps.usc.edu/>). This is important for the safety of the whole USC community. Another member of the university community—such as a friend, classmate, advisor, or faculty member—can help initiate the report, or can initiate the report on behalf of another person. The Relationship and Sexual Violence Prevention and Services (<https://sites.google.com/usc.edu/rsvpclientservices/home>) provides confidential support and other resources.

### COVID-19 AND OTHER HEALTH POLICIES

Students are expected to comply with all aspects of USC's health and COVID-19 policy. Failure to do so may result in removal from the class and referral to Student Judicial Affairs and Community Standards. This means that students must follow the university's mandates at all times, regardless of vaccination status.

### DIVERSITY & INCLUSION

Every student in this course, regardless of background, sex, gender, sexuality, race, ethnicity, socioeconomic status, political affiliation, physical or mental ability or any identity category, is a valued and equal member of the class. We all bring different experiences and perspectives to USC, and it is those experiences and perspectives that will enrich the course content. My intent as an instructor is to provide an inclusive learning environment where individual differences are respected, appreciated, and recognized as a source of strength.

For additional information and resources, I encourage you to visit Dornsife's Office of Diversity (<https://dornsife.usc.edu/dei/>) and/or USC's Office for Diversity, Equity, and Inclusion (<https://diversity.usc.edu/resources/>).

### ADDITIONAL SUPPORT FOR STUDENTS

Many USC schools provide support for students who need help with scholarly writing. Check with your advisor or program staff to find out more. Some helpful centers and institutes are:

- The American Language Institute (<https://ali.usc.edu/>), which sponsors courses and workshops specifically for students whose native language is not English and may need support.
- The Office of Disability Services and Programs (<https://osas.usc.edu/>), which provides certification for students with disabilities and helps arrange the relevant accommodations. The student is responsible for submitting the necessary certification forms to the professor during the first two weeks of class.
- If an officially declared emergency makes travel to campus infeasible, USC Emergency Information (<http://emergency.usc.edu>) will provide safety and other updates, including ways in which instruction will be continued by means of blackboard, teleconferencing, and other technology.

## RESOURCES FOR STUDENTS

### 1. Some guiding questions to read critically:

- What is the article's/book's main argument?
- Why is it important? (e.g., why should we care about what the author or authors are writing about?)
- What kind of evidence or how do the authors support their argument(s)?
  - Is it good or valid evidence? Is it strong or weak?
  - Are there any inconsistencies or issues that are not properly addressed?
- How does the article or book contribute to the study of what we're interested in?
- How does it compare with other scholarship about the topic we're interested in and what we have learned about thus far in class?
- What are some weaknesses you can identify? Can those weaknesses be resolved or addressed by other authors or scholarship we have learned in class?
- What is the article's/book's conclusion? What can we learn from it?

### 2. More resources on how to write a paper:

- Purdue Online Writing Lab: [https://owl.purdue.edu/owl/general\\_writing/common\\_writing\\_assignments/research\\_papers/index.html](https://owl.purdue.edu/owl/general_writing/common_writing_assignments/research_papers/index.html) (there are also resources on how to cite in this website).
- USC Libraries Research Guides: <https://libguides.usc.edu/writingguide> (I'd recommend talking to the librarian as well. He can be a great resource in finding sources).