

IR 330 POLITICS OF THE WORLD ECONOMY

Prof. Carol Wise
Spring Semester 2025
(Core undergrad requirement for IR-IPE, IRGB, IRPE)
(48 students max)
T-TH 12:30-1:50 pm, DMC 152
Office Hours: Thurs 3:30-5:30 pm
Office: DMC 329
E-mail: cwise@usc.edu
Teaching Assistant: Yangran Gao
TA E-mail: yangrang@usc.edu

This survey course provides an overview of those conceptual approaches, critical turning points, and key issues that have characterized the international political economy (IPE) since the early 20th century. The main features of the course include: the first period of globalization from 1900 to 1914; the origins and outcomes of World War I; an analysis of the Great Depression of the 1930s; an examination of the post-World War II Bretton Woods era, including the design of formal rules and institutions to oversee heightened flows of international trade and finance; and, a review of those main themes that have dominated more recent political economy debates. The latter will cover, for example, the proliferation of regional trade and investment agreements, the eruption of numerous financial crises, the changing profile of multinational corporations and foreign direct investment, and those political economic challenges that have marked the first two decades of the 21st century.

COURSE REQUIREMENTS:

Completion of all assigned readings prior to each meeting. All assigned readings are posted on Brightspace and can be easily accessed.

Your grade will be based on:

- A mid-term exam on March 13 that will consist of short essay questions (30%);
- Participation in one of the group exercise “Prompts” detailed on the syllabus (20%);
- Final in-class exam on May 14 (2-4 pm) that will consist of short essay questions (40%);
- Two film critiques based on the films assigned throughout the syllabus (5 points each for 10% of your grade).

Please discuss two of the films shown in class throughout the semester. Briefly summarize the film and then discuss three main points that were made. Your paper must be a MINIMUM of 2 pages, double-spaced. First film critique is due on February 27 and second film critique is due on April 15.

- One point of extra credit for JEP or TIRP participation.

OFFICIAL NOTES

Grading Scale:

Course final grades will be determined using the following scale A 94-100 A- 90-93 B+ 87-89 B 83-86 A- 80-82 C+ 77-79 C 73-76 C- 70-72 D+ 67-69 D 63-66 D- 60-62 F 59 and below

Well-being & COVID-19 Policy:

The USC Student Health Centers (Engemann Student Health Center on the main campus and the Eric Cohen Student Health Center on the health campus) offer resources for students who are feeling sick or have concerns regarding their health. For more information, please visit <https://studenthealth.usc.edu/>.

For medical care or counseling and mental health call: 213-740-9355 or visit:
<https://studenthealth.usc.edu/medical-care/> (medical health) and/or
<https://studenthealth.usc.edu/counseling/> (counseling/mental health).

Students must comply with all aspects of USC's 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 indoor mask mandate, regardless of vaccine status.

Academic Accommodations:

The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined, a Letter of Accommodation (LOA) will be generated. The LOA must be given to the course instructor by the student. This should be done as early in the semester. See www.osas.usc.edu.

Diversity & Inclusion:

Every student in this course, regardless of background, age, 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. 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.

Academic Conduct:

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in SCampus in Part B, Section 11, "Behavior Violating University Standards" policy.usc.edu/scampus-part-b. Other forms of academic dishonesty are equally unacceptable. See additional information in SCampus and university policies on scientific misconduct, policy.usc.edu/scientific-misconduct.

Support Systems:

Student Health Counseling Services - (213) 740-7711 – 24/7 on call
engemannshc.usc.edu/counseling Free and confidential mental health treatment for students,
including short-term psychotherapy, group counseling, stress fitness workshops, and crisis
intervention.

Office of Equity and Diversity (OED) | Title IX:

Information about how to get help or help a survivor of harassment or discrimination, rights of
protected classes, reporting options, and additional resources for students, faculty, staff, visitors,
and applicants. The university prohibits discrimination or harassment based on the following
protected characteristics: race, color, national origin, ancestry, religion, sex, gender, gender
identity, gender expression, sexual orientation, age, physical disability, medical condition, mental
disability, marital status, pregnancy, veteran status, genetic information, and any other
characteristic which may be specified in applicable laws and governmental regulations (213) 740-
5086 equity.usc.edu, titleix.usc.edu.

USC Support and Advocacy:

Assists students and families in resolving complex personal, financial, and academic issues
adversely affecting their success as a student. Diversity at USC - (213) 740-2101
diversity.usc.edu Information on events, programs and training, the Provost's Diversity and
Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and
various resources for students.

USC Emergency:

(213) 740-4321– 24/7 on call dps.usc.edu, emergency.usc.edu Emergency assistance and avenue
to report a crime. Latest updates regarding safety, including ways in which instruction will be
continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety:

(213) 740-6000 – 24/7 on call dps.usc.edu Non-emergency assistance or information.

