

Seminar in International Political Economy I

Fall 2007
L32 578 Pol Sci
Mondays, 2:30-4:30

(Eads Hall, Room 205)

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Introduction: This is a course in international political economy (IPE) with an emphasis on the *politics* of interstate economic relations. The purpose of this course is to give you a solid grounding in the “classics” of the IPE literature. In short, it provides the basis upon which the other two graduate IPE courses will build. My aim in presenting you with these readings is to help you achieve an important degree of literacy in the canons of what has evolved into the increasingly diverse IPE literature of today.

Readings: All readings (articles, book chapters, etc.) are available in the political science office (219 Eliot Hall) and are organized by week. I have made one full set of readings available for each you to make one copy for yourselves, thereby complying with the “fair use” provisions of US Copyright Law. NB: I may substitute readings at any time during the semester (although I will give you notice if/when I do).

Course Requirements: Your grade will be based on three criteria: (a) preparation of the readings and assertive class discussion, (b) in-class presentations by each student throughout the course of the semester (as paper presenter/summarizer), and (c) a 20-30 page research paper that will be presented in class and critiqued by the entire class in a 30-minute presentation.

Week 1 (September 10): Introduction to the course (no readings)

Week 2 (September 17): States and Realism

The modern study of international relations has traditionally been dominated by the Realist approach to world politics. Although post-WW II scholars such as Hans Morgenthau were instrumental in establishing early Realist thinking, Kenneth Waltz has most elegantly synthesized this approach, while moving it away from a human dimension and making interstate behavior dependent on the underlying structures within the international system. Power, a key component of Realism, is nicely articulated in the Cohen piece. Although Realism received a considerable empirical boost from the strategic context of the Cold War, it has been far less able (or willing) to account for international economic relations, an argument made here by Milner.

Read: Kenneth Waltz, *Theory of International Politics*, Reading, MA: Addison-

Wesley, 1979, Chapter 5 (pp. 79-101).

Benjamin Cohen, *The Question of Imperialism: The Political Economy of Dominance and Dependence*, New York, NY: Basic Books, Chapter 7 (pp. 229-258).

Helen Milner, "The Assumption of Anarchy in International Relations," *Review of International Studies* (1991).

Mearsheimer, *The Tragedy of Great Power Politics*, pp. 1-54.

Week 3 (September 24): Hegemonic Stability Theory and Cooperation

Hegemonic Stability Theory (HST) provides a useful point of departure (as well as a lightning rod for criticism) by linking Realist assumptions with international cooperation and IPE. Kindleberger is the classic starting point in the study of HST. Keohane provides what is considered by some to be a classic analysis within the HST tradition, while Snidal presents reviews of the HST literature more broadly. Then we move to cooperation. How do we account for cooperation in the international system? This is easy to do if we abandon Realism. The trick is to understand international cooperation without jettisoning Realist assumptions. Axelrod attempts to do just that. Grieco presents a Realist rebuttal to the cooperation literature, underscoring the differences between absolute and relative gains. Martin examines international cooperation within the context of multilateral sanctions, while Oye provides a general overview of hypotheses contained under the broad heading of "international cooperation."

Read: Charles Kindleberger, *The World in Depression 1929-1939*, Berkeley, CA: University of California Press, 1973, pp. 1-13, 197-229, and 291-308).

Duncan Snidal, "The Limits of Hegemonic Stability Theory," *International Organization* 39 (4), Autumn 1985: 579-614.

Robert Keohane, *After Hegemony*, pp. 49-109.

Robert Axelrod, *The Evolution of Cooperation*, New York, NY: Basic Books, 1984, pp. 1-69.

Joseph Grieco, "Anarchy and the Limits of Cooperation: A Realist Critique of the Newest Liberal Institutionalism," *International Organization* 42 (3) Summer 1988: 485-507.

Kenneth Oye, "Explaining Cooperation under Anarchy: Hypotheses and Strategies," *World Politics* 38 (October 1985): 1-24.

