

84310 (or 84610) – International Political Economy

Instructor: Daniel Hansen

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Class time: 12pm to 1:20pm, Tuesdays and Thursdays

Class Location: PH 226B

Office hours: Thursdays 1:30 – 3:30

Office: Baker Hall 335A

Course Description and objectives:

Issues of trade and global finance are prominent issues which drive much discussion in the political discourse. In recent elections (and referenda) in the US and in Europe, such issues have been highly salient and arguably have had a decisive impact on election outcomes. Trade may have positive growth outcomes, but even if it does such gains are not clearly beneficial for all. International financial flows, for their part, can increase global economic efficiency, and yet can render countries vulnerable to economic crisis under certain conditions. The US financial crisis of 2008 arguably may not have occurred in the absence of such flows, as an example. And what is the role of central banks, who are perhaps the world's most important economic actors?

This course examines the history of the international economic system so that students understand the key events and factors which shaped economic relations as we know it today. We will examine both the *economic* logic of international economic policy, as well as *political* determinants and consequences of these policies. Broadly speaking, we will emphasize aspects of international trade, international finance, and financial crises.

Students throughout the course will learn to relate current events to the logic and history which informs our understanding of these events. To emphasize this the class will involve student presentations on Wall Street Journal articles and we will have in-class discussions based on these. Additionally, groups will be randomly arranged by me and will require students to decide on a research project of their choice (pending my approval), for which they will conduct a literature review, critically evaluate a given literature, and conduct a data analysis to investigate their topic of choice.

Students taking the class for Masters credit will have the same general requirements but will face a more challenging grading expectation.

Readings:

Oatley, Thomas. 2016. *International Political Economy*. 5th edition. New York: Longman. (note: Use the 5th edition, not the recently released 6th)

Eichengreen, Barry. 2008. *Globalizing Capital: A History of the International Monetary System*. 2nd edition. Princeton: Princeton University Press.

There will be scholarly articles and chapter excerpts assigned to complement the above chapters, which I will make available to the class.

Course Requirements/ Grades:

Attendance	3%
Quizzes	10%
Response Essays	10%
WSJ Presentations	4%
Preliminary Research Draft	3%
Group Research Project	20%
Midterm Exam	25%
Final Exam	25%
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	100%

The grading scale for this course will be as follows:

A = 90 to 100%
B = 80 to 89%
C = 70 to 79%
D = 60 to 69%
R = 59% and below

Percentages will be rounded to the nearest percentage. For Masters students, the +/- system will be used. A (-) sign will be attached from 90 to 92%; 93 to 96% is neutral, and 97% and greater earns a (+). The same scale will apply for all grade levels.

General Overview

Each class will follow a similar format. We will start by having student presentations based on Wall Street Journal articles I assign. In-class discussion on the topic of the WSJ article will follow. I expect serious engagement and discussion regarding the issues raised. We will conduct in-class quizzes, after which I will lecture on the days' assigned readings. Additionally, some in-class time will be devoted for groups to discuss and work on their research projects, which also gives groups useful time to seek input from me in this process. Quite obviously, however, groups will also need to devote time outside of class in order to successfully conduct the research project.

Attendance & Quizzes

Each class quizzes will be given. This will quiz you potentially on the current days readings but also may ask you review questions from the previous days material. I will use a base i-clicker to conduct these quizzes. This may require you to purchase/rent physical i-clicker remotes.

Attendance will be recorded as full points if you have any clicker responses for the given day, and zero if there are no recorded responses. Thus, if you are late to class and miss the days' quiz, it will be treated as an absence. As a consequence, you have an incentive to arrive on-time to ensure that you do not miss the quiz questions for the day.

Quizzes will always be held towards the beginning of the class, and will be approximately 4 to 6 questions covering either the previous lecture or the current days' readings. This provides an opportunity for consistent review of important course material, as well as ensuring that students are keeping up with each days readings.

There will be no "excused" absences, in the sense that I do not entertain pleas for having a bad day and missing the class. However, for some flexibility, I will drop one absence from anyone's attendance during the course, without any need for explaining why. I will also drop the lowest quiz score. Only very dire circumstances will be considered for excusing/accommodating an absence. If such a circumstance exists, however, I encourage the student to reach out to me at the earliest convenience. I am unable to offer any leeway if I am only notified well after the fact.

