

POLI 3080
Global Political Economy
SECOND SEMESTER, 2021-2022

Time: Mondays 12:30 pm - 2:20 pm

Location: CPD 3.28

Instructor: Dr. Wilfred M. Chow

Email: wilfred.chow@hku.hk

Tel: 3917 2393

Office: Jockey Club Tower C9.45

Office Hours: By appointment

Teaching Assistant: Adrian Lam

Email: lammanho@hku.hk

Office Hours: By appointment

Overview

This course explores the role that politics plays in the international economy. In particular, this course will give students a better appreciation of how the flow of economic activities across national boundaries are influenced and mediated by national governments and international institutions. We begin by examining several contending perspectives on global political economy and equipping students with the analytical tools by which to answer two important and inter-related questions: (1) how do economic relations between states affect its domestic and foreign politics and (2) how do political relations between states affect its domestic and international economics. The course then explores how the analytical perspectives affect distinct issue areas: trade, financial crises, multinational corporations, foreign aid, and etc.

Objectives

This course is designed to expose you to a systematic approach to studying international economics from a political perspective. To achieve this goal, you will be asked to evaluate theoretical frameworks on international political economy (IPE) by applying these frameworks to specific issue areas in IPE. The organization of the course is as follows:

1. The first part of the course builds a core foundation by providing an overview of the key theoretical perspectives behind international political economy such as mercantilism, liberalism, and dependency theory.
2. In this phase, the course examines three traditional areas: global trade, multinational production, and international finance. The early theoretical perspectives will then be used to analyze these issue areas.
3. In the final phase, the course examines special issue areas in contemporary IPE such as immigration, economic inequality, climate change, and etc.

Requirements

The coursework and examinations will involve writing and/or analysis of both a theoretical and practical nature. To get the most of the course, it is vital that you attend lecture and tutorials as well as keep up with the readings. Your grade is broken down into the following categories:

1. Tutorial Participation: 10 percent

- Regular attendance and participation in tutorials.

2. Coursework: Group Debate (50 percent)

- Students will form groups of 5 and select among 5 potential debate topics. Two weeks before the debate, each group must submit a 1,000 to 1,500 word group position paper (10 percent) as well as a 1,200 to 1,500 word individual position paper (20 %).
- Each non-presenting group must read both of the group position papers of the presenters and write a 400-800 word evaluation of the topic based on the position papers (5 %).
- On the day of the debate, each side will be allotted a 10-minute presentation followed by a 10 minute cross examination period between the groups (15 %).

3. Final take-home exam: 40 percent

- This assignment is composed of two short essays. These essays will emphasize broader themes in the course that cover both the theoretic perspectives as well as the special topics. This exam is take-home and will be posted on May 1st and will be due one week later on May 7th.

Administrative Policies

Assignments must be submitted via Moodle and in *Microsoft word* or *pdf* format. All exams must be taken at the time prescribed in the syllabus. No make-up exams will be administered unless students have documented proof that they were incapacitated or otherwise unable to take the exam. Assignments are due on the date listed in the syllabus. Late assignments will receive a one-third grade deduction for every day that it is late from the assigned date. Unless otherwise noted and authorized by me, assignments that are emailed to me *will not be accepted*. You are also required to become familiar with HKU's policy on plagiarism (<http://www.hku.hk/plagiarism>). Cheating and plagiarism in any form will not be tolerated. To that end, all submitted work by students will be verified via Turnitin (<http://lib.hk/turnitin/turnitin.html>).

With respect to students with disabilities, students requesting special accommodation must first register with CEDARS. The CEDARS Office will provide documentation to the instructor when requesting accommodation. Please do this at the beginning of the semester and schedule all exams and assignments as appropriate with the instructor at the beginning of the quarter. Do not wait until right before the exams.

Required Texts

There is no required textbook for this course. Instead, the required readings come from selected materials from a number of textbooks, books, and articles. In addition to the required readings, there are recommended articles that help to delve deeper into the topic of the week, which will be indicated by an asterisk(*) in front of that reading. All articles and selected readings will be uploaded on Moodle.

Recommended Texts

These recommended texts are here for students who may want to use them as general references.

