

POSC 4480 | INTERNATIONAL POLITICAL ECONOMY

Section 1

Mon-Wed 2:30-3:45 pm, Poole A-103

Instructor: Alex Honeker

Email: [jhoneyke@clemson.edu](mailto:jhoneke@clemson.edu)

Office: 114A Poole Agricultural Center

Office Hours: Mon/Wed 1:15-2:15 pm | Tue/Thu 1:00-1:50 pm | Or by appointment

COURSE DESCRIPTION (CLEMSON CATALOG)

This course provides students with background knowledge and conceptual tools for understanding the politics of contemporary international economic relations. Students are introduced to the major issues of the international political economy and different perspectives approaching these issues.

COURSE OVERVIEW

After an introduction to the field of study of international political economy (IPE) and the main schools of IPE, the course will focus on three main sections: 1) **international trade**, 2) **capital and labor mobility**, and 3) the **international monetary system**. In **Section 1**, we will answer questions like: What are the benefits of free trade? Why do governments impose protectionist trade barriers such as tariffs and quotas? Who benefits with protectionism (and who pays for it)? Do countries develop through free trade or industrial protection?

In **Section 2**, we will focus on the movement of capital and labor across borders and explore questions like: What is the economic effect of foreign investment and immigration? What are the incentives for companies to become multinational corporations (MNCs)? Why do some countries impose controls on the free movement of capital? Why is the movement of labor more restricted than the movement of capital?

In **Section 3**, we will explore questions like: What determines the value of a currency? What is the difference between a fixed and a floating exchange rate and who benefits with each system? Who wins and who loses with a currency appreciation and depreciation? What is the trade-off between monetary autonomy, capital mobility, and currency stability? What causes inflation and how is this related to monetary policy?

At the end of the semester, we will explore the causes and policy responses to financial and debt crises; and, lastly, analyze the effects of globalization on economic growth, poverty, and inequality, as well as the rise of anti-globalization, populist politics and protectionist policies and their consequences for global prosperity.

LEARNING OBJECTIVES

By the end of this course, students will be able to:

- Identify the main actors and institutions in the international economic system.
- Understand how global and domestic actors influence economic policies.
- Compare and contrast the main theoretical approaches to the study of international trade.
- Explain the short- and long-term effects of capital and labor mobility.
- Identify the trade-offs governments face when dealing with monetary and exchange rate policies.
- Understand the main characteristics of the liberal international order, its predecessors, and current challengers.
- Critically evaluate competing arguments in the current debate over globalization.

Global Challenge Learning Outcomes (GCLOs):

- Critically analyze contemporary global challenges in international political economy such as anti-globalization politics and policies, economic growth and development, poverty, and inequality.
- Critically evaluate how and why different political and economic actors influence policies that affect these global challenges in international political economy.

GLOBAL CHALLENGES

This course fulfills the University's Crossings competency for Global Challenges. Students will be presented with a variety of global challenges centered on the interaction between global politics and economics and their domestic effects. For example, which are the winners and losers of protectionist policies? What is the connection between free trade, economic growth, and poverty alleviation? Who benefits with (and who pays for) tariffs on imports? What are the economic effects of immigration? Which factors lead to economic development? Students will complete their own analysis through a research project.

COURSE PREREQUISITES

Sophomore standing.

REQUIRED MATERIALS

- We will use the following textbook:
 - Oatley, Thomas. (2023). *International Political Economy*. Seventh Edition. Routledge. [Denoted as Textbook].
- All other readings and materials will be posted by the instructor on **Canvas**, as specified in the class schedule below. Assigned readings should be done **before** the respective week.

GRADING SCALE

Letter grades will be determined in the following way:

A = 90-100 **B = 80-89.99** **C = 70-79.99** **D = 60-69.99** **F = <60**

EVALUATION CRITERIA

Your grade will consist of the following components:

1. Participation **15%**
 2. Policy Analysis Presentation **15%**
 3. Policy Analysis Report **15%**
 4. Global Challenge Analysis **25%**
 5. Midterm Exam **15%**
 6. Final Exam **15%**
1. **Participation.** Your participation grade will contribute 10% towards your final grade and will be based on:
 - **Engagement:** You are expected to read the assigned materials before each week so you can actively participate in class, asking and answering questions during lectures.
 - **Attendance:** A necessary but not sufficient condition for participation. I will randomly take attendance during the semester. Excused absences should be notified to me before class.