CLASS SCHEDULE AND ASSIGNED READINGS

WEEK 1: Introduction to the Course

January 14: Course Overview

January 16: The Heart of the Matter---the Industrial Revolution

Film 1: “The Industrial Revolution” (BBC) (57:58)

<https://www.dailymotion.com/video/x7kzq6q>

WEEK 2: The Emergence of Capitalism

January 21: Globalization & Related Concerns/Debates

- H. Farrell and A. Newman, “Chained to Globalization: Why It’s Too Late to Decouple,” *Foreign Affairs* (Jan/Feb 2020).
- M. Guillen and E. Ontiveros, *Global Turning Points* (New York, NY: Cambridge University Press, 2012), chapters 1, 2, 4, 6, 8, 9.
- B. Milanovic, “The Two Faces of Globalization,” *World Development* 31 (2003): 667-683.
- Peterson Institute for International Economics, “What is Globalization? And How Has the Global Economy Shaped the United States?” (interactive).
<https://www.piie.com/microsites/globalization/what-is-globalization>

January 23: The Debates (imperialism, institutions, world systems, ethics/religion)

- J. Gallagher and R. Robinson (1953), “The Imperialism of Free Trade,” *Economic History Review* (2nd Series), 6: 1-15.
- K. Sokoloff and S. Engerman (2000). “History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World.” *Journal of Economic Perspectives* 14, 3: 217-232.
- Wallerstein (1974). “The Rise and Future Demise of The World Capitalist System: Concepts for Comparative Analysis.” *Comparative Studies in Society and History*, 16(4), 387-415.
- M. Weber (1976), *The Protestant Ethic and the Spirit of Capitalism*, Introduction.

WEEK 3: Contending Theoretical Perspectives

January 28: The Traditional Approaches---Liberalism & Realism

- T. Cohn, *Global Political Economy*, chapters 3 & 4.
- J. Frieden, D. Lake, and K. Schultz, *World Politics: Interests, Interactions, Institutions* (New York: W.W. Norton & Company, 2010), pp. xxiii-xxvix & chapter 1.

PROMPT 1: How have these traditional IR/IPE theories, Liberalism and Realism, stood the test of time? In what ways has each been challenged by “real world” trends and events in the 21st century?

January 30: The Rise of China in the World Economy

A View from Chinese Scholars:

- C. Fang, “Population Dividend and Economic Growth in China, 1978-2018,” *China Economic Journal*, 11 (2018): 243-258.

- Y. Huang, “Why Did China Take Off?” *Journal of Economic Perspectives*, 26 (2012): 147-170.
- L. Shouying & X. Xuefeng, “China’s Rural Institutions and Governance since the Beginning of the Rural Reform,” *China Economic Journal*, 11 (2018): 259-283.
- Y. Yao, “An Anatomy of the Chinese Selectocracy,” *China Economic Journal*, 11 (2018): 228-242.
- M. Yu, “China’s International Trade Development and Opening-up Policy Design Over the past Four Decades,” *China Economic Journal*, 11 (2018): 301-318.

Film 2: “China’s Century of Humiliation” (1:17:33)

<https://youtu.be/boPkMCJSYSs?feature=shared>

PROMPT 2: In what ways has the “rise of China” defied traditional explanations in the fields of economic development and IR theories?

THE HISTORICAL BACKDROP

WEEK 4: From Boom to Bust---1900-1945

February 4: World War I and the Aftermath

- J. Burbank and F. Cooper, “Empires after 1919; Old, New, Transformed,” *International Affairs*, vol. 59, no. 1 (2019): 81-100.
- S. Carruthers. 2001. “International History.” In *The Globalization of World Politics*, edited by John Baylis and Steve Smith, pp. 63-93.

Film Clips: “Causes of WWI,”

<https://youtu.be/QJfTfyt3Cfk?feature=shared>

February 6: Versailles Treaty---A 20-year Reprieve

- Alexander Anievas, “International Relations between War and Revolution: Wilsonian Diplomacy and the Making of the Treaty of Versailles,” *International Politics*, 51 (2014): 619-647.
- B. Eichengreen, “Versailles: The Economic Legacy,” *International Affairs*, vol. 59, no. 1 (2019): 7-24.

Film 3: “Versailles Peace,” (58:50)

<https://youtu.be/74-HkCRozls?feature=shared>

WEEK 5: From the Great Depression to World War II

February 11: A Decade of Political & Economic Crisis

- B. Eichengreen, “Did International Economic Forces Cause the Great Depression?” *Contemporary Economic Policy* (1988): 1-25.
- C. Kindleberger, *The World in Depression 1929-1939* (Berkeley: University of California, 1986), chapters 1 & 14.

