

GOV360E: International Political Economy (37480)
Class time: MW 2:30-3:45, MEZ B0.306

Professor: Dr. Rachel Wellhausen

Email: rwellhausen@utexas.edu or Canvas message

Office hours:

- After class
- By appointment, Batts 4.138 or on Zoom. Sign up: calendly.com/rwellhausen

TA: Zhizen Lu

Email: zhizhen.lu@utexas.edu or Canvas message

Office hours (Batts 1.118): TBD

Course description:

The purpose of this course is to provide you with an overview of the study of international political economy. The course's primary focus will be on the role of politics and government decision-making in international economic relations. Thus, while we will cover some topics familiar in the discipline of economics, this is wholly a political science (government) course. That said, students should be willing to engage with some basic relationships in macroeconomics – that government officials deal with on a daily basis. We will also read cutting edge qualitative (prose-based) and quantitative (statistics-based) research. Students should be open to learning to engage with statistical analyses.

We will examine several topics central to IPE, in three modules: the politics around the international monetary system and international finance; the politics of foreign investment by multinational corporations; and the politics around international trade. We will draw on examples from the United States as well as developed and developing countries around the world. We will regularly address current events that are inextricably linked with our course content. We will also examine historical material that provides context and background necessary to understand today's international political economy – why IPE doesn't "have to" operate like it does today, and why.

Learning Objectives:

- Understand and apply core IPE concepts.
- Organize IPE concepts around national, class, individual, and other units of analysis.
- Use IPE concepts to evaluate historical and contemporary government policy choices.
- Recognize and articulate economic policy tradeoffs that generate "winners" and "losers."

Grade scale:

Final grades are rounded to the nearest whole number.

94 and above	A
90-93	A-
87-89	B+

84-86	B
80-83	B-
77-79	C+
74-76	C
70-73	C-
67-69	D+
64-66	D
60-63	D-
59 and below	F

Grade components:**Exams: 75%**

Module: Politics of International Finance	25%
Module: Politics of International Trade	25%
Module: Politics of Multinational Corporations	25%

Quizzes: 25%

Exam details: The course is arranged around Modules. There will be an exam following each Module that covers the material from that Module. There is no comprehensive final exam. All exams to be completed on Canvas. You should expect to be tested on your understanding of concepts and your ability to critically examine and apply those concepts.¹ Exams will consist of a series of short answer questions; the professor reserves the right to change the exam content and format at her discretion. Exams are timed.

Flexibility is built into the design of exams as follows: Exams are always scheduled to overlap with course time, and students are provided an extended “buffer” window in order to have an opportunity to complete it outside of the regularly scheduled class time (see Canvas for specifics). A fully prepared student should be able to successfully complete the exam in 1 hr 45 min., or a standard class period. That said, you will have a 2 hr 30 min window to complete the exam from the point of accessing it on Canvas. Exams are open-note.² No exceptions to exam policies will be allowed, beyond those laid out in this syllabus.

Quiz details: Most class weeks are accompanied by a timed Canvas quiz directly tied to the materials for the week. Quizzes consist of five multiple choice questions; the professor reserves the right to change the content and format at her discretion. Correct answers will be released automatically on Canvas following the closing deadline. We typically will not review quiz questions per se during class time; however, feel free to bring them up in class and/or in TA office hours as would be useful to you.

¹ *Tip:* Approach the exam from the point of view of gaining points by clearly demonstrating mastery, rather than “losing points.” That’s the principle behind modern pedagogy on student assessment (and, by the way, your personal credit score as well).

² We expect you not to cheat by discussing questions or answers with other students (or AI bots). Cheating is not ethical, not in your or your colleagues’ best interests in terms of learning, and frankly not worth your time.

Flexibility is built into the design of quizzes as follows: Each student's lowest quiz score will be dropped. A well-prepared student should be able to complete the quiz quickly; that said, you have 30 minutes to complete the quiz from the moment of accessing it. Quizzes are available for students to complete over an extended time period. Quizzes are open-note.³ No exceptions to quiz policies will be allowed, beyond those laid out in this syllabus.

Extra Credit: Completing extra credit can add up to 2% to the final grade

Extra credit details: Ad hoc opportunities for extra credit will be provided throughout the semester at the professor's discretion. Completing extra credit can only add to a student's grade, and not subtract. Completing extra credit will add to the final class grade, with up to a 2% increase in the grade if all extra credit is completed successfully. The main source of extra credit will be multiple very low stakes participation-based and/or comprehension-checking "Instapoll" surveys in most class sessions. A student must be present in the class session in order to access extra credit made available in the class session.