- Balaam, David and Bradford Dillman. 2011. *Introduction to International Political Economy*. Longman.
- Frieden, Jeffrey, David Lake, and Kenneth Schultz. 2013. *World Politics: Interests, Interactions, Institutions*. W. W. Norton.
- Oatley, Thomas. 2012. *Introduction to International Political Economy*. Longman.

Course Outline

Part I: Introduction to Global Political Economy

Week 1 (January 17) Introduction: Global Order and International Political Economy

- Veseth, Michael. 2012. "What is International Political Economy?" *University of Puget Sound*. Read pp. 1-8.
- * Robert O. Keohane. 2009. "The Old IPE and the New," *Review of International Political Economy* 16(1): 34-46.
- * Tilly, Charles. 1990. *Coercion, Capital, and European States, AD 990-1990*. Basil Blackwell. Read Chapter 1: pp. 1-37.
- * Marx, Karl and Frederick Engels. 1848. *Manifesto of the Communist Party* translated by Samuel Moore. Progress Publishers. Accessed from <https://marxists.org> on 13 January 2019.

Week 2 (January 24) Old IPE: Mercantilism, Liberalism and Dependency

- Frieden, Jeffrey, David Lake, and Kenneth Schultz. 2013. *World Politics: Interests, Interactions, Institutions*. W. W. Norton. Read Introduction: pp. 1-16.
- Ferraro, Vincent. 2008. "Dependency Theory: An Introduction," in *The Development Economics Reader*, ed. Giorgio Secondi. London: Routledge: 58-64.
- Oatley, Thomas. 2012. *International Political Economy*, 5th ed. Read Chapter 5.

***** The following readings give a more detailed treatment of each of the perspectives:

Dependency

- Cardoso, Fernando Henrique and Enzo Faletto. 1979. *Dependency and Development in Latin America*. Translation. Marjory Mattingly Urquidi. University of California Press. Read “Preface”, “Chapter 6”, and “Conclusion”.
- Frank, Andrey Gunther. 1970. *Imperialism and Underdevelopment*. New York: Monthly Review Press. Read pp. 4-17.

Mercantilism

- Krasner, Stephen D. 1976. “State Power and the Structure of International Trade,” *World Politics* 28(3): 317-347.
- Gilpin, Robert. 2001. *Global Political Economy: Understanding the International Economic Order*. Princeton University Press. Read pp. 15-24.

Liberalism

- Strange, Susan. 2000. “States, Firms, and Diplomacy” in *International Political Economy: Perspectives on Global Power and Wealth*, ed. Jeffrey Frieden and David A. Lake. Read pp. 60-67.
- Zupan, Mark A. 2011. “The Virtues of Free Markets,” *Cato Journal* 31(2): 171-198.

Week 3 (January 31) No School - Lunar New Year ☺

Week 4 (February 7) No School - Lunar New Year ☺

Week 5 (February 14) New IPE: Selectorate theory and Special Interest Group Politics

- Bueno de Mesquita, Bruce and Alastair Smith. 2012. *The Dictator’s Handbook: Why Bad Behavior Is Almost Always Good Politics*. Read Chapter 1.
- Gilens, Martin and Benjamin I. Page. “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” *Perspectives on Politics* 12(3): 564-581.
- Rodrik, Dani. “It’s Time to Think for Yourself on Free Trade,” *Foreign Policy* 27 January 2017.
- * Eichengreen, Barry. “The Political Economy of the Smoot-Hawley Tariff” in *International Political Economy: Perspectives on Global Power and Wealth*, ed. Jeffrey Frieden and David A. Lake. Read pp. 37-46.
- * Ehrlich, Sean D. 2010. “The Fair Trade Challenge to Embedded Liberalism,” *International Studies Quarterly* 54(2): 1013-1033.
- * Satz, Debra and John Ferejohn. 1994. “Rational Choice and Social Theory,” *The Journal of Philosophy* 91(2): 71-87.
- * Myerson, Roger B. 1992. “On the Value of Game Theory in Social Sciences,” *Rationality and Society* 4: 62-73

