

DIS 2035  
INTERNATIONAL POLITICAL ECONOMY

Department of International Studies, Hanyang University  
Fall 2018

Instructor: Dr. June Park  
Office: International Studies Bldg. #553

E-mail: [junepark@hanyang.ac.kr](mailto:junepark@hanyang.ac.kr)  
Research Website: <http://blogs.bu.edu/junepark>  
Office Hours: By appointment

#### COURSE DESCRIPTION

This course is an advanced undergraduate course on the politics of international economic relations. It is designed to take one's understanding of international relations to the next level by examining the detailed mechanisms of international trade and finance, from the geoeconomic perspective. The global economy is in a flux with the ongoing trade wars as the U.S. and China competes for greater influence in the world. Understanding the crux of the current trade trends has become more challenging than ever. In this class, we go about this challenge by breaking down the main actors and political interests involved in international trade and finance, the rules of the game that have existed in the postwar period, and the changes that have been occurring in order to consider future projections in global trade.

#### COURSE OBJECTIVES

There are three core objectives for this course. Upon completing this course, students will be able to: 1) think critically and independently about the international trading system and its transition; 2) explain the limitations of the existing mechanisms of international trade and finance; and 3) hold one's own perspective on the future of international trade.

**PREREQUISITES:** This is a compulsory course for Track I. International Law/Political Science. Students enrolling in this course shall have taken **DIS 2005 International Relations** and **DIS 2022 International Organizations** prior to taking this course for a satisfactory experience. Students that have not taken the prerequisites but must take this course in order to fulfill credits toward graduation will be given an exception, on the condition that they read an introductory textbook on international relations and international organizations. Having taken courses in economics is a plus but will not be a requirement.

#### READINGS & COURSE MATERIALS

##### Required Text

1. Oatley, Thomas H. 2019. *International Political Economy*, 6<sup>th</sup> Edition. Routledge.  
(Note: This book will be released on August 12, 2018 and is available for pre-order on Amazon)  
The book is available at Hanyang University Bookstore from September 10, 2018. The first order of 20 copies have arrived – additional 10 copies will be filed in upon request by the instructor.  
<https://www.routledge.com/International-Political-Economy/Oatley/p/book/9781138490741>

##### Companion Text

1. Bernard Hoekman and Michel M. Kostecki, *The Political Economy of the Global Trading System*. 3<sup>rd</sup> Edition, Oxford University Press, 2009.  
An ebook version (provided by EBSCO) in PDF form is available in the class Google Drive.  
<https://global.oup.com/academic/product/the-political-economy-of-the-world-trading-system-9780199553761?cc=kr&lang=en&>
2. Frieden, Jeffrey A., Broz, Lawrence J., and Lake, David A. 2017. *International Political Economy: Perspectives on Global Power and Wealth*, 6<sup>th</sup> Edition. W.W. Norton.  
<http://books.wwnorton.com/books/webad.aspx?id=4294992839>

#### WTO Related Materials:

1. The WTO in Brief: [https://www.wto.org/english/thewto\\_e/whatis\\_e/inbrief\\_e/inbr00\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr00_e.htm)
2. Understanding the WTO: [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/tif\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/tif_e.htm)
3. 10 things the WTO can do: [https://www.wto.org/english/thewto\\_e/whatis\\_e/10thi\\_e/10thi00\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/10thi_e/10thi00_e.htm)

### Current Trade Policy Trends:

1. Inside U.S. Trade: <https://insidetrade.com/> / <https://insidetrade.com/news/daily-news>  
(Twitter: @insidetrade)
2. Politico – Morning Trade: <https://www.politico.com/morningtrade/>
3. FT - US-China Trade Dispute: <https://www.ft.com/us-china-trade-dispute>
4. South China Morning Post – US-China Trade War: <https://www.scmp.com/topics/us-china-trade-war>
5. The Economist - Trade Policy articles: <https://www.economist.com/topics/trade-policy>
6. The Guardian - Trade Policy articles: <https://www.theguardian.com/politics/trade-policy>
7. The New York Times – International Trade and World Market:  
<https://www.nytimes.com/topic/subject/international-trade-and-world-market-trade-disputes>