Course Delivery Details:

This course is in-person. There is no alternative to in-person attendance. Slides are posted to Canvas (in advance of class) and classroom recordings are made available when possible, but for review purposes only. The professor reserves the right to include asynchronous learning experiences in the course at her discretion.

You do not need to notify the professor/TA if absent. It is your responsibility alone to catch up on missed material. The professor/TA will not engage in conversations along the lines of, "What did I miss?" Flexibility with regard to assessment is built into the course design and explained in this syllabus and on Canvas. The student is responsible for knowing and understanding these aspects of the course and how they relate to the student's specific circumstances.

Exceptional circumstances:

In case of emergency that will disrupt your ability to be successful in the course: Students are expected to use Student Emergency Services (SES). It is SES's job to work with you and then notify your professors on your behalf. Once notified by SES, the professor will work with you to determine the best course of action and whether additional accommodations can be made, on a case-by-case basis. Accommodations are ultimately at the professor's discretion.

- **More details on Student Emergency Services (SES):** Student Emergency Services in the Office of the Dean of Students helps students and their families during difficult or emergency situations. Assistance includes outreach, advocacy, intervention, support, and referrals to relevant campus and community resources. If you need to be absent from class due to a family emergency, medical or mental health concern, or academic

³ We expect you not to cheat by sharing questions or answers with other students. Cheating is not ethical, not in your or your colleagues' best interests in terms of learning, and frankly not worth your time.

difficulty due to crisis or an emergency situation, you can work with Student Emergency Services. SES will document your situation and notify your professors. Additional information is available at: deanofstudents.utexas.edu/emergency/ or by calling 512-471-5017.

In case of a disability and access issue: Students must use Disability and Access Services (D&A). Students must have a *prior* accommodation letter from Disability and Access that we have discussed and signed. No accommodations will be made retroactively. Note that accommodations are ultimately determined based on the context of a specific course, as defined by the professor.

- **More details on Disability Accommodations:** If you are a student with a disability, or think you may have a disability, and need accommodations please contact Disability and Access (D&A). You may refer to D&A's website for contact and more information: diversity.utexas.edu/disability/. If you are already registered with D&A, please deliver your Accommodation Letter to me as early as possible in the semester so we can discuss your approved accommodations.

The professor/TA expect you to respect them and your colleagues enough to never ask for preferential treatment outside of these parameters.

- *Never ask for accommodations for an undocumented D&A issue.*
- *Never ask for extra credit on demand.*
- *Never ask for grade changes with no intellectual basis.*
- *Never ask for retrospective accommodations for "exceptional circumstances" that took place before you received a grade that is not at the level you hoped. The definition of an exceptional circumstance has nothing to do with your grade.⁴*
- *Never ask for special extensions due to issues that occur at the "11th hour." Your failure to plan ahead to successfully complete the exam/quiz during the flexibility already available in extended time windows does not constitute an emergency situation.*

When and how to connect with us out of class:

Please take advantage of office hours of the professor⁵ and the TA,⁶ listed at the beginning of the syllabus. We will use Canvas for course communications; all current information will be

⁴ Grades are based on output, in the form of demonstrated knowledge, and not input – i.e., not on effort. *Tips:* The TA is ready to give you ideas as to how to maximize your efficiency. And, many experts in knowledge accumulation, pedagogy, and higher ed are employed by UT Austin to serve you – take advantage of this perk of being here. Do not request grade changes based on the professor's/TA's sympathy.

⁵ Why should you drop in or make an appointment to come to the professor's office hours? Please take advantage of the opportunity to connect outside of class. Potential topics to discuss include class material, current events, IPE in general, the professor's research, research opportunities for you, your career and/or future education plans, etc.! You are also welcome to come by in a group, so we can all bounce ideas off of each other. The professor may ask you to stop by in lieu of a written response to a written question; conversations are nearly always better.

⁶ Why should you come to the TA's office hours? The TA is your best sounding board for specific questions about your grade, getting feedback on assignments, and brainstorming the best ways to organize your time and effort so that you achieve the grade you would like in the course. The TA is also an expert in international relations and IPE, in the midst of their own research, and in a PhD program – so they have a unique and important perspective that

available there. Emails will be responded to during normal business hours. Expect emails that violate course policies (such as asking the professor/TA “what did I miss?”) to be ignored.
Course administration questions? Contact the TA.

Course Materials:

Required textbook:

Oatley, Thomas. 2019. *International Political Economy: Interests and Institutions in the Global Economy*. 6th edition. New York: Routledge.