- **Other activities:** From time to time, I will assign some short assignments, surveys, and/or quizzes on the reading materials.
2. **Policy Analysis Presentation.** You will be randomly assigned to work on one policy case from the textbook and prepare and deliver a presentation in front of the class where you simulate a policy briefing. In the presentation, you will explain the background of the case, the different actors (countries, international institutions, politicians, political parties, interest groups, social groups) involved in the case, delineate the different policy alternatives, and recommend a course of action based on your analysis of the policy's pros and cons. A more detailed description of this assignment will be provided on Canvas. Your presentation will take place on the week assigned by the instructor. The policy analysis presentation will contribute 15% towards your final grade. For this assignment, you will work in groups of 2 or 3 students.
 3. **Policy Analysis Report.** Following your policy analysis presentation above, you will prepare a policy analysis report putting in writing the elements of your presentation above and incorporating the feedback received during your class presentation. The report should clearly address the policy alternatives and the course of action you propose to follow, along with potential implications. The report should be around 4 pages long. A more detailed description of this assignment will be provided on Canvas. The report is due a week after your class presentation. The policy analysis report will contribute 15% towards your final grade. For this assignment, you will work in the same group as above.
 4. **Global Challenge Analysis.** You will choose a topic about a current major challenge to the global economy from a list provided by the instructor and write an essay explaining the background of the topic, the actors affected and involved (economic sectors, countries, international institutions, political and economic actors), the policy status quo and the potential alternatives proposed by different actors, and the winners and losers of both based on the theories of IPE discussed during the semester. You will then recommend a policy and justify your recommendation based on theoretical grounds and empirical evidence. The report should be around 4-5 pages long. A more detailed description of this assignment will be provided on Canvas. See due date in the schedule below. This assignment will contribute 25% towards your final grade. For this assignment, you will work individually.
 5. **Midterm Exam.** There will be a midterm exam covering the content from the first half of the semester. The exam will consist of multiple-choice, short-response, and/or fill-in-the-blank questions. The midterm exam will contribute 15% towards your final grade. See date in the schedule below.

6. **Final Exam.** There will be a final exam covering the content from the second half of the semester. The exam will consist of multiple-choice, short-response, and/or fill-in-the-blank questions. The final exam will contribute 15% towards your final grade. See date in the schedule below.

NOTE ON PLAGIARISM

Canvas uses software to identify plagiarism or the use of AI for writing. Please be aware that plagiarizing your assignments or using AI to write them will result in a **o grade**.

GRADING POLICIES

I do not round up grades. Regrade requests must be made within three days after your graded assignment has been returned and must be submitted with a written statement of at least 150 words via email. This statement should explain why you think the grade should be changed. Remember that, after re-evaluating your work, your grade may remain unchanged or be adjusted in either direction. There will be no grade changes after the final exam.

LATE ASSIGNMENTS

Late assignments will be penalized with a 5% reduction in the grade per day unless you provide a documented medical excuse.

CLASSROOM CONDUCT

Students are expected to attend class on time and to actively engage in class discussions and activities. Additionally, students are expected not to engage on any behavior that may disrupt the learning process. Students are encouraged to actively participate in class discussions in an environment of free and open intellectual exchange and mutual respect. Any kind of disrespect towards another individual will not be tolerated.

ACADEMIC INTEGRITY

As members of the Clemson University community, we have inherited Thomas Green Clemson's vision of this institution as a "high seminary of learning." Fundamental to this vision is a mutual commitment to truthfulness, honor, and responsibility, without which we cannot earn the trust and respect of others. Furthermore, we recognize that academic dishonesty detracts from the value of a Clemson degree. Therefore, we shall not tolerate lying, cheating, or stealing in any form.

All infractions of academic dishonesty by undergraduates must be reported to Under-

graduate Learning for resolution through that office. In cases of plagiarism instructors may use the Plagiarism Resolution Form.

Plagiarism, which includes the intentional or unintentional copying of language, structure, or ideas of another and attributing the work to one's own efforts. Graded works generated by artificial intelligence or ghostwritten (either paid or free) are expressly forbidden.

See the Undergraduate Academic Integrity Policy website for additional information and the current catalog ("Academic Regulations" section) for the policy. Send questions to UGSintegrity@clemsont.edu.

ACCESSIBILITY

Clemson University values the diversity of our student body as a strength and a critical component of our dynamic community. Students with disabilities or temporary injuries/conditions may require accommodations due to barriers in the structure of facilities. Students who experience a barrier to full access to this class should let the instructor know and are encouraged to request accommodations through SAS (Student Accessibility Services) as soon as possible. To request accommodations through SAS, please see this [link](#). You can also reach out to SAS with questions by calling 864-656-6848, email CUSAS@clemsont.edu or visiting SAS at the ASC Suite 239. Contact the office for the most updated drop-in schedule if you would prefer not to schedule an appointment.