Week 4 (October 1) Marxism, Dependency, and the Developing World

In the post-Cold War international order, some question the continuing relevance of Marxism in explaining international behavior. Nevertheless, Marxism (and its successor, Dependency Theory) is important for several reasons. First, the modern *dependencia* tradition remains a voluminous (if somewhat dated) part of the IPE literature. Second, many actors at one time believed strongly in Marxist explanations (others still do) and it is important to understand

Marxism/dependency as being important in the formation of these actors' worldviews, which in the case of people like Cardoso, have a direct impact on policy. Finally, Marxist analysis continues to hold many valid criticisms of the international system, and provides a useful analytical tool for assessing other theories (as we will see next week when we discuss the debate over World-Systems Theory). Lenin is the starting point for understanding modern Marxist critiques of imperialism (although he largely plagiarized from Hobson). Cardoso and Dos Santos provide a representative *dependencia* critique of the international economic system. Cohen provides a Realist critique of Dependency Theory. Stallings moves the focus of the dependency tradition into the present-day and offers a view into the current North-South discourse over IPE.

Read: V. I. Lenin, *Imperialism: The Final Stage of Capitalism*, (optional).

J. A. Hobson, "Imperialism: A Study, 1902" in D. K. Fieldhouse, ed., *The Theory of Capitalist Imperialism*, London: Longmans, 1967, pp. 54-59.

Fernando Cardoso and Enzo Faletto, *Dependency and Development in Latin America*, Berkeley, CA: University of California Press, Chapters 6, 7, and *Post Scriptum*.

Theotonio Dos Santos, "The Structure of Dependence," *American Economic Review* 60 (2), May 1970: 231-236.

Benjamin Cohen, *The Question of Imperialism: The Political Economy of Dominance and Dependence*, New York, NY: Basic Books, Chapter 7 (pp. 229-258).

Barbara Stallings, "International Influence on Economic Policy: Debt, Stabilization, and Structural Reform," in Haggard and Kaufman, eds., *The Politics of Economic Adjustment*, pp. 41- 88.

Week 5 (October 8): Constructivism

How do we make sense of the foregoing sections? How do we conceptualize the context in which to study IPE? Bull and Buzan, representing the "English school," provide an alternative and/or a foil to/for Waltz. Ruggie questions Waltz's assumption of the non-differentiation of states, the principal units of the international system. Wendt provides an example of contemporary constructivism and Kim offers an example of Wendt's argument. Kim provides an unlikely historical illustration of Wendt's argument, while Fazal's piece brings us back to Realism, albeit by a partial anthropomorphizing of the state.

Read: Hedley Bull, *The Anarchical Society*, pp. 1-76.

Barry Buzan, "From International System to International Society: Structural Realism and Regime Theory Meet the English School," *International Organization* 47 (3) Summer 1993: 327-352.

John Gerard Ruggie, "Continuity and Transformation in the World Polity: Towards a Neorealist Synthesis," in Robert Keohane, ed., *Neorealism and its Critics*, New York, NY: Columbia University Press, 1986, pp. 131-157.

Alexander Wendt, "Anarchy is What States Make of It: The Social Construction of Power Politics," *International Organization*, 46(3), 391-425.

Samuel Kim, *China, the United Nations, and World Order*, Chapter 1.

Week 6 (October 15): Regime Type, Institutions, Elections, and Trade Lobbying

In an era of increasing globalization has the Westphalian nation-state become obsolete? What does "sovereignty" really mean in today's world. This week's readings underscore the importance of the state in explaining international behavior. Martin, Dai, and Milner argue that regime type and domestic political structures do, indeed, matter in explaining states' international economic behavior. Nelson provides a critique of Endogenous Tariff Theory, which (to simplify considerably) argues that international trade policy is based upon the electoral cycle and domestic lobbying at the expense of a blissfully ignorant electorate. Mertha looks at precisely those supply side institutions discussed by Nelson, but argues that these streamline rather than put a drag on the policy making process.