- **Discounted Textbook Access:** The materials for this class are available through the Longhorn Textbook Access (LTA) program, a collaboration between UT Austin, The University Co-op and textbook publishers to significantly reduce the cost of digital course materials for students. You can access your required materials through the “My Textbooks” tab in Canvas. You are automatically opted into the program but can easily opt-out (and back in) via Canvas through the 12th class day. If you remain opted-in at the end of the add/drop period (12th class day fall/spring, 4th class day summer sessions), you will receive a bill through your “What I Owe” page. If you do not pay your bill by the specified deadline, you will lose access to the course materials and your charge will be removed. More information about the LTA program is available at universitycoop.com/longhorn-textbook-access.
- **Canvas:** All non-textbook readings and other materials for the course will be accessible via our Canvas page. Any amendments to the course content made on Canvas take precedence over the course schedule and readings in this syllabus document. We will do our best to utilize the features on Canvas to make the administration of the course as smooth as possible and make all its components clear to you. You will never be penalized for a technical glitch or issue – but it is incumbent on you to raise it to us in a timely manner. If you ever have an idea about how we could make something on Canvas easier for you, please do not hesitate to tell us!

Student Health and Welfare:

- **Counseling and Mental Health Center (CMHC):** We all benefit from support during times of struggle. Know you are not alone. If you are experiencing signs of stress, anxiety, depression, academic concerns, loneliness, difficulty sleeping, or any other concern impacting your well-being – you are strongly encouraged to connect with CMHC. The Counseling and Mental Health Center is located on campus and provides a wide variety of mental health services to all UT students, including crisis services, counseling services with immediate support and well-being resources. Additionally, CARE Counselors are located within each of the academic schools and colleges. These counselors are familiar

can be very useful to you. Taking a few minutes to have an in-person conversation with the TA is nearly always better than engaging in a typed back-and-forth. The TA may ask you to stop by in lieu of a written response to a written question.

with the concerns that are unique to their unit's students. For more information on CMHC, visit <https://cmhc.utexas.edu/> or call 512-471-3515.

- **Behavioral Concerns:** If you have concerns about the safety or behavior of fellow students, TAs or professors, contact BCCAL (the Behavior Concerns and COVID-19 Advice Line) at: <https://safety.utexas.edu/behavior-concerns-advice-line> or by calling 512-232-5050. Confidentiality will be maintained as much as possible, however the university may be required to release some information to appropriate parties.
- **University Health Services:** University Health Services is the on-campus medical facility providing high quality medical care and patient education to UT students. For additional information, visit <https://healthyhorns.utexas.edu/> or call 512-471-4955.

Academic Integrity:

- **Plagiarism and Misconduct:** Students who violate University rules on academic misconduct are subject to the student conduct process and potential disciplinary action. A student found responsible for academic misconduct may be assigned both a status sanction and a grade impact for the course. The grade impact could range from a zero on the assignment in question up to a failing grade in the course. A status sanction can range from probation, deferred suspension and/or dismissal from the University. To learn more about academic integrity standards, tips for avoiding a potential academic misconduct violation, and the overall conduct process, please visit: <http://deanofstudents.utexas.edu/conduct>.
- **Intellectual Property:** No materials used in this class, including, but not limited to, lecture hand-outs, videos, assessments (quizzes, exams, papers, projects, homework assignments), in-class materials, review sheets, and additional problem sets, may be shared online or with anyone outside of the class without explicit, written permission of the instructor. Unauthorized sharing of materials promotes cheating. The University is aware of the sites used for sharing materials, and any materials found online that are associated with you, or any suspected unauthorized sharing of materials, will be reported to [Student Conduct and Academic Integrity](#) in the Office of the Dean of Students. These reports can result in initiation of the student conduct process and include charge(s) for academic misconduct, potentially resulting in sanctions, including a grade impact.
- **Student Privacy:** Any class recordings are reserved only for students in this class for educational purposes and are protected under FERPA. The recordings should not be shared outside the class in any form. Violation of this restriction by a student could lead to Student Misconduct proceedings.

Other Policies:

- **University-approved Function + Religious Holiday Conflicts:** In general, the student must inform the professor/TA, with proper documentation, well before the deadline or scheduled exam time, so that the professor/TA can work on alternative arrangements.

For religious holidays, By UT Austin policy, the student must notify the professor/TA of the pending absence at least fourteen days prior to the date of observance of a religious holy day. If the student must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, the student will be given an opportunity to complete the missed work within a reasonable time after the absence.