Part II: International Economic System

Week 6 (February 21) Global Trade and Multinational Production

- Caves, Richard E. 2000. “The Multinational Enterprise as an Economic Organization” in *International Political Economy: Perspectives on Global Power and Wealth*, ed. Jeffrey Frieden and David A. Lake. Read pp. 145-155.
- Morris, Charles R. “We Were Pirates Too: Why America was the China of the 19th Century,” *Foreign Policy* 6 December 2012.
- Oatley, Thomas. 2012. *International Political Economy, 5th ed.* Read Chapter 4.
- * Davis, Bob and Lingling Wei. 2020. *Superpower Showdown: How the Battle Between Trump and Xi Threatens a New Cold War*. Harper Business. Read chapter 7 on “American Backlash, 2009” and chapter 15 on “Friends No More, September 2018”.
- * Haggard, Stephen. 1989. “The East Asian NICs in Comparative Perspective,” *The Annals of the American Academy of Political and Social Science* 505: 129-141.
- * Helpman, Elhanan. 2011. *Understanding Global Trade*. Cambridge: Harvard University Press. Read chapter 2 on “Comparative Advantage.”
- * Peng, Mike W., David Ahlstrom, Shawn M. Carraher, and Weilei Shi. 2017. “History and Debate Over Intellectual Property,” *Management and Organizational Review* 13(1): 15-38.

Week 7 (February 28) Global Finance and the History of Money

- Eichengreen, Barry. “The Stable-Coin Myth.” *Project Syndicate* 11 September 2018.
- Frieden, Jeffry and Lawrence Broz. 2006. “The Political Economy of Exchange Rates” in *Oxford Handbook of Political Economy* ed. Barry Weingast and Donald Wittman. Oxford University Press. Read pp. 587-596.
- Lee, Michael and Antoine Martin. “Bitcoin Is Not a New Type of Money,” *Federal Reserve Bank of New York Liberty Street Economics* 18 June 2020.
- Surowiecki, James. 2012. “A Brief History of Money.” *IEEE Spectrum* 45.
- * Eichengreen, Barry. 2019. “From Commodity to Fiat and Now to Crypto: What Does History Tell Us?” *National Bureau of Economic Research Working Paper 25426*. <http://www.nber.org/papers/w25426>.
- * Eichengreen, Barry and Nathan Sussman. “The International Monetary System in the (Very) Long Run,” *IMF Working Paper 43*: 1-55. Read pp. 1-36.
- * Nakamoto, Satoshi. 2008. “Bitcoin: A Peer-to-Peer Electronic Cash System.” <https://bitcoin.org/bitcoin.pdf>.

*** Week 9 debate position papers due (11:59 pm, Feb 28).

Week 8 (March 7) No School - Reading Week ☺

*** Week 10 debate position papers due (11:59 pm, March 7).

*** Week 9 peer review papers due (11:59 pm, March 7).

Week 9 (March 14) Financial Crises and U.S. Dollar Hegemony

Debate: The decline of U.S. dollar hegemony will destabilize the global financial system.

- “The Origins of the Financial Crisis,” *The Economist*, September 7, 2013.
 - Eichengreen, Barry. “Will Central Bank Digital Currencies Dethrone the Dollar?” *The Guardian* 10 August 2021.
 - Farrell Henry and Abraham Newman. “America’s Misuse of Its Financial Infrastructure.” *The National Interest* 2019 April 15.
 - Krugman, Paul. “The Greenback Rules. So What?” *The New York Times* 28 May 2021.
- * Baily, Martin Neil, Robert E. Litan, and Matthew S. Johnson. 2008. “The Origins of the Financial Crisis.” *Brookings Fixing Finance Series Paper 3*.
- * Claessens, Stijn and M. Ayhan Kose. “Financial Crises: Explanations, Types, and Implications” *IMF Working Paper* 13(28):1-66. Read pp. 3-22.
- * Kirshner, Jonathan. 2008. “Dollar Primacy and American Power: What’s at Stake?” *Review of International Political Economy* 15(3): 418-438.
- * Gourinchas, Pierre-Olivier, Rey, Hélène, and Sauzet, Maxime. 2019. “The International Monetary and Financial System.” *Annual Review of Economics* 11: 859-893.

