

IR 391: International Political Economy

Sabanci University

Summer 2021

(Putative Syllabus)

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Office Hours: Wednesday (by appointment)

This course will introduce students to major theoretical and empirical issues in the field of international political economy (IPE). We will mainly explore the relation between state power and market in the first weeks, introducing classical and contemporary IPE theories. The course will study several post-World War II economic and political trends, including trade, international monetary system, international production networks (multinational corporations), globalization, and development. The course will also examine leading global, regional, and supranational organizations like the International Monetary Fund, the World Bank, World Trade Organization, and the European Union.

Caution: This course will be carried out in a hybrid form (Two days physical and one day online). It is up to your choice if you attend the classes physically. **If you choose to attend physically**, then you need to be in class on Monday and Wednesday. Indeed, you can continue the course online throughout the Summer **if you choose online participation**. Finally, all courses will be recorded and shared with all students. I will always be in the class on Monday and Wednesday, Tuesday will be online for all students.

Course Requirements

Class Participation: 5%

Class Attendance: 5% (Online or Physical, upon Student Choice)

Two online pop-up quizzes: 10% Total

Online Midterm Exam: 40%

Online Final Exam: 40 %

(Some sections of the final and mid-term exam **might be** multiple-choice)

Course Material: We will cover the course over the analytical framework of the first two books listed below. However, we will also benefit from Robert Gilpin's seminal book.

1. Ravenhill, J. (2017). *Global Political Economy*. Oxford University Press (5th Ed.)
2. Oatley, T. (2018). *International Political Economy*. Routledge.
3. O'Brien, R., & Williams, *Global Political Economy*. Macmillan. (6th Eds)
4. Gilpin, R. (2011). *Global Political Economy*. Princeton University Press.

28-30th June

The Subject matter of IPE, An Introduction to Theories of IPE

State Power, Wealth, State Interests, Balance of Power, International Cooperation, Mercantilism, Economic Nationalism and Protectionism, Classical Liberalism and Laissez-Faire Economics

Reading Material: Thomas Oatley, *International Political Economy* Ch.1 and Robert O'Brien and Marc Williams, *Global Political Economy*, Ch.1

Recommended Reading: Robert Gilpin, *Global Political Economy* Ch1. And Ch.4

5-7th July (This week may last longer)

-Introduction to International Trade

A Short History of Modern Trade, Politics of Trade Openness, Gold Standard, Pax Britannica, Corn Laws, Global Public Goods and the Role of Hegemonic Power, Revisiting Mercantilism

Theoretical Debate: Realism, Anarchy and Self-Help System, Hegemonic Stability Theory, The existence of a Powerful State and the Mitigation of Anarchy

Reading Material: Robert O'Brien and Marc Williams, *Global Political Economy*, Ch.4, Jackson & Sorensen, *International Relations*, Ch.6 and Ch.7

Recommended Reading: Krasner, S. D. (1976). State power and the structure of international trade. *World politics: A quarterly journal of international relations*, 317-347. John Mearsheimer, 'Benign Hegemony', *International Studies Review*, vol.18, no.1, March 2016, pp.147-169

-Post-World War II Trade Regime

International Trade Regime, GATT and World Trade Organization, International Cooperation, Bretton Woods Institutions, Embedded Liberalism, The roots of MFN principle, Dispute Resolution in the WTO

Theoretical Debate: Cooperation in Trade, Commerce, and Finance is a tool for coping with Anarchy. The resilience of International Institutions

Reading Material: Ravenhill, Global Political Economy, Ch.5 or Robert O'Brian and Marc Williams, Global Political Economy, Ch.5

Recommended Reading: John Mearsheimer, "The False Promise of International Institutions", International Security, vol.19, no.3, 1994, pp.5-49. Robert E. Keohane and Joseph S. Nye (2005) 'Realism and Complex Interdependence'.

12-14 July

-Domestic Politics and International Political Economy

Protectionist Domestic Coalitions, Corn-Laws Revisited, Interest Groups, Protection of High-Tech Industries, Import Substitution Industrialization, Stolper-Samuelson Model, UN-ECLA Debates, Trade Barriers, Infant Industry, The Debate of Neo-Mercantilism and Trade Wars

Reading Material: Thomas Oatley, *International Political Economy* Ch.6,

Recommended Reading: Rogowski, R. (1987). Political cleavages and changing exposure to trade. *The American Political Science Review*, 1121-1137. Bailey, M. A., Goldstein, J., & Weingast, B. R. (1997). The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade. *World Politics*, (3), 309–338. <https://doi.org/10.1353/wp.1997.0007>

Excerpts from Foreign Affairs (May/June 2021 Volume)

19-21 Religious Holiday

26-28 July

-Globalization and the Role of State

Transnational Production, Multinationals, FDI and Portfolio Investment, Sovereign Wealth Funds, Offshore Financial Centers, Moral Hazard, Unintended Consequences of Globalization and Economic Development

Reading Material: Thomas Oatley, *International Political Economy* Ch.8 and C.9 and John Ravenhill, Global Political Economy, Ch.11

Recommended Reading: IMF, 'Globalisation and Inequality', <https://www.imf.org/external/pubs/ft/weo/2007/02/pdf/c4.pdf>

-International Finance and Financial Institutions (IFIs)

The Emergence and Continuation of Bretton Woods Financial System, Fixed Exchange Rates, The Globalization of Financial Markets, World Bank, IMF, Financial Crises, Political System in Global Financial Institutions: Voting, Towards Building a more coherent global financial capacity?

Reading Material: John Ravenhill, Global Political Economy, Ch.8, Thomas Oatley, *International Political Economy* Ch.10

Debate: Voting System in the International Financial Institutions

2-4 August

-Preferential Trade Agreements and Increasing Regionalism: Does WTO have a future?

EU Integration and Single Market, NAFTA, ASEAN, The Rise of China and India, BRICS

Theoretical Debate: How you assess the changes in the international system regarding different variants of realism?

Reading Material: John Ravenhill, *Global Political Economy*, Ch.6., Skidmore and Lairson, *International Political Economy*, Ch.6

Enrico Spolare, 'The Political Economy of European Integration; NBER, June 2015
<http://www.nber.org/papers/w2125>

9-11 August

-Global Division of Labor, Globalization and the Third World, Foreign Aid

Multinational Corporations in the Third World, Third-World Debt, Finance-Capital, Monopoly, New Theories of Imperialism, Formation of OECD-DAC, Millennium and Sustainable Development Goals, Washington Consensus, Globalization and Development

Theoretical Debate: Dependency Theory, James Caporaso, Dependence, Dependency, and Power in the Global System: A Structural and Behavioral Analysis. *International Organization*, 32, 1(1978): 13-44

Reading Material: Lairson and Skidmore, *International Political Economy*, Ch. 10, 11, 12

-Critical Perspectives

Marx, Hobson, Lenin and Luxemburg, Finance-Capital, Monopoly, New Theories of Imperialism,

Reading Material: From Viotti & Kauppi, *International Relations Theory*,

Hobson, *The Economic Taproot of Imperialism*

Wallterstein, *The Modern World-System as a Capitalist World Economy*

Excerptps from Lenin, TBA

16-18 August

Recent Developments in IPE: Climate Change, Environment, Gender

TBA