- **Emergency Alerts:** The Office of Campus Safety (512-471-5767) recommends that students sign up for Campus Emergency Text Alerts at: <https://safety.utexas.edu/>
- **Title IX Reporting:** Beginning January 1, 2022, Texas Education Code, Section 51.252 (formerly known as Senate Bill 212) requires all employees of Texas universities, including faculty, report any information to the [Title IX Office](#) regarding sexual harassment, sexual assault, dating violence, and stalking that is disclosed to them. Texas law requires that all employees who witness or receive any information of this type (including, but not limited to, written forms, applications, one-on-one conversations, class assignments, class discussions, or third-party reports) must report it to the Title IX Coordinator. Before talking with me, or with any faculty or staff member about a Title IX related incident, please remember that I will be required to report this information. If you would like to speak with a Case Manager for Support and Resources, who can provide support, resources, or academic accommodations, in the Title IX Office, please email: supportandresources@austin.utexas.edu. A Case Manager can also provide support, resources, and accommodations for pregnant, nursing, and parenting students. For more information about reporting options and resources, please visit: <https://titleix.utexas.edu>, contact the Title IX Office via email at: titleix@austin.utexas.edu, or call 512-471-0419.

The course outline and dates are on the following pages. However, students should refer to Canvas for the most current information; the professor reserves the right to adjust the course as appropriate, based on the needs of the class.

INTRO: WHAT IS IPE?

Intro week 1 (+) /1: What is IPE, and how will we study it?

Readings/materials:

- Textbook – Oatley: Chapter 1. International Political Economy
- Jeffry Frieden, "The Political Economy of Economic Policy." IMF Finance and Development: Summer 2020.
- I-PEEL: Borrowing. -- We'll use this for an in-class exercise.

Recommended:

- Learn about the news sources available to you as a UT Austin student via the Subject Guides organized by the UT librarians.

Class sessions:

17 Jan IPE right now + Course administration

22 Jan “-isms” and units of analysis as our tools to organize IPE

24 Jan In-class exercise: IPE in everyday life

Quiz: Intro week quiz

MODULE: POLITICS OF INTERNATIONAL FINANCE

Finance week 1/5: The politics of money

Readings/materials:

- Textbook – Oatley: Chapter 10.
 - FYI: This chapter is dense, with many key concepts. This will be a good reference point for you throughout the module.
- Silk, Leonard. 13 Oct 1971. "The Dollar Overhang." New York Times.
 - FYI: This is a news article from 1971, explaining the turning point in US + world financial history in real-time.

Recommended:

- This American Life: The Invention of Money. 7 January 2011. Especially Act 1: The Lie that Saved Brazil (by Chana Joffe-Walt).
 - This is a great, true story of the "lie" of money and how it helps societies (and governments).

Class sessions:

29 Jan Money

31 Jan International finance as a political choice

Quiz: Finance: Week 1 quiz

Finance week 2/5: National money on the international stage

Readings/materials:

- Textbook – Oatley: Chapter 12 and Chapter 13
 - FYI: These chapters cover key concepts, several with more detail than we'll be able to get into in class sessions. Therefore, these chapters will both solidify your classroom learning and provide you more depth that might be useful to

draw on in the exam for this module, for example -- as well as your broader collegiate and future career, of course!

Recommended:

- Here are a few "explainers" on the balance of payments and the Unholy Trinity from the Economist. These can be tricky concepts, so reading about them in a few different formats can be helpful: (see Canvas)
- This piece from the Economist introduces challenges to the starkest interpretation of the Unholy Trinity, especially regarding the US role in the international financial system today. The political economist Helene Rey, referenced in the article, is and remains central to this emerging research. While we won't get into this nuance much in class sessions, these new ideas are filtering into policymakers' day-to-day application of the principles of the Unholy Trinity: (see Canvas)

Class sessions:

5 Feb Working toward the "Unholy Trinity"

7 Feb **ASYNCHRONOUS CONTENT, no in-person meeting – see Canvas **

Quiz: Finance: Week 2 quiz

Finance week 3/5: Exchange rate politics

Readings/materials:

- Textbook – Oatley: Chapter 11
- FYI: This chapter starts to connect the concepts we've been covering to times of stress and crisis. It is particularly helpful in providing examples from developed countries and how they manage the consequences of floating exchange rates. This information is an important bridge to upcoming materials on financial crises. *Note from Prof Wellhausen: You'll see that you're stacked up for next week with two Oatley chapters that deal with crisis -- just to help you plan ahead!*

Class sessions:

12 Feb Fixed exchange rates

14 Feb Floating exchange rates

Quiz: Finance: Week 3 quiz

Finance week 4/5: Financial crisis

Readings/materials:

- Textbook – Oatley: Chapter 14 and Chapter 15
 - Chapter 14 focuses on debt crises, and Chapter 15 on currency crises -- the next step after a debt crisis, when the government breaks its commitments to rules about its currency in international monetary relations. While we'll talk through several examples in class, the textbook gives you many more that we won't have time to cover in depth.