*** Week 11 debate position papers due (11:59 pm, March 14).

*** Week 10 peer review papers due (11:59 pm, March 14).

Part III: Special Topics

Week 10 (March 21): Automation and Economic Inequality

Debate: Automation technology such as artificial intelligence increases economic inequality.

- “Automation and Anxiety,” *The Economist*, June 25, 2016.
 - Semuels, Alana. “The Parts of America Most Susceptible to Automation.” *The Atlantic*, May 3, 2017.
 - Frey, Carl Benedikt, Thor Berger, and Chinchih Chen. 2017. “Political Machinery: Automation Anxiety and the 2016 U.S. Presidential Election,” *Working Paper*. Read pp. 1-13 and “Concluding Remarks” (pp. 16-18).
 - Matthews, Dylan. “The massive new study on race and economic mobility in America, explained.” *Vox* 21 March 2018.
- * Autor, David. 2015. “Why Are There Still So Many Jobs? The History and Future of Workplace Automation.” *Journal of Economic Perspectives* 29(3): 3-30.
- * Chetty, Raj, David Grusky, Maximilian Hell, Nathaniel Hendren, Robert Manduca, Jimmy Narang. 2017. “The Fading American Dream: Trends in Absolute Income Mobility Since 1940.” *Science* 356 (6336): 398-406.

* Jerbashian, Vahagn. 2017. "Automation and Job Polarization: On the Decline of Middling Occupations in Europe." *UB Economics Working Papers* 2016/348.

*** Week 12 debate position papers due (11:59 pm, March 21).

*** Week 11 peer review papers due (11:59 pm, March 21).

Week 11 (March 28) Climate Change

Debate: Rich countries should bear 75% or more of the financial responsibility for climate change.

- McKibben, Bill. 2009. "Think Again: Climate Change," *Foreign Policy* 170: 32-38.
- Plumer, Brad. "The World Just Agreed to a Major Climate Deal in Paris. Now Comes the Hard Part," *Vox*, December 12, 2015.
- Shorr, David. "Think Again: Climate Treaties," *Foreign Policy*, March 17, 2014, 1-11.
- Worland, Justin. "Climate Change Has Already Increased Global Inequality. It Will Only Get Worse," *Time*, April 22, 2019.
- * Diffenbaugh, Noah S. and Marshall Burke. 2019. "Global Warming Has Increased Global Economic Inequality," *Proceedings on the National Academy of Sciences* 116(20): 9808-9813.
- * Hsiang, Solomon, Robert Kopp, Amir Jina, James Rising, Michael Delgado, Shashank Mohan, D. J. Rasmussen, Robert Muir-Wood, Paul Wilson, Michael Oppenheimer, Kate Larsen, and Trevor Houser. 2017. "Estimating economic damage from climate change in the United States," *Science* 356: 1362-1369.
- * Steves, Franklin and Alexander Teytelboym. 2013. "Political Economy of Climate Change Policy," *Smith School Working Paper* 13-06.

*** Week 13 debate position papers due (11:59 pm, March 28).

*** Week 12 peer review papers due (11:59 pm, March 28).

Week 12 (April 4) Immigration

Debate topic: Countries should sell the right to immigrate.

- Becker, Gary. "Selling the Right to Immigrate," *Economic Affairs* March 8, 2011.
- Hopkins, Daniel J. "Politicized Places: Explaining Where and When Immigrants Provoke Local Opposition," *American Political Science Review* 104(1): 40-60. Read 40-43.
- Klein, Ezra. "White Threat in a Browning America." *Vox* 30 July 2018.
- * Axel Dreher, Sarah Langlotz, Johannes Matzat, Anna Maria Mayda, Christopher Parsons. 2020. "Immigration, Political Ideologies and the Polarization of American Politics." Available at SSRN: <https://ssrn.com/abstract=3754680>.

- * Freeman, Richard B. 1995. "Are Your Wages Set in Beijing?" *The Journal of Economic Perspectives* 9(3): 15-32.
- * Hainmueller, Jens and Daniel J. Hopkins. 2014. "Public Attitudes Toward Immigration," *Annual Review of Political Science* 17: 225-249.
- * Joppke, Christian. 1998. "Why Liberal States Accept Unwanted Immigration," *World Politics* 50(2): 266-93.