### Podcasts:

1. PIIE Trade Talks: <https://piie.com/trade-talks>
2. CSIS Trade Guys: <https://www.csis.org/podcasts/trade-guys>

### Recommended Texts (Supplements for Presentation Preparations)

- Chang, Ha-Joon. 2015. *Economics: A Reader's Guide*.
- Kennedy, Peter E. and Jay Prag. 2017. *Macroeconomic Essentials: Understanding Economics in the News*. 4<sup>th</sup> Edition.
- Hoekman, Bernard M. and Petros C. Mavroidis. 2015. *World Trade Organization (WTO): Law, Economics, and Politics (Global Institutions)*.
- The World Trade Organization. 2017. *A Handbook on the WTO Dispute Settlement System*, 2<sup>nd</sup> Edition.
- Hopewell, Kristen. 2016. *Breaking the WTO: How Emerging Powers Disrupted the Neoliberal Project* (Emerging Frontiers in the Global Economy).
- Davis, Christina L. 2011. *Why Adjudicate? Enforcing Trade Rules in the WTO*.
- Jones, Kent. 2015. *Reconstructing the World Trade Organization for the 21<sup>st</sup> Century: An Institutional Approach*.
- Destler, I. M. 2006. *American Trade Politics*.
- Guisinger, Alexandra. 2017. *American Opinion on Trade: Preferences without Politics*.
- Ehrlich, Sean. 2018. *The Politics of Fair Trade: Moving Beyond Free Trade and Protection*.
- Frieden, Jeffrey A. 2018. *Currency Politics: The Political Economy of Exchange Rate Policy*.
- Irwin, Douglas A. 2015. *Free Trade Under Fire*.
- Irwin, Douglas A. 2017. *Clashing Over Commerce: A History of U.S. Trade Policy*.
- Johnson, C. Donald. 2018. *The Wealth of a Nation: A History of Trade Politics in America*.
- Polanyi, Karl. 2014. *The Great Transformation: The Political and Economic Origins of Our Time*.
- Rivoli, Pietra. 2015. *The Travels of a T-shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade*.
- Rodrik, Dani. 2017. *Straight Talk on Trade: Ideas for a Sane World*.
- Economy, Elizabeth. 2018. *The Third Revolution: Xi Jinping and the New Chinese State*.
- Naughton, Barry. 2018. *The Chinese Economy: Adaptation and Growth*.
- Cimino-Isaacs, Cathleen and Jeffrey J. Schott, editors. *TPP: An Assessment (Policy Analyses in International Economics)*. 2016.
- Kalantzakos, Sophia. *China and the Geopolitics of Rare Earths*. 2018.
- Grigas, Agnia. *The New Geopolitics of Natural Gas*. 2017.
- Clark, Harold D., Goodwin, Matthew and Paul Whiteley. *Brexit: Why Britain Voted to Leave the European Union*. 2017.
- Dunt, Ian. *Brexit - What the Hell Happens Now?* 2017.
- Bulmer-Thomas, Victor. *The Economic History of Latin America since Independence*, 3<sup>rd</sup> edition. 2014.
- Kohli, Atul. *State-Directed Development: Political Power and Industrialization in the Global Periphery*. 2004.
- Wade, Robert. *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. 2003.
- Acemoglu, Daron and James Robinson. 2013. *Why Nations Fail: The Origins of Power, Prosperity and Poverty*.
- Krasner, Stephen. *Structural Conflict: The Third World against Global Liberalism*. 1985.
- Eichengreen, Barry J. 2008. *Globalizing Capital: A History of the International Monetary System*, 2<sup>nd</sup> edition.