Film clips: “The Great Depression,” <https://www.youtube.com/watch?v=qlSxPouPCIM>

PROMPT 3: Why did the Great Depression of the 1930s last so long?

February 13: The Political Economy of US Hegemony

- J. Ikenberry, “Rethinking the Origins of American Hegemony,” *Political Science Quarterly*, 104 (1989): 375-400.
- J. Ikenberry, “A World Economy Restored: Expert Consensus and the Anglo-American Settlement,” *International Organization*, vol. 46, no. 1 (1992): 289-321.
- C. Maier, “The Politics of Productivity: Foundations of American International Economic Policy after World War II,” *International Organization*, vol. 31, no. 4 (1977): 607-633.

BRETTON WOODS ORDER AND BEYOND

WEEK 6: Institutional Foundations of the Post-World War II Global Economy

February 18: Bretton Woods

- T. H. Cohn, *Global Political Economy*, chapter 2.
- J. Ruggie, *Reconstructing the World Polity*.

Film 4: “The Marshall Plan” (46:31)

<https://www.youtube.com/watch?v=NjSfpryvm5E>

February 20: The Cold War 1947-1989

- D. Mayers, “Containment and the Primacy of Diplomacy: George Kennan’s Views, 1947-1948,” *International Security* 11 (1986): 124-162.
- M. Leffler and D. Painter, eds., *Origins of the Cold War* (New York: Routledge, 1994). pp. 15-41.

Film 5: “The Cold War: The Iron Curtain” (46:26)

<https://youtu.be/yzcZBFImLoA?feature=shared>

PROMPT 4: What were the roots of the Cold War? Could it have ended sooner than 1989?

WEEK 7: Bretton Woods and IPE Issue Areas

February 25: Bretton Woods Institutions: From the GATT to the World Trade Organization (WTO)

- T. Cohn, *Global Political Economy*, chapter 8.
- Deardorff and R. Stern, “What You Should Know about the World Trade Organization,” in Frieden, Lake, and Broz, eds, *International Political Economy: Perspectives on Global Power and Wealth*, chapter 23.

February 27: Multilateral Trade on the Wane?

- T. Cohn, *Global Political Economy*, chapter 9.
- B. Vickers, “The Role of the BRICs in the WTO,” in *The Oxford Handbook on the WTO*, edited by M. Daunton, A. Narlikar, and R. Stern (Oxford, UK: Oxford University Press, 2012).

WEEK 8: The Rise of Regionalism and Student Presentations on International Trade

March 4: Regionalism and Protectionism

- N. Albertoni and C. Wise, “International Trade Norms in the Age of Covid-19: Nationalism on the Rise?” *Fudan Journal of Humanities and Social Sciences*, 2020.
- T. Cohn, “The Doha Round: Problems, Challenges, and Prospects,” in I. Studer and C. Wise, eds., *Requiem or Revival: The Promise of North American Integration* (Washington, DC: Brookings Institution Press, 2007), pp. 147-165.

March 6: Student Presentations on International Trade

PROMPT: 5 Discuss the ways in which trade norms have eroded since the founding of the GATT.

PROMPT: 6 Why did the Doha Round fail?

WEEK 9: Mid-Term & Review Session

March 11: In-class review session for mid-term exam

March 13: MID-TERM EXAM

WEEK 10: SPRING BREAK

WEEK 11: International Monetary relations /Multinational Corporations in the World Economy

March 25: International Monetary Relations and

- Theodore H. Cohn, *Global Political Economy*, chapter 6.

March 27: The 2008-09 Global Financial Crisis

- T. Cohn, *Global Political Economy*, chapter 7.
- N. Roubini and S. Mihm, *Crisis Economics* (London: Allen Lane, 2010), pp. 86-157.
- C. Wise, L. Armijo, and S. Katada, eds., *Unexpected Outcomes: How Emerging Economies Survived the Global Financial Crisis* (Washington, DC: Brookings Institution, 2015), chapters 1 & 9.

Film 6: Inside Job

<https://www.youtube.com/watch?v=tJQTzuv6SS4>

WEEK 12: Multinational Corporations/Student Presentations on International Investment and Finance

April 1: Multinational Corporations in the World Economy

- Theodore H. Cohn, *Global Political Economy*, chapter 10.
- Gereffi, G., Humphrey, J., & Sturgeon, T. (2005). "The Governance of Global Value Chains." *Review of International Political Economy*, 12(1), 78-104.
- S. Pandya (2016). "Political Economy of Foreign Direct Investment: Globalized Production in the Twenty-First Century." *Annual Review of Political Science*, 19 (2016): 455-475.

