



POLITICS OF THE GLOBAL ECONOMY

GS361 Winter 2011-12

Professor TERRENCE CASEY

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OFFICE HOURS: MTRF, 3rd Hour or drop-in

The purpose of this course is to introduce you the key theoretical approaches and substantive issues of the politics of the global economy. After examining the core theories and concepts of the international political economy (IPE), we will review recent major trends, with a particular emphasis on globalization and the international financial crisis. The subject matter inherently draws attention to the intersection of politics (states) and economics (markets). The overarching focus is thus on how political choices made by state actors alter economic outcomes and, alternately, how the operation of international markets shapes the options available to political leaders.

TEXTS: The following texts are available for purchase at the campus bookstore.

David N. Balaam & Michael Dillman, *Introduction to International Political Economy, 5th Edition.*

Thomas Oatley, *Debates in International Political Economy, 2nd Edition.*

As we will begin every class with a brief discussion of current events, you should also regularly read one of the main international news sources. Your best bet is the weekly magazine *The Economist*, which offers comprehensive yet easily readable coverage. Most of the magazine can be read free online at www.economist.com (you need a subscription for some content). Quality daily papers include the *New York Times* (www.nytimes.com), *Washington Post* (www.washingtonpost.com) and *Financial Times* (www.ft.com).

COURSE REQUIREMENTS: Your grade for the course will be based on the following --

(A) THREE EXAMS (65% total). The exams will be on Tuesday, December 20th and Friday January 27th (20% each) and a final exam (25%). Exams will include a mix of objective and analytical questions, including essays, drawn from both the readings and the lectures. The format for the final will be similar to the other two exams, but also include comprehensive essay questions.

(B) DEBATES PAPER (15%). At various points in the course we will be discussing the chapters in Thomas Oatley, *Debates in International Political Economy, 2nd ed.* Your job in the paper is to explore the respective sides of one of these debates and make a persuasive argument of your own, which may or may not correspond with the arguments presented in the text. You may choose any topic in *Debates in International Political Economy*, whether we discuss it in class or not. In order to make your argument persuasive, you need to provide appropriate factual evidence to support your claims. (NOTE: You may not, under any circumstances, cite Wikipedia!) All papers are due no later than **Monday, February 13th (start of 10th Week).**

(C) BOOK REVIEW (20%). In order to give you a more in-depth look at important current debates related to the international economy, you are required to read and review one of the following books:

Thomas L. Friedman & Michael Mandelbaum, *That Used to be Us: How American Fell Behind in the World it Invented and How We Can Come Back*, Farrar, Straus, & Giroux, 2011.

Jeremy Rifkin, *The Third Industrial Revolution: How Lateral Power is Transforming Energy, the Economy, and the World*, Palgrave Macmillan, 2011.
Mark Steyn, *After America: Get Ready for Armageddon*, Regnery, 2011.
Michael Spence, *The Next Convergence: The Future of Economic Growth in a Multispeed World*, Farrar, Straus, and Giroux, 2011.

All four are relatively inexpensive and available at Amazon, Barnes and Noble, and other online booksellers. ***You should order your book immediately*** and you are strongly advised to have it read by the time we return from the winter break. Details of the review assignment will be handed out separately. The paper will be due on **Monday, January 16th (start of 6th Week)**.

EARLY BIRD SPECIAL: *If you turn in your paper (book review or debates paper) turned in by Monday, January 9th, you will have the option to revise and resubmit your paper for a potentially higher grade.*

BASIC COURSE POLICIES: The following policies apply unless otherwise stated.

Attendance and Participation: Regular attendance and active participation in class discussion is expected. In order to do this effectively, you need to keep up with the reading and stay informed about current events. You are also responsible for all material presented in class and much of the exams will be based on material that will only be presented in lecture. *If you desire a good grade in the course, come to class, pay attention, and take notes!*

Academic Misconduct: All cases of academic misconduct, including plagiarism (taking another's words or ideas and presenting them as your own) or cheating (making use of assistance on an assignment beyond that authorized by the professor) will be punished appropriately. Penalties for academic misconduct are at the discretion of the professor and can range from the loss of all credit on an assignment to a formal hearing before the Institute's Rules and Discipline Committee. It is incumbent upon you to know what constitutes academic misconduct and make sure to avoid it. If you are in any way unsure about what constitutes a violation, please ask me. *Claiming ignorance after the fact is not a valid excuse. Think rationally; the risks outweigh the gains.*

Late Assignments: Extensions for exams or assignments will only be given if you have a *legitimate excuse and you contact me in advance*. *All late assignments will receive a letter grade reduction for each day (including weekend days) that they are late.* You can reach me via e-mail, voicemail, or by dropping a note in either my campus or HSS mailbox. Short of being in a coma, you should be able to reach me if there is a problem. I am very accommodating to those who alert me to a problem in advance; I will be far less friendly if you approach me after the fact.