- Drezner, Daniel W. 2014. *The System Worked: How the World Stopped Another Great Depression*.
- Kirshner, Jonathan. 2014. *American Power after the Financial Crisis*.
- Henning, C. Randall. 2017. *Tangled Governance: International Regime Complexity, the Troika, and the Euro Crisis*.
- Stiglitz, Joseph E. 2017. *The Euro: How a Common Currency Threatens the Future of Europe*.

## REQUIREMENTS AND EXPECTATIONS

**Readings and Performance in Class:** Students will be expected to attend all classes with preparations for class discussions by reading the weekly assigned readings. In addition to a regular quiz via Google Forms based on the contents covered the week prior, there will be presentations on ongoing trade issues based on the student's choice (as in individual or group of no more than two students) upon the instructor's consent and approval.

**Absences:** If you miss class for any reason, it is your responsibility to ensure you obtain any notes, assignments, or handouts. All assignments and lecture slides will be available through the designated Google Drive. Lecture slides will be uploaded on the website after each Wednesday.

**Academic Honesty:** There are no papers to be submitted, yet there are rules to abide by during quizzes and closed-book final exam. Students may NOT cheat by copying from others, the textbook nor the internet during these sessions. Students are advised to make effort to fully process the information on their own to increase their level of critical thinking. On Hanyang University's rules on plagiarism, see: <http://www.hanyang.ac.kr/web/eng/research-ethics/-/misconduct-reports>

## EVALUATION

Component	Percentage	Detailed Description
Attendance	10%	Via the Hanyang University mobile app, held at the beginning of each class
Quizzes	10%	Generated and graded by Google Forms At the end of each Monday class, I will send a Google Forms link inviting you to answer the quizzes. They will be held each week for the students to make self-assessments on following the contents of the course and understanding the material.
Presentations	10%	Individual or Group Presentations  Presentations will occur at the final quarter of the class duration for each class. During the 15-minute presentation, students must address: 1. Why it is important to you (personification of the policy issue) 2. What is the issue(s) at stake and who are the potential winners and losers (analytical thinking) 3. What you think should be done in terms of policy (policy exercise)  Assigned topics: 1. KORUS FTA Renegotiation – Carolina Suarez 2. U.S.-China Trade War: U.S. and Chinese Perspectives – Lily Peters & Manuel Saldana Quintans 3. Eurozone and Brexit – Sophia Hoelbling and Lucas Micka (European common market and the Euro, the British and German Perspectives) 4. U.S.-Japan Trade Negotiations – Andrea Nagel 5. NAFTA – Sharon Sahian Torquemada Perez (Mexican Perspective) & Salma Trujillo Shinagawa (Canadian Perspective) 6. South Korea's Positioning in the U.S.-China Trade War <i>Note: Students presenting in this theme category must research and present both U.S. and Chinese perspectives on the specific issue given.</i> 1) Hyojin Lim (Autos) 2) Seojung Lee (Agriculture) 3) Joonhyung Park (Economic Retaliation on THAAD Deployment)

		4) Jinyoung Lim (ISDS) 5) Seokhwan Kim (Intellectual Property – Trade Secret Theft and Made in China 2025) 7. International Monetary System (and Investment) 1) Young Woo Lee – Exchange Rate Systems 2) Ye-Jin Kim – Financial Crises 3) Cephas Kim & Jineun Jeong – Currency Appreciation Pressures 4) Dayoung Park & Kyuhyung Je – RMB Internationalization 5) Kijoong Kwon – International Financial Sanctions 6) Taeyoung Park – Central Bank Independence 7) Hyejoo Chung & Benjamin Bakker – Hedge Funds 8) Matthew Than Trong & Brenda Mowjsingh – Business Cycles
<b>Mid-Term</b>	30%	Open book, held in class
<b>Final Term</b>	40%	Closed book, held in class

#### LOGISTICS

All readings and lecture slides are uploaded on Google Drive. All quizzes will be conducted through Google Forms.