Response Essays

There will be an individual response essay to a prompt of my choosing. For master's students, this essay will be a 4 to 5 page essay critically evaluating a collection of academic articles of my choosing. For undergraduate students, it will be a 2 page response to my chosen prompt. Spacing should be 1.5 with Calibri font.

Wall Street Journal (WSJ) Presentations

By the second week of the class, there will be two-person student groups who will give powerpoint presentations to the class based on a WSJ article I assign. On the students assigned presentation day, you need to come prepared with a USB/flash drive with your presentation slides ready. I also ask that students e-mail their presentation slides **before** the class begins. These presentations will be the first item of each day, so arrive ready to dive right in. Students should first discuss relevant background material which is helpful for understanding the article. For instance, if the article is discussing the bail-out conditions for another round of Greek bail-out funds, you may start by addressing why Greece needs bail-out loans from the IMF in the first place. After discussing relevant background, summarize the key points of the article. Ask yourself why the article is of importance, and if possible relate it to what we have discussed in class (there may be occasions in which the article is related to substance of a future week, in which case this could be difficult). We will then discuss the article as a class briefly, before moving to the review quiz and then lecture.

Group Research Project

I will randomly assign groups for the main group research project. As a group, you will select a topic of your choice pertaining to the course subject (even if it is an aspect of IPE that we do not discuss much in the class – it is generally up to you, although you will seek approval from me on the topic). You will then write a research project in which you

(a) identify an interesting and important question relevant to IPE

(b) identify and critique roughly 4 to 7 existing scholarly research papers on the subject. You are responsible for locating these as part of your background research. These articles may employ a diverse range of research methods, but several should utilize regression analysis and be data driven articles. Explain what they study, how they study it, and what their conclusions are. Try to use recent sources. Ask the following questions: Are they missing an important dimension of the analysis? Is there a

different way to study it? Are there important problems they have neglected? Is it rigorous and convincing, or what else may be done?

(c) You may then propose to study your question in a new way, different from how the scholars you discuss have researched it. You may also merely try to replicate their findings (while I do not expect a fully rigorous analysis by any means, I would like to see a respectable effort at replication).

(d) You will then use real-world data to investigate your question of interest. In some in-class group time, I will be available to help you in these aspects of the group project.

This project will evolve in stages throughout the semester and will be graded in sub-sections. By **September 25th**, you will need to seek permission on your group topics by submitting a research proposal to me. This *will not be graded* but will help me ensure your group has chosen an appropriate topic.

- Research Proposal: State your explicit research question. It should be specific and clear. Also, discuss why your group finds the research question interesting, and tell me anything you hope to learn from doing this exercise.

After the mid-term on **October 25th**, you will submit a one or two page, single-spaced *outline* of your paper. This will not receive a specific grade, but each day the outline *is late will result in a 1% deduction* from the projects overall grade.

- Outline: State your **specific** research question. State why it's important.
 - List the articles you have chosen and tell me why these fit your research question (be concise)
 - Tell me how you will conduct the empirical part of the part. What data will you use? What are your plans for the data analysis? What software will you use? I recommend Stata or R.

On **November 13th** a preliminary draft of the paper will be due. It should adhere to the final format requirements of the main paper. There should be an **Introduction section** – briefly summarize your research question and the literature you are reviewing. Conclude this section by quickly noting the results you will present later in the paper. Then, have a **literature review section**. Here, critically evaluate the chosen literature. Are there clear lessons learned, do they have key failings? Discuss. Then, have a **theory and research design section**. You will not necessarily be positing a new theory per se, but I expect you to discuss how your empirical section relates to the articles you have reviewed. Bridge the transition from your literature review to your data section so it feels relevant. Then discuss how you will execute your data analysis, where the data comes from, and any methods you use (to any extent, simple or sophisticated, as you employ). You then should transition to a results section, where you present the data analysis. Finally, you could have a small conclusion paragraph or two summing up your paper and your findings. This draft and the final paper should be roughly 5 pages, 1.5 spacing. The preliminary draft will be worth 3% of the final grade, and is intended as a low stakes way to get feedback from me to incorporate into your final draft.

You will then give presentations of the results from your group projects in the final few days of the class. These will be roughly 12 minute presentations, and we should expect around 6 or so minutes of Q&A

from the audience. The group presentation will be worth 5% of the overall research project. The **Final Draft** will be due on the last day of class, **December 6th**.

**** Note that I will distribute private surveys throughout the course to ensure all group members are participating. Any members not fully participating will be severely penalized and will not receive full points for the group grade.