THE CLEMSON UNIVERSITY TITLE IX STATEMENT REGARDING NON-DISCRIMINATION

Clemson University is committed to a policy of equal opportunity for all persons and does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender, pregnancy or related conditions (including pregnancy, childbirth, termination of pregnancy, lactation, recovery from the foregoing, or medical conditions related to the foregoing), national origin, age, disability, veteran's status, genetic information or protected activity in employment, educational programs and activities, admissions and financial aid. This includes a prohibition against sex discrimination (including sex-based harassment and sexual violence) as mandated by Title IX of the Education Amendments of 1972. This Title IX policy is located on the Access Compliance and Education website. Ms. Alesia Smith is the Clemson University Title IX Coordinator, and the Assistant Vice President of Equity Compliance. Her office is located at 223 Brackett Hall, 864-656-3181 and her email address is alesias@clemsont.edu. Remember, email is not a fully secured method of communication and should not be used to discuss Title IX issues.

Clemson University aspires to create a diverse community that welcomes people of different races, cultures, ages, genders, sexual orientation, religions, socioeconomic levels, political perspectives, abilities, opinions, values and experiences.

EMERGENCY PREPARATION

Emergency procedures have been posted in all buildings and on all elevators. Students should be reminded to review these procedures for their own safety. All students and employees should be familiar with guidelines from [Clemson University Public Safety](#).

Clemson University is committed to providing a safe campus environment for students, faculty, staff, and visitors. As members of the community, we encourage you to take the following actions to be better prepared in case of an emergency:

1. Familiarize yourself with all possible exits, safer locations, and other key information on the emergency evacuation maps in this building, and those that you visit regularly.
2. Make a plan for how you would Run, Hide, and Fight in case of an active threat in this building, and those that you visit regularly. For example:
 - (a) Run – what are all the possible exits in this building, and the routes to them?
 - (b) Hide – what are the potential hiding locations in this room and building that are out of sight of doors and windows, how do you lock the door(s), how would you barricade the door(s) and windows, where do you turn off the lights?
 - (c) Fight – What tools are available in this room and building, should you have to fight?
3. Ensure you are signed up for emergency alerts. Alerts are only sent when there is a potential threat to safety, a major disruption to campus services, and once-monthly tests.
4. Download the [Rave Guardian](#) app to your phone.
5. Learn what you can do to prepare yourself for the hazards that affect our locations (<http://www.clemson.edu/cusafety/EmergencyManagement/>).

COURSE SCHEDULE

Week 1 | Jan 8

- **Topic:** Course introduction.
What is International Political Economy? Which are the main schools of political economy? How do politics and economics interact?
 - **Readings:**
 1. Course Syllabus
 2. **Textbook:** Chapter 1
-

Week 2 | Jan 13-15

- **Topics:** The Economics and Political Economy of International Trade.
What are the economic effects of free trade? What is the difference between comparative advantage and absolute advantage? Why should countries specialize? Is trade a positive-sum or a zero-sum game?
 - **Readings:**
 1. Boudreaux, D.J. & Ghei, N. (2017). "The Benefits of Free Trade: Addressing Key Myths." *Mercatus Center*.
 2. **Textbook:** Chapter 3
-

Week 3 | Jan 20-22 | Jan 20: Martin Luther King Jr. Holiday

- **Topics:** The WTO and the World Trade System.
What is the role of the World Trade Organization (WTO)? What is the "most favored nation" (MFN) principle in international trade? How do countries settle trade-related disputes?
- **Readings:**
 1. Hopewell, K. (2024). "The World Is Abandoning the WTO." *Foreign Affairs*.
 2. **Textbook:** Chapter 2

Week 4 | Jan 27-29

- **Topics:** Factor endowments, specific factors, firm heterogeneity, and political psychology.
How does trade affect different sectors in developed and developing economies? (Low-skilled vs. high-skilled; export-oriented vs. import-competing industries; globally-connected firms vs. uncompetitive firms). How do psychological predispositions affect individuals' trade attitudes?
- **Readings:**
 1. Lee, H. & Liou, Y. (2022). "Where You Work Is Where You Stand: A Firm-Based Framework for Understanding Trade Opinion." *International Organization*.
 2. Honeker, A. (2023). "Pro-trade nationalists and protectionist xenophobes? The conditional effects of psychological factors on trade attitudes." *Review of International Political Economy*.
 3. **Textbook:** Chapter 4

Week 5 | Feb 3-5

- **Topics:** State-centered trade politics and industrial policy.
Why are protectionist lobbies successful? What is "industrial policy"? Is there an economic case for protecting "infant industries"? How does geopolitics affect trade policy? Do trade deficits matter?
- **Readings:**
 1. Lastrapes, W. (2018). "An economist explains why trade deficits aren't a bad thing." *World Economic Forum*.
 2. Benson, E. (2023). "A Closer Look at De-risking." *Center for Strategic and International Studies*.
 3. **Textbook:** Chapter 5