#### OFFICE HOURS & INSTRUCTOR AVAILABILITY

The instructor will be available on campus in the afternoons on the days of the lecture (Mondays and Wednesdays). Based on the understanding that students are busy just as much as the instructor is, students may book appointments with the instructor via YouCanBookMe (URL: <http://profjunepark.youcanbook.me>, a schedule link that is password protected) if and when they must discuss issues concerning the course or write to the instructor at the email address indicated on page 1 of this syllabus.

#### COURSE OUTLINE AND TOPICS

### **PART I. Introduction to IPE**

#### **Week 1**

No classes held due to Instructor's Conference Travel

#### **Introduction & Question: What is IPE?**

September 10, 2018 (M)

- Oatley, Chapter 1. International Political Economy

September 12, 2018 (W) & September 14, 2018 (F) – complementary lecture

- Oatley, Chapter 1. International Political Economy

### **PART II. International Trade**

#### **Week 2**

#### **The WTO and the World Trade System**

September 17, 2018 (M)

- Quiz on Chapter 1.
- Oatley, Chapter 2. The World Trade Organization and the World Trading System

September 19, 2018 (W) & September 19, 2018 (F) – complementary lecture

- ⇒ Hoekman and Kostecki, Annex 2: The Economics of Trade Policy-Basic Concepts

- ⇒ Judith Goldstein, 2017. “Trading in the Twenty-First Century: Is There a Role for the World Trade Organization?” *Annual Review of Political Science* 20(1): 545-564.
- ⇒ Listen to: Trade Talks Podcast (Peterson Institute for International Economics) by Soumaya Keynes and Chad P. Bown, September 15, 2017. “Can Trump Withdraw from the WTO?”

No classes held during the Chusok Holidays (South Korean National Holiday, September 24 & 26)

### **Week 3**

#### **Political Economy of International Trade Cooperation**

October 1, 2018 (M)

- Quiz on Chapter 2.
- Oatley, Chapter 3. The Political Economy of International Trade Cooperation

October 3, 2018 (W) – South Korean National Holiday, no class. PLEASE READ:

- Chad P. Bown and Petros C. Mavroidis, 2017. “WTO Dispute Settlement in 2015: Going Strong after Two Decades.” *World Trade Review* 16(2): 153-158.
- ⇒ For an insightful review and photos of the WTO’s history and transition, see and read ‘20 Years of the WTO, A retrospective’ by the World Trade Organization, 2015. (PDF slides)  
[https://www.wto.org/english/res\\_e/booksp\\_e/20years\\_wto\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/20years_wto_e.pdf)
- ⇒ Also skim through ‘The WTO at Twenty: Challenges and Achievements,’ by the World Trade Organization, 2015 (PDF book) [https://www.wto.org/english/res\\_e/booksp\\_e/wto\\_at\\_twenty\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/wto_at_twenty_e.pdf)

### **Week 4**

#### **A Society-Centered Approach to Trade Politics**

October 8, 2018 (M)

- Quiz on Chapter 3.
- Oatley, Chapter 4. A Society-Centered Approach to Trade Politics
- ★ Presentation: KORUS FTA Renegotiation (Carolina Suarez)

October 10, 2018 (W)

- Stephanie Walter, 2017. “Globalization and the Demand-Side of Politics: How Globalization Shapes Labor Market Risk Perceptions and Policy Preferences.” *Political Science Research and Methods* 5(1): 55-80.
- ★ Presentation: U.S.-China Trade War – The U.S. Perspective (Lily Peters)

### **Week 5**

#### **A State-Centered Approach to Trade Politics**

October 15, 2018 (M)

- Quiz on Chapter 4.
- Oatley, Chapter 5. A State-Centered Approach to Trade Politics
- ★ Presentation: U.S.-China Trade War – The Chinese Perspective (Manuel Saldana Quintans)

October 17, 2018 (W)