Read: Lisa Martin, *Democratic Commitments*, Princeton, NJ: Princeton University Press, 2000, Chapters 1, 2, 8 (pp. 3-52, 190-202).

Xinyuan Dai, "Democratic Institutions and Compliance with International Commitments," Paper presented at the annual meeting of the American Political Science Association Marriott Wardman Park, Omni Shoreham, Washington Hilton, Washington, DC, September 1, 2005

Magee, Brock and Young, *Black Hole Tariffs*, chapter 5.

Helen Milner with Keiko Kubota, "Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries," *International Organization* 59 (1) Winter 2005: 107-144.

Mertha, *The Politics of Piracy*, Chapter 2.

Week 7 (October 22): The State (2): The Second Image Reversed

The state need not be only an explanatory variable. The second image reversed literature argues that international forces can profoundly shape these same states' domestic politics. Perhaps the most well known of these works is that of Rogowski's *Commerce and Coalitions*. Gourevitch provides a good, if dated, overview of the second image reversed literature (and coins the term in the process). Hiscox builds on Rogowski, while Moore provides a nice critique of the Chinese politics literature's almost complete disconnect from the 2IR framework.

Read: Peter Gourevitch, "The Second Image Reversed: The International Sources of Domestic Politics," *International Organization* 32 (4), Autumn 1978: 881-911.

Ronald Rogowski, *Commerce and Coalitions: How Trade Affects Domestic Political Alignments*, Princeton, NJ: Princeton University Press, 1989, Chapters 1, 6, and 7 (pp. 3-20, 163-179; skim rest).

Michael Hiscox, "Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55 (1) Winter 2001: 1-46.

Thomas Moore, *China in the World Market*, Chapter 2

Mertha, "Putting Your Mouth Where Your Money Is"

Week 8 (October 29): International Bargaining and Two-Level Games

The notion that domestic politics and international relations are linked has become so commonplace as to have become a largely trivial claim. The key is to establish a framework that demonstrates the ways in which they are linked and how these linkages explain what a simple focus on international or domestic politics alone cannot. Perhaps the most influential of these has been the two-level games framework developed by Robert Putnam, who builds upon earlier work by Thomas Schelling. This week, we will read Putnam's original article, as well as overviews by Moravcsik and Evans on empirical case studies using two-level games. Finally, Schoppa looks at diagonal, "synergistic linkages" between the US and Japan in explaining bilateral trade policy outcomes. Mertha and Pahre move away from simple compliance and assumptions of ratification to demonstrate that actual compliance patterns may have a substantive effect on the negotiations that precede the implementation process.

Read: Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," reprinted in Evans, Jacobson, and Putnam, eds., *Double-Edged Diplomacy*, pp. 431-468.

Andrew Moravcsik, "Introduction: Integrating International and Domestic Theories of International Bargaining," in Evans, Jacobson, and Putnam, eds., *Double-Edged Diplomacy*, pp. 3-42.

Peter Evans, "Building an Integrative Approach to International and Domestic Politics: Reflections and Projections," in Evans, Jacobson, and Putnam, eds., *Double-Edged Diplomacy*, pp. 397-420.

Leonard Schoppa, "Two-level Games and Bargaining Outcomes: Why *Gaiatsu* Succeeds in Japan in Some Cases But Not Others," *International Organization* 47 (3), Summer 1993: 352-386.

Andrew Mertha and Robert Pahre, "'Patently Misleading': Partial Implementation and Bargaining Leverage in Sino-American Negotiations on Intellectual Property Rights," *International Organization* 59 (3) Summer 2005: 695-730.