Exams

There will be a midterm and final exam, each worth 25% of the final grade. These will be some multiple choice, but will mainly include short answer prompts where you may need to write several paragraphs to answer. There will be two review sessions where you will be able to ask me to review any material you have found difficult to understand.

General policies

- I have a zero-tolerance policy for cases of academic dishonesty. You need to make a choice beforehand that you will absolutely never under any circumstances engage in such disreputable conduct. Violations of the university policy on plagiarism or other cases of academic dishonesty will not be tolerated and can lead to serious action which may follow you far beyond your years in this university. Don't go there.
- Technology: I am a big believer in the use of computers, laptops and tablets for coursework. However, there is rampant abuse of this technology. People use it for social media purposes and many other activities during class. This is extremely disrespectful to your fellow classmates and can negatively influence your participation grade if I observe it during class.
- There will be no make-up exams unless there are severe cases of extenuating circumstances. In such cases documentation will be required for arrangements to be made.

Take care of yourself. *Do your best to maintain a healthy lifestyle this semester by eating well, exercising, avoiding drugs and alcohol, getting enough sleep, and taking some time to relax. This will help you achieve your goals and cope with stress.*

All of us benefit from support during times of struggle. You are not alone. There are many helpful resources available on campus, and an important part of the college experience is learning how to ask for help. Asking for support sooner rather than later is often helpful.

If you or anyone you know experiences any academic stress, difficult life events, or feelings of anxiety or depression, we strongly encourage you to seek support. Counseling and Psychological Services (CaPS) is here to help. Call 412-268-2922 and visit their website at <http://www.cmu.edu/counseling/>. Consider reaching out to a trusted friend, faculty member, or family member for help in getting connected to support services.

If you or someone you know is feeling suicidal or is in danger of self-harm, call for help immediately, day or night:

CaPS: 412-268-2922

Re:solve Crisis Network: 888-796-8226

If the situation is life threatening, call the police:

On campus: CMU Police: 412-268-2323

Off campus: 911

If you have questions about this or your coursework, please let me know.

COURSE READINGS AND SCHEDULE

	<u>Reading 1</u>	<u>Reading 2</u>	<u>Notes</u>
28-Aug	Intro to Class/Syllabus		
30-Aug	Oatley Ch1 - Intro		
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4-Sep	Oatley Ch2 - World Trade System		
6-Sep	Oatley Ch3 - Trade Cooperation	Irwin 2005	
11-Sep	Oatley Ch4 - Society	Hiscox 2001	
13-Sep	Oatley Ch5 - State Centered		
18-Sep	Oatley Ch6 - Trade & Dev, ISI		
20-Sep	Oatley Ch7 - Trade & Dev, Reform		
25-Sep	Oatley Ch8 - MNCs		Submit Research Proposal
27-Sep	Oatley Ch9 - Politics of MNCs	Jensen 2008	
2-Oct	Eichengreen 1 & 2 - Classical Gold		
4-Oct	Eichengreen 3 - Interwar Instability	Simmons 1996	
9-Oct	Eichengreen 4 - Bretton Woods	Oatley Ch 10	
11-Oct	<i>Midterm Review</i>		
16-Oct	<i>Midterm</i>		
18-Oct	Eichengreen 5 - After Bretton Woods	McNamara Ch6	
23-Oct	Eichengreen 6 - New Monetary World		
25-Oct	<i>Financial Crisis Video (in-class)</i>		Paper Outline Due
30-Oct	Oatley Ch11 - Cooperation & Crises	Eichengreen (HoM) - Ch's 5 & 21	
1-Nov	<i>Group Work</i>		

6-Nov	Oatley Ch12 - Society & Monetary Politics		
8-Nov	Oatley Ch13 - State & Monetary Politics	Clark & Hallerberg (1999)	
13-Nov	<i>[Central Banks & CBI] - Stasavage (2003)</i>		Preliminary Draft Due
15-Nov	Oatley Ch14 - Developing C's & Finance	Stone (2004)	
20-Nov	Oatley Ch15 - Developing, Part II		
22-Nov	Thanksgiving		Response Essays Due
27-Nov	Finance and Security - Drezner (2009)	Clay & DiGuiseppe (2015)	
29-Nov	Oatley Ch16 - Globalization		
4-Dec	Group Presentations Day 1		
6-Dec	Group Presentations Day 2 / Midterm Review		Research Paper Due
11-Dec	Final Exam - date is an estimate		