

POLITICS OF THE WORLD ECONOMY

Prof. Carol Wise
Spring Semester 2019
HMV_429 room U41
Tuesday 18:00-19:40
Office Hours Thursday 14:00-16:30 pm (room 4.48)
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Course Objectives:

This purpose of this course is to familiarize ourselves with the critical political economy benchmarks that have occurred during the first two decades of the 21st century. Within every “issue area” that has traditionally defined the field of International Political Economy (IPE)---trade, finance, and foreign direct investment (FDI)--- there have been major and remarkable sea changes. The first half of the course reviews the US-China trade war, the rise of authoritarian populism in the United States, the Brexit phenomenon, China’s 2001 accession to the World Trade Organization (WTO), the 2008-09 Global Financial Crisis, and the associated Eurozone Crisis. The second half of the course analyzes the rise and fall of the WTO’s Doha Development Round, the abrupt collapse of the Trans-Pacific Partnership, and the rapidly changing patterns of multinational corporate strategies and investment patterns and flows. We will also study China’s “One Belt, One Road Initiative,” an unprecedented US\$ 1 trillion in public-private outflows dedicated to infrastructure investment the world over.

Grading and Assignments

Grades based on class attendance, participation, preparation, and the quality of your work.

Assignments:

- (1) Attendance, preparation and participation in class discussions (10% of your grade)
- (2) Take-home mid-term exam (30% of your grade)
- (3) Group project presentation (20% of your grade)
- (4) Take-home final exam (40% of your grade) **DUE JUNE 20, 2019. PLEASE EMAIL TO ME AT: cwise@USC.EDU**

19 Feb 2019---WEEK 1: Beginning with the Present---the US-China “Trade War”

O. Schell and S. Shirk, “Course Correction: Toward an Effective and Sustainable China Policy,” Center on China-U.S. Relations, Asia Society, New York, February 2019. (58 pages, skim all)

26 Feb 2019---WEEK 2: The “Trump Phenomenon” in the United States

Required Reading:

P. Dombrowski and S. Reich, “Does Donald Trump Have a Grand Strategy?” *International Affairs*, 93 (2017): 1013-1037.

R. Inglehart and P. Norris, “Trump and the Populist Authoritarian Parties: The Silent Revolution in Reverse,” *Perspectives on Politics*, 15 (2017): 443-454.

05 March 2019---WEEK 3: Brexit---How Has It Come to This?

Required Reading:

T. Sampson, "Brexit: The Economics of International Disintegration," *Journal of Economic Perspectives*, 31 (2017): 163-184.

M. Jensen and H. Snaith, "When Politics Prevails: The Political Economy of Brexit," *Journal of European Public Policy*, 23 (2016): 1302-1310.

S. Virdee and B. McGiver, "Racism, Crisis, Brexit," *Ethnic and Racial Studies*, 41 (2018): 1802-1819.

Recommended Reading:

V. Bachmann and J. Sidaway, "Brexit Geopolitics," *Geoforum*, 77 (2016): 47-50.

A. Hunt and B. Wheeler, "Brexit: All you Need to Know about the UK Leaving the EU," BBC News, September, 2017. Available at <http://www.bbc.com/news/uk-politics-32810887>

12 March 2019---WEEK 4: China's Entry into the World Trade Organization

LUKAS PRESENTS

Required Reading:

D. Autor, D. Dorn, and G. Hanson, "The China Shock: Learning from Labor-Market Adjustment to Large Changes in Trade," *Annual Review of Economics*, 8 (2016): 205-240.

S. Breslin, "Reforming China's Embedded Socialist Compromise: China and the WTO," *Global Change, Peace and Security*, 15 (2003): 213-229.

J. Fewsmith, "The Political and Social Implications of China's Accession to the WTO," *The China Quarterly*, 167 (2001): 573-591.

Recommended Reading:

D. Bhattasali, S. Li and W. Martin, *China and the WTO: Accession, Policy Reform and Poverty Reduction Strategies* (Washington, DC: The World Bank, 2004).