Week 9 (November 5): International Trade

If so many politicians and economists agree that we are all better off with freer trade and open markets, why do barriers to free trade persist? One place to start is by looking at Hirschman in order to understand patterns of economic activity between units at various levels of analysis. One hundred and fifty years since the repeal of the Corn Laws protectionism has endured, taking on many different forms. This week we will be looking at the free

trade/protectionism debate. This section is necessarily truncated because “international trade” is such a broad and important topic. Goldstein gives a historical-institutionalist argument for the inconsistent trade policies of the United States over time. Milner tries to account for why global markets tend to stay open even in times of widespread economic recession and instability.

Read: Adam Smith, *The Wealth of Nations*, Volume II, Chapters 3-6

David Ricardo, *Principles of Political Economy and Taxation*, Chapter 7 (pp. 89-104 – optional).

Albert Hirschman, *Exit, Voice, and Loyalty*, pp. 1-54, 76-105, 120-128.

Judith Goldstein, “Ideas, Institutions, and American Trade Policy,” *International Organization* 42 (1) Winter 1988: 179-217.

Paul Krugman, *Strategic Trade Policy and the New International Economics*, chapters 1 and 2.

J. David Richardson, “The Political Economy of Strategic Trade Policy,” *International Organization* 44 (1), Winter 1990: 107-135.

Helen Milner, *Resisting Protectionism: Global Industries and the Politics of International Trade*, Princeton, NJ: Princeton University Press, 1988, Chapters 1 and 2, pp. 3-44.

Week 10 (November 12): Development Strategies and Industrial Policy

Conventional wisdom used to posit that state intervention was anathema to economic development. The experience of Asia in the 1970s and 1980s dramatically changed this view and led analysts to identify the conditions under which state intervention can benefit economic growth. Haggard provides examples of this. Kaufman looks at Latin America to explain variations in the pattern of development strategies and the impact on economic growth. Johnson argues passionately that state intervention is one of the principal causes of Japan’s spectacular postwar economic growth. Okimoto takes a somewhat different view, arguing that the effectiveness of industrial policy varies across sectors. Noble gives us an overview of the debate over industrial policy in Japan, while Wade extends the discussion to include other East Asian newly industrializing countries (NICs)

Read: Stephan Haggard, *Pathways from the Periphery: The Politics of Growth in the Newly Industrializing Countries*, Ithaca, NY: Cornell University Press, 1990, Chapters 1-7 (pp. 1-188).

Robert Kaufman, “How Societies Change Developmental Models or Keep Them: Reflections on the Latin American Experience in the 1930s and the Postwar World,” in Gary Gereffi and Donald Wyman, *Manufacturing Miracles: Paths of Industrialization in Latin America and East Asia*, Princeton, NJ: Princeton University Press, 1990, pp. 110-138.

Chalmers Johnson, *MITI and the Japanese Miracle*, Stanford, CA: Stanford University Press, 1982, Chapters 9 and 8 (pp. 305-324, 275-304 – in that order).

Daniel Okimoto, *Between MITI and the Market: Japanese Industrial Policy for High Technology*, Stanford, CA: Stanford University Press, 1989, pp. 1-54.

Gregory Noble. “The Japanese Industrial Policy Debate,” in Stephan Haggard and Chung-In Moon, eds., *Pacific Dynamics: The International Politics of Industrial Change*, Boulder, CO: Westview Press, 1989, pp. 53-95.

Week 11 (November 19): Globalization and Collective Action: The East Asian Economic Crisis

The Asian Financial Crisis is an example of how quickly globalization can negatively affect the economies of sovereign states. This week we will examine the crisis and possible solutions (and the challenges inherent within) through the lens of collective action theory by reading Olson.

Read: Olson, *The Logic of Collective Action*, pp. 1-65.

Olson, *The Rise and Decline of Nations*, pp. 1-74.

Noble and Ravenhill, *The Asian Financial Crisis*, chapters 1, 2, 9, and 11.

World Bank Report, *10 Years after the Asian Financial Crisis*, pp. 25-32.

Week 12 (November 26): Paper presentations (1)

Week 13 (December 3): Paper presentations (2)

Week 14 (December 10): Paper presentations (3)