Ideological Perspectives: I have no intention of trying to indoctrinate you with my beliefs. The issues we will be exploring are often contentious and there are often not right or wrong answers per se. That being said, *there are good and bad arguments*. You may hold any opinion you wish, but *your arguments must be logically sound and supported by the available evidence*.

More importantly, I can only facilitate the learning process; I cannot force knowledge into your heads. You are all adults fully capable of being responsible students and active learners. That means that *if you do not understand something you need to take the initiative to find out the answer* -- raise your hand, talk to me after class, come to my office. I cannot read minds, so it is up to you to try to seek clarity when it is lacking!

Key Dates

First Exam	Tuesday, December 20 th
Book Review Due	Monday, January 16 th
Second Exam	Friday, January 27 th
Debates Paper Due	Monday, February 13 th
Final Exam	Date and Time TBA

Topics and Readings

NOTE: The following is only a *tentative* schedule of topics, readings and lectures. This may be changed during the course of the quarter. For the list of readings below, any article followed by '[Library]' can be obtained through the Logan Library's Academic Search Premier Database.

PART I: THEORETICAL APPROACHES AND CONCEPTS

A. What is International Political Economy (IPE)?

Balaam and Dillman, Chapter 1

Thomas Friedman, "India v. Indiana: Who is Exploiting Whom?" from *The World Is Flat*, pp. 203-208. [Handout]

B. Theoretical Approaches

1. Liberalism

Balaam and Dillman, Chapter 2

Oatley, Chapter 1

2. Mercantilism

Balaam and Dillman, Chapter 3

Oatley, Chapter 12

3. Structuralism

Balaam and Dillman, Chapter 4

C. Concepts

1. Trade and the Balance of Payments

Balaam and Dillman, Chapter 6

Oatley, Chapter 2

2. International Monetary System

Balaam and Dillman, Chapter 7

Oatley, Chapter 11

3. Foreign Debt and Financial Crises

Balaam and Dillman, Chapter 8

Terrence Casey, "Capitalism, Crisis, and a Zombie named TINA," in Terrence Casey, ed. *The Legacy of the Crash* [Handout]

Oatley, Chapter 10

Niall Ferguson -- *The Ascent of Money* (Video)

4. Transnational Corporations and International Investment

Balaam and Dillman, Chapter 17

Oatley, Chapters 8

5. Knowledge and Technology

Balaam and Dillman, Chapter 10

PART II: GLOBALIZATION

A. The Origins of Globalization

Robert O'Brian and Marc Williams, *Global Political Economy*, 2nd Ed, Chapters 2-4 [Handout]

The Commanding Heights, Part I: "The Battle of Ideas (Video)

B. Globalization Explained

Andrew McGrew, "The Logics of Globalization," in John Ravenhill, *Global Political Economy*, 3rd Ed. [Handout]

C. The Future of Globalization

Moises Naim, "Think Again – Globalization," *Foreign Policy*, March/April 2009 [Library]

Oatley, Chapter 16

PART III: COMPETING CAPITALISMS IN THE GLOBAL ECONOMY

A. The Study of Comparative Capitalisms

Terrence Casey, "Mapping Stability and Change in Advanced Capitalisms," *Comparative European Politics*, July 2009 [Handout]

B. The Contours of American Capitalism

Anne-Marie Slaughter, "America's Edge: Power in the Networked Century," *Foreign Affairs*, January/February 2009 [Library]

Gideon Rachman, "Think Again – American Decline," *Foreign Policy*, January/February 2011 [Library]

C. Europe and the Political Economy of Regionalism

Balaam and Dillman, Chapter 12

D. Japan's Lost Decade: A Warning for America?

Richard Katz, "The Japan Fallacy," *Foreign Affairs*, March/April 2009 [Library]

D. The Rising Powers – India and China?

Balaam and Dillman, Chapter 13

Arvind Subramanian, "The Inevitable Superpower," *Foreign Affairs*, September/October 2011 [Library]

Oatley, Chapter 15

F. Economic and Political Development in the Middle East

Balaam and Dillman, Chapter 14

G. Third World Development and the 'North-South Gap'

Balaam and Dillman, Chapter 11

Oatley, Chapter 13

Hernando de Soto -- *The Power of the Poor* (Video)

PART IV: KEY ISSUES FOR THE FUTURE

A. Markets and the Environment

Balaam and Dillman, Chapter 20

Oatley, Chapter 6

B. Markets and Migration

Balaam and Dillman, Chapter 16

Oatley, Chapter 4

C. Markets and Energy

Balaam and Dillman, Chapter 19

D. Illegal Markets

Balaam and Dillman, Chapter 15