*** Week 13 peer review papers due (11:59 pm, April 4).

Week 13 (April 11): Foreign Aid and Economic Development

Debate topic: Chinese foreign aid has been more beneficial to its recipients compared to Western aid.

- Brautigam, Deborah and Rithmire, Meg. 2021. "The Chinese Debt Trap Is a Myth." *The Atlantic* 6 February 2021.
- Brooks, Rosa. "Eat the Rich and Pay the Poor." *Foreign Policy* 4 September 2015.
- Easterly, William and Tobias Pfutze. 2008. "Where Does the Money Go? Best and Worst Practices in Foreign Aid." *Global Economy & Development Working Paper* 21. Read pp. 1-24.
- Moyo, Dambisa. "Why Foreign Aid Is Hurting Africa," *The Wall Street Journal*, March 21, 2009.
- * Axel Dreher, Andreas Fuchs, Bradley Parks, Austin M. Strange, and Michael Tierney. 2021. "Aid, China and Growth: Evidence from a New Global Development Finance Dataset." *American Economic Journal: Economic Policy* 13(2):135-174.
- * Easterly, William. 2009. "Can the West Save Africa?" *Journal of Economic Literature* 47(2).
- * Hanlon, Joseph, Armando Barrientos, and David Hulme. 2010. *Just Give Money to the Poor: the Development Revolution from the Global South*. Sterling, VA: Kumarian Press. Read pp. 69-81.
- * Kono, Daniel Y. and Gabriella Montinola. 2009. "Does Foreign Aid Support Autocrats, Democrats, or Both?" *Journal of Politics* 71(2): 704-718.

Week 14 (April 18) No School - Easter Holiday ☺

Week 15 (April 25) Reflections on the Global Economic System

- Roach, Stephen. "Japan Then, China Now," *Project Syndicate* 27 May 2019.
- Lake, David. 2021. "The World in 2022: U.S.-China Relations." Institute on Global Conflict and Cooperation.

*** Final exam posted on Moodle at 12 pm, May 1, 2022 and must be submitted via Moodle by 12 pm, May 7, 2022.***

THE UNIVERSITY OF HONG KONG
Politics and Public Administration
Grade Descriptors for Paper/Essay Exams

