

Koç University
Fall 2006
INTL 313
Politics of International Trade and Investment

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Course Description

This course will examine how the interaction between states and markets affects the distribution of power and wealth. It is designed for students who are particularly interested in the interactions between states, markets, firms, NGOs and not-for-profit organizations at local, national, regional, and supranational levels. Most of our focus will be on *how the world is structured and who has structural power with special reference to trade, production, finance and knowledge*. We will begin with a critical analysis of the major theoretical approaches to international trade and investment; including mercantilism, liberalism, structuralism, and rational choice. With this foundation, we will examine the nature and effects of international "structures" of trade, production, finance, and knowledge. Who, if anyone, has authority over these structures, and with what purposes, means and consequences? How is foreign trade and investment policy formulated, and how is it shaped by the GATT, WTO, and other structures? The third section of the course will focus on contemporary struggles among (and within) advanced industrial states over markets and protectionism. Among the issues of importance are conflicts over regional integration and competitiveness in Europe and North America. The fourth part of the course looks at North-South relations and the politics of development with emphasis on the tensions and conflicts underlying such relations.

Explanatory frameworks that can be applied to a diverse set of political issues will be developed. Students will be expected to critically assess theories of international trade and investment; write intelligently about struggles between actors over power and resources; and connect current events to material discussed in the course. They will gain a greater

appreciation of the complex interaction between individual and national self-interest. By the end of the course students will have gained a comprehensive overview of the major concepts, methods, and trends in international political economy.

Readings

The primary text is **David Balaam and Michael Veseth, *Introduction to International Political Economy***, 3rd ed. (Upper Saddle River, New Jersey: Prentice Hall, 2005). Other required readings include chapters from various books and political economy journals, as listed in the class schedule below, and several current topics handouts.

Course Evaluation

Final Exam	(40%)
Mid-term Exam	(25%) <u>Deadline: 9 November 2006</u>
Term Paper	(25%) <u>Deadline: 15 December 2006</u>
Class Participation	(10%)

Policies and Requirements

- Regular attendance and punctuality are required. Active class participation is a must. The lack of participation and excessive absences will result in a poor grade.
- Meaningful and active class participation is expected. You should also stay current with the readings.
- Students must submit a **one-page** outline of their term paper on 9 November 2006.
- Term paper is due on 15 December 2006. Paper can be 10 or maximum 12 double pages including references.

NOTE: Exam dates and paper deadlines will not be changed. It is your responsibility to meet the above deadlines.

Class Schedule

❖ *Approaches to International Political Economy*

Defining Political Economy: Issues, Concepts, and Approaches

Balaam & Veseth, ch.1

Susan Strange, *States and Markets*, 2nd ed. (London: Pinter Publishers, 1994), 1-22.

Mercantilism and Economic Nationalism

Balaam & Veseth, ch.2

Liberalism

Balaam & Veseth, ch.3

Realism

Stephen Gill and David Law, *The Global Political Economy* (NY: Harvester Wheatsheaf, 1988), ch.3.

Marxism and Historical Structuralism

Balaam & Veseth, ch.4

Critical Perspectives on IPE

Balaam & Veseth, ch.5

❖ *Structures of Power in the Global Economy*

Production and International Trade Structures: From GATT to WTO and Beyond

Balaam & Veseth, ch.6

Thomas Oatley, *International Political Economy, Interests and Institutions in the Global Economy* (NY: Pearson, 2004), Ch.3.

Susan Strange, *States and Markets*, 64-89.

Verbeek eds., *Autonomous policy making by international organizations*, London: Routledge, 1998, (pp.195-210).

David Held. *Global Covenant* (Cambridge: Polity, 2004) ch.1, pp.21-33.

The World Monetary Order and International Financial Structure

Balaam & Veseth, ch.7-8

Eric Helleiner. 1994. *States and Re-emergence of Finance*, (Ithaca: Cornell University Press, 1994), ch.1, pp.1-22.

Susan Strange, *Mad Money* (Manchester: Manchester University Press, 1998), 1-42, 158-178.

Production Structure

Balaam & Veseth, ch.17

Susan Strange, "Big Business and State", *Millennium* 20, 2 (1991), pp.245-50.

Susan Strange, "Globaloney?", *Review of International Political Economy* 5,4 (1998), pp.704-711

Peter Evans, "Transnational Corporations and Third World States: From the Old Internationalization to the New," in Richard Kozul-Wright and Robert Rowthorn, eds., *Transnational Corporations and the Global Economy* (New York: St. Martin's Press, 1998), 195-224.

Dicken, part 1, Ch. 3, 6.

Intellectual Property Rights, Technology and the Knowledge Structure

Balaam & Veseth, ch.10

Susan Strange, *States and Markets*, 119-138.

❖ *State-Market Tensions in Advanced Industrial Societies and New Regionalism in Comparative Perspective*

Economic Blocs and the Politics of Cooperation Among Advanced Industrial States: The EU, NAFTA and the Asia Pasific Bloc

Balaam & Veseth, ch.11, 12.

Peter Dicken, *Global Shift. Transforming the World Economy* (London: Paul Chapman, 1998) esp Ch. 2 and 5.

❖ *The Political Economy of North-South Relations*

Development Strategies and the Challenge of the NICs and Near NICs and the Emerging Post-Washington Consensus

Balaam & Veseth, ch.15

Basu, K. (2003), “Globalization and the Politics of International Finance: The Stiglitz Verdict”, *Journal of Economic Literature*, .vol.41, no.3, pp 885-899.

David Held. *Global Covenant* (Cambridge: Polity, 2004) ch.2, pp.34-54

Also see:

Joseph Stiglitz, “Capital Market Liberalization, Economic Growth, and Instability”, *World Development* vol.28.no.6 (2000), pp.1075-86.

Joseph Stiglitz, “ An Agenda for Development in the Twenty-First Century,” in Anthony Giddens, eds. *The Global Third Way Debate* (Cambridge: Polity Press, 2001), 340-357.

Ziya Öniş and Fikret Şenses, “ Rethinking the Emerging Post-Washington Consensus: A Critical Perspective,” *Development and Change* (Volume 36 Issue 2 Page 263 - March 2005)

Recent Debates over Global Governance

David Held and Anthony McGrew, eds, *Governing Globalization*, ch. 1, 8, 9 (Cambridge: Polity Press, 2001).

David Held & Mathias Koenig-Archibugi *Global governance and public accountability* (Malden, Mass.: Blackwell, 2005.), introduction.

Additional Readings will be indicated as the course proceeds

Academic Honesty

Honesty and trust are important to us all as individuals. Students and faculty adhere to the following principles of academic honesty at Koç University.

- 1) Individual accountability for all individual work, written or oral. Copying from others or providing answers or information, written or oral, to others is cheating.
- 2) Providing proper acknowledgement of original author. Copying from another student's paper or from another text without written acknowledgement is plagiarism.
- 3) Study or project group activity is effective and authorized teamwork. Unauthorized help from another person or having someone else to write one's paper or assignment is collusion.

Cheating, plagiarism and collusion are serious offences resulting in an F grade and disciplinary action.