Week 6 | Feb 10-12

- **Topics:** Trade and development I: Import substitution industrialization (ISI).
Do countries develop through free trade or industrial protection? Who pays for policies that protect domestic industries such as tariffs? How do tariffs affect export-oriented sectors?
- **Readings:**

1. Klein, A. & Meissner, C.M. (2024). "Did Tariffs Make American Manufacturing Great?" *Cato Institute*.
 2. **Textbook:** Chapter 6
-

Week 7 | Feb 17-19

- **Topics:** Trade and development II: Neoliberalism and institutionalism.
What is the difference between import substitution and export-oriented industrialization (EOI)? What is "neoliberalism" and how does it differ from ISI and EOI? What type of political institutions are important for economic growth?
 - **Readings:**
 1. Acemoglu, D., Johnson, S., & Robinson, J.A. (2002). "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution." *The Quarterly Journal of Economics*.
 2. Williamson, J. (1990). "What Washington Means by Policy Reform." *Peterson Institute for International Economics*.
 3. **Textbook:** Chapter 7
 - **Midterm Exam | Wednesday, February 19**
-

Week 8 | Feb 24-26

- **Topics:** Capital mobility, labor mobility, and multinational corporations (MNCs).
What are the economic effects of the movement of capital and labor across borders? What is the difference between the movement of capital relative to the movement of goods? What role do MNCs play in the global economy? What is the difference between portfolio investment and FDI?
 - **Readings:**
 1. Kane, T. (2015). "The Economic Effect of Immigration." *Hoover Institution*.
 2. The Economist. (2024). "Can America's economy cope with mass deportations?"
 3. **Textbook:** Chapter 8
-

Week 9 | Mar 3-5

- **Topics:** The politics of capital mobility, labor mobility, and MNCs.
Why is the movement of labor more restricted than the movement of capital? Why are MNCs sometimes controversial? What are the effects of FDI on host and source countries? Who has more power: MNCs or governments? Which economies receive more FDI?

- **Readings:**

1. Büthe, T. & Milner, H.V. (2008). "The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science*.
 2. **Textbook:** Chapter 9
-

Week 10 | Mar 10-12

- **Topics:** The international monetary system.

How are exchange rates determined? What is the difference between a fixed and a floating exchange rate system? What is the balance of payments?

- **Readings:**

1. Broz, J.L. (2002). "Political System Transparency and Monetary Commitment Regimes" *International Organization*.
 2. **Textbook:** Chapter 10
-

Spring Break | Mar 17-21

Week 11 | Mar 24-26

- **Topics:** Cooperation and conflict in the international monetary system.

What was the gold standard? What characterized the Bretton Woods system? Why is the US dollar the world's reserve currency? Why did the members of the European Union adopt the Euro?

- **Readings:**

1. HSBC. (2024). "The future of reserve currencies in a multipolar world."
 2. **Textbook:** Chapter 11
-

Week 12 | Mar 31-Apr 2

- **Topics:** The Political Economy of Monetary and Exchange-Rate Policies.

Who are the winners and losers of fixed vs. floating exchange rate systems? Who wins and who loses with a currency appreciation and depreciation? What is the "monetary trilemma"?

- **Readings:**

1. The Economist. (2016). "Two out of three ain't bad."
 2. **Textbook:** Chapter 12
-

Week 13 | Apr 7-9

- **Topics:** Monetary policy, inflation, and unemployment.
What is the relationship between monetary policy, inflation, and unemployment? What is the role of central banks and why is independence from politicians important? What led to higher inflation in the last few years?
 - **Readings:**
 1. The Economist. (2020). "Why does low unemployment no longer lift inflation?"
 2. **Textbook:** Chapter 13
-

Week 14 | Apr 14-16

- **Topics:** Financial and debt crises.
What are the causes of financial and debt crises? How do countries manage these crises? What is the difference between "austerity" and "stimulus" policies?
 - **Readings:**
 1. The Economist. (2013). "Stimulus v austerity: Sovereign doubts."
 2. **Textbook:** Chapter 11 (244-252); Chapters 14 & 15.
 - **Global Challenge Analysis due on Friday, April 18**
-

Week 15 | Apr 21-23

- **Topics:** Global capitalism and globalization: Achievements and challenges.
What is the liberal international economic order? What is globalization and what explains the current populist backlash against it? What is the relationship between globalization, economic growth, poverty, and inequality?
 - **Readings:**
 1. Dollar, D. (2005). "Globalization, Poverty, and Inequality since 1980." *World Bank*.
 2. **Textbook:** Chapter 16
-

Week 16 | Apr 28-May 2

- **Final Exam Week | Date TBC**