	Grade A	Grade B	Grade C	Grade D	Grade F
Addressing the Task	Identifies and addresses clearly the main question(s) and the subsidiary, embedded or implicit aspects, addressing all their relationships to each other.	Identifies and addresses the main question(s) and most of the subsidiary, embedded or implicit aspects.	Identifies and addresses the main question(s) and some of the subsidiary, embedded or implicit aspects.	Identifies part of the main question(s) and a few of the subsidiary, embedded or implicit aspects but only addresses them partially.	Lacks an understanding of what the question requires or responds inappropriately or tangentially to the task or topic.
Understanding, Analysis, Synthesis, and Application of Knowledge	Consistent perceptive and critical engagement with issues and themes based on comprehensive understanding of relevant concepts and theories; the analysis, synthesis and application of knowledge is consistently clear and effective.	Frequent perceptive and critical engagement with issues and themes; the analysis, synthesis and application of knowledge is generally clear and effective but occasional shortcomings in understanding of relevant concepts and theories are evident.	Overall, some perceptive and critical engagement with issues and themes, the analysis, synthesis and application of knowledge is mostly clear and effective but the essay in parts reveals rather superficial understanding of relevant concepts and theories.	Occasional critical engagement with key issues and themes but in general rarely goes beyond reproduction of relevant concepts and theories, impaired in parts by considerable inaccuracies.	No critical engagement with issues, and themes. Essay characterized by serious inaccuracies and misunderstandings.
Argumentation	Examines the question/issue/problem from all important perspectives. Overall logic is clear. Premises or evidence strongly support conclusions. Counter-evidence or rival positions addressed. Arguments fit together and build a compelling case.	Examines the question/issue/problem from most of the important perspectives. Expresses own position, and argumentative structure is clear and logical, but some arguments underdeveloped or some considerations overlooked.	Examines the question/issue/problem from some of the important perspectives. Not all relevant arguments and counter arguments are fully examined. Offers own position but reasoning is sometimes impaired by weak, emotive, or inconsistent argumentation.	Examines things from a single perspective. Only minimal examination of relevant arguments and counterarguments. Offers own position, but the arguments are not put forward explicitly and not sufficiently supported.	Arguments are confused and illogical. Student fails to present and defend a coherent position. Offers own position, but arguments are flawed, disorganized, or difficult to identify or understand.
Structure / Organization	Introduction states writer's thesis or position, and conclusion clearly summarizes main arguments. Paragraphing is appropriate at all times with each paragraph containing a central idea which is developed throughout the paragraph with supporting details.	Introduction and conclusion are included and generally capture the essence of the topic and discussion. Evidence of ability to construct a paragraph with a central idea and supporting detail is evident at times but somewhat limited.	Introduction and conclusion are included but do not adequately capture the essence of the topic and discussion. Ability to construct a paragraph with a central idea and supporting details is evident at times but somewhat limited.	Introduction and conclusion are unclear, lack detail or missing altogether. Very little evidence of an ability to organize the essay into paragraphs with one central idea and supporting details.	
Mechanics	The language contains very few, if any, errors in grammar and vocabulary. If slips are present, the meaning is still clear. Conventions of academic writing (e.g. citation, references, footnotes, etc.) are followed meticulously.	The language is generally accurate but contains some systematic errors in complex grammar and vocabulary. Conventions of academic writing (e.g. citation, references, footnotes, etc.) are followed apart from the occasional oversight.	The language is mostly accurate; and errors, when they occur, are more often in complex grammar and vocabulary. Errors are distracting but the overall meaning is still intelligible. Conventions of academic writing (e.g. citation, references, footnotes, etc.) are followed but show many inconsistencies and/or errors.	The language is sufficient for arguments to be understood with effort. However, the language contains frequent errors in simple and complex grammar and vocabulary that are distracting. Conventions of academic writing (e.g. citation, references, footnotes, etc.) are followed but show many inconsistencies and/or errors.	Errors in language and vocabulary are so frequent and distracting that the essay is largely incomprehensible. Does not adhere to the conventions of academic writing (e.g. citation, references, footnotes, etc.).

THE UNIVERSITY OF HONG KONG
Politics and Public Administration
Grade Descriptors for Class Participation

	Grade A	Grade B	Grade C	Grade D	Grade F
Intellectual Contribution	Consistently demonstrates a thorough understanding of, and engages constructively with, all course material (assigned readings, issues, concepts). Invariably provides insightful analyses, raises critical points, and advances and deepens group discussion.	Mostly, demonstrates a good understanding of, and engages constructively with course material. Frequently provides helpful points or asks questions that advance and deepen group discussion.	Demonstrates a basic understanding of most of the course material and engages with it, though not always successfully. Sometimes makes positive contributions that advance group discussion.	Demonstrates a basic understanding of some of the course material and engages with it. Occasionally makes contributions that advance group discussion. Contributions sometimes add little.	Student does not attend tutorial. Or if student does attend, he or she demonstrates little or no understanding of course material, lacks engagement with it, or makes little or no effort to contribute to group discussion.
Group Discussion Skills	Participates actively and constructively all the time. Consistently appreciates others' contribution and engages with their ideas sensitively. Plays an active role in moving discussion forward.	Participates actively most of the time. Generally appreciates others' contribution and engages with their ideas sensitively. Plays a supportive role in discussion.	Participates most of the time but sometimes requires prompting. Attempt to appreciate others' contribution and to engage with their ideas sensitively, with some success. Plays a positive role in discussion.	Participates some of the time when prompted. Makes some attempt to appreciate others' contribution and to engage with their ideas sensitively, though only with limited success. Generally, plays a passive role in discussion.	Little or no engagement/participation in group discussion even with prompting. Shows no appreciation of others' knowledge and skills. Fails to engage with others' ideas. Plays a passive or negative role in discussion.
Communication of Ideas	Ideas are clearly and fluently articulated at all times.	Ideas are clearly articulated most of the time, with occasional lack of clarity.	Meaning is clear most of the time even though the student has some difficulty in articulating ideas.	Meaning is clear some of the time. Student has difficulty in articulating ideas.	Student has serious difficulty in articulating ideas, and the meaning is rarely clear.