April 3: Student Presentations on International Investment and Finance

PROMPT 7: What is a sub-prime mortgage and how did this financial instrument trigger the 2008-09 global financial crisis?

PROMPT 8: What is a “global value chain” and why is it so difficult for developing countries to break into them?

NEW IPE TRENDS & CHALLENGES IN THE 21ST CENTURY

WEEK 13: International Development I

April 8: Belt and Road---Grand Strategy or Grandiose?

- T. Hall and A. Krolikowsk, “Making Sense of China’s Belt and Road Initiative,” *International Studies Review* (2022).
- O. Krpec and C. Wise, “China’s Diffusion of Its Belt and Road Initiative into Central Europe,” *New Political Economy*, September 2021.
- C. Nedophil, “China Belt and Road Initiative Investment Report,” Griffith Asia Institute, Fudan University, Shanghai, February 2024.
- M. Ye, 2019. “Fragmentation and mobilization: domestic politics of the belt and road in China,” *Journal of Contemporary China*, 28 (11), 696-711.
- H. Yu, “Motivation behind China’s ‘One Belt, One Road’ Initiative and Establishment of the Asian Infrastructure and Investment Bank,” *Journal of Contemporary China*, 26 (2017): 353-368.

PROMPT 9: Why did the Trump administration and many members of the US Congress consider China’s Belt & Road Initiative to be a geopolitical threat?

Film 7: “China: Power and Prosperity” (1:44:29)

<https://www.youtube.com/watch?v=JovtmKFxi3c>

April 10: The US-China Trade War

- T. Liu and T. Woo, “Understanding the U.S.-China Trade War,” *China Economic Journal*, 11 (2018): 319-340.
- H. Utar et al, “The US-China Trade War and Relocation of Global Value Chains to Mexico,” CESIFO Working Papers, January 2025.
- Wang et al, “The US-China Trade War: Who is more Injured?” *Journal of Contemporary China*, 2025.
- H. Wei, “The Impact of the Sino-US Trade War on the Chinese Economy,” University of Connecticut, 2024.

PROMPT 10: Now into its seventh year, what are the origins and preliminary outcomes of the US-China trade war? Who are the winners and losers?

WEEK 14: International Development II

April 15: The Global Commons---Climate Change and Migration

- J. Clapp and E. Helleiner, “International Political Economy and the Environment: Back to the Basics?” *International Affairs*, 88, 3 (2014): 485-501.
- S. Gibbens, “The Amazon is Burning at Record Rates—and Deforestation is to Blame,” *National Geographic*, August 21, 2019.
<https://www.nationalgeographic.com/environment/article/wildfires-in-amazon-caused-by-deforestation>
- W. Nordhaus, “The Climate Club: How to Fix a Failing Global Effort,” *Foreign Affairs* (May/June 2020). <https://www.foreignaffairs.com/articles/united-states/2020-04-10/climate-club>
- Ripple et al, “The 2023 State of the Climate Report: Uncharted Territory,” *BioScience*, 73 (2023), 841–850
- T. Sandler, *Global Collective Action* (New York, NY: Cambridge University Press, 2004), pp. 212-235.

PROMPT 11: Is the evidence on Climate Change sound? Why do leaders like former President Trump continue to insist that this is a “Chinese hoax?”

April 17: Migration---The Political Economy of People Flows

- Bipartisan Policy Center (2019). “Policy Proposals to Address the Central American Migration Challenge.”
- D. Luca and P. Proetti, “Hosting to Skim: Organized Crime and the Reception of Asylum Seekers in Italy,” *Regional Studies*, 56 (2022): 2102–2116.
- D. Massey, “Immigration Policy Mismatches and Counter-Productive Outcomes,” *Comparative Immigrations Studies*, 8, 20 (2020): 1-27.
- World Development Report, *Migrants, Refugees, and Societies*. Washington, DC, World Bank, 2023.

PROMPT 12: Why has immigration become so controversial in the 21st century? What is driving massive people flows across borders?

WEEK 15: The BRICs (Brazil, Russia, India, China)

April 22: NO CLASS

April 24: BRICs: Origins, Progress, Expansion

- A. Cooper, *The BRICs: A Very Short Introduction*. Oxford, UK: Oxford University Press, 2016.
- A. Cooper, “China, India and the Pattern of G20/BRICS Engagement, *Third World Quarterly* 42 (2021): 1945-1962,
- M. Katz, “The Geopolitical (In)significance of BRICS Enlargement, *EconPol Forum*, 2024.

WEEK 16: Wrapping Up

April 29: In-class review for final exam

FINAL EXAM: WEDNESDAY, MAY 14, 2-4 PM ROOM DMC 152