Politics of the World Economy

In Political Science, international political economy (IPE) is studied as part of the field of international relations (IR). IPE asks why certain polities become rich and powerful and others do not. It explores political systems, trade, knowledge transfers, regions, eras, and the role of the state, politically influential interests, technology changes, finance, institution building, international organizations, hegemony and hegemonic transitions.

This course adds a policy analysis focus to the IR focus. It stresses government decision-making, asking what succeeded and what failed. With an eye to debates over and projections on where our volatile globalized age is going, this course looks at IPE globally, in historical, comparative and theoretical perspectives, from time immemorial right up to present-day policy dilemmas.

Required readings:

1. Amy Chua, *Day of Empire*
2. Yergin and Stanislaw (Y and S), *Commanding Heights*
3. Dani Rodrick, *The Globalization Paradox*
4. Jeffrey Sachs, *The End of Poverty*
5. Bethany McLean and Joe Nocera, *All the Devils are Here: The Hidden History of the Financial Crisis*

There is a six week exam, a ten week exam and a final exam. All exams consist of essay and short answers. Essays will be distributed at least a week before the exam. Short answer questions are open book. The essay questions for the final exam appear at the end of the syllabus.

Assigned readings and topics:

I. (1 week) Introduction to the Field of IPE
   a. Chua – Introduction, chs. 1-4 and 7
II. (1 week) IPE in the age of agrarian and semi-nomadic empires
   a. Chua – chs. 5, 6, 8 and 10
   b. Rodrick – ch. 2
   
III. (2 weeks) Global commercialization, how backward Europe caught up and the nation-state: Dutch disease, Spanish disease, English disease and Prussian disease; The Singular Importance of Germany’s Catching-Up
   a. Chua – chs. 5, 6, 8 and 10
   b. Rodrick – ch. 2

IV. (1 week) The Rise of America: Keynesian win-win hegemony and the Bretton Woods System
   a. Y and S – chs. 1-3
   b. Chua – ch. 9
   c. Rodrick – chs. 3-4

Six Week Exam

V. (3 weeks) The End of Bretton Woods, OPEC (Saudi Arabia), (energy, NIEO), and the Rise of Heyakian Neo-Liberalism or How East Asia Caught Up and the Globe Polarized
   a. Y and S – chs. 4-9
Ten Week Exam

VI. (5 weeks) The Rise of the East (China, BRICS) (?) and the Decline of the West (?) in the Age of Neo-Liberal Financialization and Failed State Crises: A Chinese Hegemony?
   a. McLean and Nocera – all
   b. Y and S – chs. 10-13
   c. Chua – ch. 12
   d. Sachs – chs. 6-7 and 11-18
   e. Rodrick – chs. 9-12 and Afterward

Final Exam

Essay I: (45 minutes) Given what you know about how the less rich and less powerful have caught up throughout history, evaluate Sachs' understandings of and proposals for ending poverty.

Essay II: (45 minutes) Given what you know of international finance in particular and IPE in general, write a critical appreciation of “All the Devils are Here,” arguing that McLean’s and Nocera’s fixation on contemporary USA politics and policies ignores key factors in the 2007ff. Great Recession.

Short Answer: (30 minutes)