State Council Information Office and the People's Republic of China, "Full Text: China and the World Trade Organization," available at: http://english.scio.gov.cn/2018-06/28/content_53822671.htm

19 March 2019---WEEK 5: Guest Speaker on Germany under Angela Merkel

26 March 2019---WEEK 6: Mid-term Exam

02 April 2019---WEEK 7: The Global Financial Crisis & the Eurozone Crisis

JAROSLAV PRESENTS The Global Financial Crisis

JULIA PRESENTS The Eurozone Crisis

Required Reading:

J. Frieden and S. Walter, "Understanding the Political Economy of the Eurozone Crisis," *Annual Review of Political Science*, 20 (2017): 371-390.

P. Hall, "Varieties of Capitalism and the Euro Crisis," *West European Politics*, 37 (2014): 1223-1243.

N. Roubini and S. Mihm, *Crisis Economics* (London: Allen Lane, 2010), pp. 86-157, 238-201.

J. Schild, "Leadership in Hard Times: Germany, France, and the Management of the Eurozone Crisis," *German Politics and Society* (2013): 24-47.

09 April 2019---WEEK 8: The Rise and Fall of the Doha Development Round

IVANA & LAURA PRESENT

Required Reading:

S. Cho, "The Demise of Development in the Doha Round Negotiations," *Texas International Law Journal*, 45 (2010): 573-601.

B. Vickers, "The Role of the BRICs in the WTO," in *The Oxford Handbook on the WTO*, edited by M. Daunton, A. Narlikar, and R. Stern (Oxford, UK: Oxford University Press, 2012).

C. Summers, "The Battle in Seattle: Free Trade, Labor Rights, and Societal Values," *University of Pennsylvania Journal of International Law* (2014): 61-90.

16 April 2019---WEEK 9: NO CLASS

23 April 2019---WEEK 10: NO CLASS

30 April 2019---WEEK 11: Trade & Human Rights

ANNA, KLARA, & LUCIE PRESENT Trade & Human Rights

MARIAN PRESENTS Economy & the Environment

Required Reading:

E. Petersmann, "Human Rights and International Trade Law: Defining and Connecting the Two Fields," in *Human Rights and International Trade*, edited by T. Cottier et al (Oxford: Oxford University Press, 2005), pp. 29-94.

07 May 2019---WEEK 12: China's "One Belt, One Road" Initiative

DAVID PRESENTS

Required Reading:

R. Aoyoma, "One Belt, One Road: China's New Global Strategy," *Journal of Contemporary East Asia Studies*, 5 (2016): 3-22.

M. Du, "China's 'One Belt, One Road' Initiative: Context, Focus, Institutions, and Implications," *The Chinese Journal of Global Governance*, 2 (2016), access full text at:

https://brill.com/view/journals/cjgg/2/1/article-p30_2.xml

P. Ferdinand, "Westward Ho---The China Dream and 'One Belt, One Road'," *International Affairs*, 92 (2016): 941-957.

Recommended Reading:

A. Garcia Herrero and J. Xu, "Countries Perceptions of China's Belt and Road Initiative: A Big Data Analysis," Working Paper, Issue 01, Bruegel Institute, Brussels, February 6, 2019.

A. Gerlack et al, "Dams, Investments, and EIAs in South America: a Race to the Bottom?" The Royal Swedish Academy of Sciences, 2018.

14 May 2019---WEEK 13: The Transformation of Multinational Corporate Strategies and FDI

ARIAN FDI

MICHAL PRESENTS

ROLAND PRESENTS ON HUNGARY

Required Reading:

R. Baldwin and T. Okubo, "New-Paradigm Globalisation and Networked FDI," *Vox*, May 2012, available at: https://voxeu.org/article/new-paradigm-globalisation-and-networked-fdi-evidence-japan?quicksheet_tabbed_recent_articles_block=0

T. Cohn, *Global Political Economy* (New York: Longman, 2016, pp. 249-293.

FINAL EXAM---Take-home, due June 20, 2019.