- Michael Peneder, 2017. “Competitiveness and Industrial Policy: From Rationalities of Failure towards the Ability to Evolve.” *Cambridge Journal of Economics* 41: 829-858.
- Dani Rodrik, 2014. “Green Industrial Policy.” *Oxford Review of Economic Policy* 30 (3): 469-491.
- ★ Presentation: Eurozone and Brexit – European common market and the Euro, the British and German Perspectives (Sophia Hoelbling & Lucas Micka)

⇒ Watch: Brexit: The Movie (2016)

## Week 6

### Trade and Development I: Import Substitution Industrialization

October 22, 2018 (M)

- Quiz on Chapter 5.
- Oatley, Chapter 6. Trade and Development I: ISI (Import Substitution Industrialization)
- ★ Presentation: NAFTA – Perspectives from Mexico and Canada (Sharon Sahian Torquemada Perez & Salma Trujillo Shinagawa)
- ⇒ Watch: The Crossroads: Inside U.S.-Mexico Trade (2016)  
<https://www.youtube.com/watch?v=GVyWD94ADGY&feature=youtu.be>
- ⇒ Watch: United We Fall (2010) <https://topdocumentaryfilms.com/united-we-fall/>

October 24, 2018 (W)

- *Humanity*, Special Issue 6(1)
- Paul Adler, 2017. “The Basis of New Internationalism?” The Institute for Policy Studies and North-South Politics from the NIEO to Neoliberalism.” *Diplomatic History* 41 (4): 665-93.
- ★ Presentation: U.S.-Japan Trade Negotiations (Andrea Nagel & Theodora Caratas)

October 26, 2018 (F)

### Review session for Mid-Term (optional)

## Week 7

### Trade and Development II: Neoliberalism and Institutionalism

October 29, 2018 (M)

- Quiz on Chapter 6.
- Oatley, Chapter 7. Trade Development II: Neoliberalism and Institutionalism
- ★ Presentation: South Korea’s Positioning in the U.S.-China Trade War (Hyojin Lim – Autos)

October 31, 2018 (W)

### Mid-Term Exam

## Week 8

### Multinational Corporations in the Global Economy

November 5, 2018 (M)

- Quiz on Chapter 7.
  - Oatley, Chapter 8. Multinational Corporations in the Global Economy
  - ★ Presentation: South Korea’s Positioning in the U.S.-China Trade War (Seojung Lee – Agriculture)
- ⇒ Watch: Rotten (2017) <https://www.netflix.com/title/80146284>

November 7, 2018 (W)

- Helen V. Milner, 2014. “Introduction: The Global Economy, FDI, and the Regime for Investment,” *World Politics* 66 (1): 1-11.
- ★ Presentation: South Korea’s Positioning in the U.S.-China Trade War (Joonhyung Park – THAAD Retaliation)

## Week 9

### The Politics of Multinational Corporations

November 12, 2018 (M)

- Quiz on Chapter 8.
- Oatley, Chapter 9. The Politics of Multinational Corporations
- ★ Presentation: South Korea's Positioning in the U.S.-China Trade War (Jinyoung Lim – ISDS)

November 14, 2018 (W)

- Beth Simmons, 2014. "Bargaining over BITs, Arbitrating Awards: The Regime for Protection and Promotion of International Investment." *World Politics* 66 (1): 12-46.
  - ★ Presentation: South Korea's Positioning in the U.S.-China Trade War (Seokhwan Kim – Intellectual Property - Trade Secret Theft and Made in China 2025)
- ⇒ Watch: Dirty Money S1, Ep.3 Drug Short <https://www.netflix.com/title/80118100>

## PART III. International Finance

## Week 10

### The International Monetary System

November 19, 2018 (M)

- Quiz on Chapter 9.
- Oatley, Chapter 10. The International Monetary System
- ★ Presentation: Exchange Rate Systems – Fixed, Managed, Float (Young Woo Lee)

November 21, 2018 (W)

