

Department of Political Science

Political Science 226
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Fall 2007
Tuesday, 9:00 - 11:50
Office hours: Wednesday, 1:00--3:00

Seminar on International Economics for Non-Economists

The purpose of this seminar is to introduce political science students (and others) to the basic elements of international economic theory in order to better appreciate how relevant economic theory can be used in the study of international political economy. No prior training in the discipline of economics is required.

Requirements/grades

Students will be required to attend all sessions of the seminar, to do all the assigned reading for each week *before* the seminar meets, and to participate fully and constructively in weekly class discussions. Any absence must be justified by a valid excuse.

There will be two written papers in the seminar plus a take-home final examination at the end of the quarter. Overall grades for the seminar will be determined jointly by paper and exam grades and quality of class participation.

Textbooks

All required reading assignments for this seminar will be from the following text, which is available at the University bookstore:

Robert J. Carbaugh, *International Economics*, eleventh edition (South-Western, 2007).

The assignments for the two papers will be drawn from a series of published essays that will be provided in photocopied form in class.

Papers

Two papers must be written for this seminar. The first will be due **November 6**; the second will be due **December 4**. Late submissions will be penalized. Each paper must be a minimum of 5-7 pages in length. Greater length will be permitted but not encouraged.

Each paper will evaluate the use of economic theory in a recent contribution to the literature of international political economy. A menu of possible selections for each of the two papers is given below. All of the selections rely heavily on economic theory to explore a key political issue. For **each** paper you will choose **one** of these selections, as indicated below. Your task in each paper, broadly, will be to assess the quality and relevance of the author's choice and application of economic theory. More specifically, the following questions should be addressed:

1. What is the central issue or problem addressed in the contribution, and what are the author's analytical aims? [A brief summary of the author's assumptions, arguments, and conclusions would be advisable.]
2. Is the author's choice of economic theory suitable to the context? Is his/her understanding of the theory correct? Is the theory applied appropriately? Is any relevant economic theory neglected?
3. What is your evaluation of the author's insight? What do you feel you have learned from the contribution? What further research do you think might be suggested, and how might economic theory be incorporated into such work?

The **first paper**, reflecting assigned readings in the first half of the course, will deal with issues of international monetary and financial relations. Of the following selections, **choose one**:

1. David H. Bearce (2003), "Societal Preferences, Partisan Agents, and Monetary Policy Outcomes," *International Organization* 57:2 (Spring), 373-410.
2. William R. Clark (2002), "Partisan and Electoral Motivations and the Choice of Monetary Institutions Under Fully Mobile Capital," *International Organization* 56:4 (Autumn), 725-749.
3. Benjamin J. Cohen (2006), "The Macrofoundations of Monetary Power," in David M. Andrews, ed., *International Monetary Power*, ch. 2.
4. Jonathan Kirshner (2003), "Money is Politics," *Review of International Political Economy* 10:4 (November), 645-660.

The **second paper**, reflecting assigned readings in the second half of the course, will deal

with issues of international trade relations and policy. Again, of the following selections, **choose one**:

1. Kerry A. Chase (2003), "Economic Interests and Regional Trading Arrangements: The Case of NAFTA," *International Organization* 57:1 (Winter), 137-174.
2. Joanne Gowa and Edward D. Mansfield (2004), "Alliances, Imperfect Markets, and Major-Power Trade," *International Organization* 58:4 (Fall), 775-805.
3. Brian Hanson (1998), "What Happened to Fortress Europe? External Trade Policy Liberalization in the European Union," *International Organization* 52:1 (Winter), 55-85.
4. Michael J. Hiscox (2001), "Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55:1 (Winter), 1-46.

Final exam

The final exam will be composed of questions drawn from or similar to the study questions outlined at the end of each chapter in the text. Hence in doing your assigned reading for each week's seminar meeting, you would be well advised to look at these problems as well.

Readings

All required reading assignments, as indicated, are from Carbaugh, *International Economics*, eleventh edition (2007).

October 2: The Balance of Payments, Foreign Exchange, and Financial Markets

Carbaugh, ch. 10, 11.

October 9: Balance-of-Payments Adjustment

Carbaugh, ch. 13, 14.

October 16: Exchange Rates

Carbaugh, ch. 12, 15.

October 23: Balance-of-Payments Policy

Carbaugh, ch. 16.

October 30: Systemic Issues

Carbaugh, ch. 17.

November 6: The Basic Theory of International Trade

Carbaugh, ch. 2.

November 13: Explaining Trade Patterns

Carbaugh, ch. 3.

November 20: Trade Policy

Carbaugh, ch. 4, 5.

November 27: Systemic Issues

Carbaugh, ch. 6, 8.

December 4: Special Topics: LDCs and MNCs

Carbaugh, ch. 7, 9.