- Frieden et al., Chapters 14. Jeffrey A. Frieden, 'Globalization and Exchange Rate Policy'
- ★ Presentation: Financial Crises (Yejin Kim, The Asian Financial Crisis and the Global Financial Crisis)
- ⇒ Watch: The Crash (PBS Frontline) <https://www.pbs.org/wgbh/pages/frontline/shows/crash/etc/cron.html>  
Version uploaded on Youtube: <https://www.youtube.com/watch?v=Cpu5uN5nAa4&t=1389s>
- ⇒ Watch: Breaking the Bank (PBS Frontline)  
<https://www.pbs.org/wgbh/pages/frontline/breakingthebank/etc/script.html>  
Version uploaded on Youtube: <https://www.youtube.com/watch?v=Rz9UO9yRobY>
- ⇒ Watch: Commanding Heights: Contagion (PBS Frontline)  
[http://www.pbs.org/wgbh/commandingheights/shared/mini-text/ufd\\_contagion.html](http://www.pbs.org/wgbh/commandingheights/shared/mini-text/ufd_contagion.html)

## Week 11

### Cooperation, Conflict, and Crisis in the Contemporary International Monetary System

November 26, 2018 (M)

- Quiz on Chapter 10.
- Oatley, Chapter 11. Cooperation, Conflict and Crisis in the Contemporary International Monetary System
- ★ Presentation: Renminbi Internationalization and IMF SDR (Dayoung Park & Kyuhyung Je – Global Currencies – USD EUR JPY CNY)

November 28, 2018 (W)

- Frieden et al., Chapter 32. Jeffrey A. Frieden, 'The Governance of International Finance'
- ★ Presentation: Currency Appreciation Pressures and Trade (Cephus Kim & Jineun Jeong - U.S. Treasury Currency Manipulator Watch List – China, India, Korea, Taiwan and the case of the Plaza Accord in 1985)

## Week 12

### A Society-Centered Approach to Monetary and Exchange-Rate Policies

December 3, 2018 (M)

- Quiz on Chapter 11.
- Oatley, Chapter 12. A Society-Centered Approach to Monetary and Exchange-Rate Policies
- ★ Presentation: U.S. Fed Interest Rates and Monetary Policy (Taejoon Kim)
- ⇒ Watch Money for Nothing: Inside the Federal Reserve (2013)

December 5, 2018 (W)

- Frieden et al., Chapter 15. Menzie D. Chinn and Jeffrey A. Frieden, 'Borrowing, Boom and Bust: The Capital Flow Cycle'
- ★ Presentation: International Banking Regulations (Basel I, II and III) (Nayae Yoo)

## Week 13

### A State-Centered Approach to Monetary and Exchange-Rate Policies

December 10, 2018 (M)

- Quiz on Chapter 12.
- Oatley, Chapter 13. A State-Centered Approach to Monetary and Exchange-Rate Policies
- ★ Presentation: Central Bank Independence and Exchange Rate Policy (Taeyoung Park)

December 12, 2018 (W)

- Frieden et al., Chapter 13. Joshua Aizenman, 'The Impossible Trinity (aka the Policy Trilemma)
- ★ Presentation: International Financial Sanctions (Kijoong Kwon)

## PART IV. Other Topics in IPE

## Week 14

### Developing Countries and International Finance I: The Latin American Debt Crisis & Developing Countries and International Finance II: The Global Capital Flow Cycle

December 17, 2018 (M)

- Quiz on Chapter 13.
- Oatley, Chapter 14. Developing Countries and International Finance I: The Latin American Debt Crisis
- ★ Presentation: Hedge Funds (Hyejoo Kim & Benjamin Bakker)
- ⇒ Watch: The Wolf of Wall Street (2014)

December 19, 2018 (W)

- Oatley, Chapter 15. Developing Countries and International Finance II: The Global Capital Flow Cycle
- ★ Presentation: Business Cycles (Matthew Than Trong & Brenda Mowjsingh)

December 21, 2018 (F)

### Final Exam