Recommended:

- Video: The Crisis of Credit Visualized (see Canvas)

Class sessions:

19 Feb Crisis and developing countries

21 Feb Crisis and developed countries: example of the Eurozone

Quiz: Finance: Week 4 quiz

Finance week 5/5: Wrap-up and exam

Readings/materials:

- To aid you in studying for the exam, pay attention to the topics covered in class sessions, as reflected in the session titles and agendas. Further, look to the quizzes, bolded terms in the textbook, and major takeaways from other materials.

Class sessions:

26 Feb Wrap-up + TA review

- Finance exam review sheet: See Canvas
- Finance Exam released on Canvas after class:

28 Feb No class; Finance Exam due on Canvas by 11:59 PM

MODULE: POLITICS OF INTERNATIONAL TRADE

Trade week 1/4: Trade as a tool for development

Readings/materials:

- Textbook – Oatley: Chapter 6 and Chapter 7
 - These chapters present the importance of trade policy to economic development. We're starting with them to understand why governments, and especially those in developing countries, go through the trouble of opening up to trade, given all the controversy around it...

Recommended:

- Click through a few Harmonized Tariff Schedule (HTS) classifications to get a sense of what is traded these days - and how specific the classifications are! (See Canvas)
- Get an impression of the UN Conference on Trade and Development (UNCTAD), and maybe read a publication or two: (see Canvas)
- Poke around in one of the most important collections of world trade data: (See Canvas)

Class sessions:

4 Mar Trade policy: historical overview

6 Mar Trade data and trends

Quiz: Trade: Week 1 quiz

Trade week 2/4: Winners and losers from trade

Readings/materials:

- Textbook – Oatley: Chapter 4 and Chapter 5

Recommended:

- The Trade Talks Podcast

Class sessions:

18 Mar Comparative advantage, or why there are always net economic gains from trade

20 Mar Predicting "pocketbook" losers from trade

Quiz: Trade: Week 2 quiz

Trade week 3/4: National- and international-level trade policy

Readings/materials:

- Textbook – Oatley: Chapter 2

Recommended:

- The Design of Trade Agreements (DESTA) Database is the best resource for understanding all of the many treaties governing trade today. I encourage you to explore it here: (see Canvas)
- Take a look at how the World Trade Organization (WTO) explains itself and its history on the WTO website: (see Canvas)

Class sessions:

25 Mar Non-material trade preferences?

27 Mar Why countries find it hard to agree on trade policy

Quiz: Trade: Week 3 quiz

Trade week 4/4: Wrap-up and exam

Readings/materials:

- To aid you in studying for the exam, pay attention to the topics covered in class sessions, as reflected in the session titles and agendas. Further, look to the quizzes, bolded terms in the textbook, and major takeaways from other materials.

Class sessions:

1 Apr Wrap-up + TA review

- Trade exam review sheet: See Canvas
- Trade exam released on Canvas after class:

3 Apr No class; Trade Exam due on Canvas by 11:59 PM

MODULE: POLITICS OF MULTINATIONAL CORPORATIONS (MNCs)

MNC week 1/3: Goals of MNCs v. Goals of governments

Readings/materials:

- Textbook - Oatley: Chapter 8, Chapter 9
 - These two chapters underpin the whole module on FDI. They will provide a grounding and structure for our further non-textbook materials in the next weeks.

Recommended:

- You may be interested in a short piece on Foreign Direct Investment by Prof. Wellhausen, which provides an overview of research on FDI and ideas about open questions for IPE scholars to address. Wellhausen, Rachel L. "Foreign Direct Investment." Oxford Handbook of International Political Economy (Editors: Jon Pevehouse and Leonard Seabrooke). 2021.

Class sessions:

8 Apr Why do MNCs invest abroad and why do governments (sometimes) let them in?

10 Apr Political risk and MNC-government bargaining
Quiz: MNCs: Week 1 quiz

MNC week 2/3: International business as a "weapon"?

Class sessions:

15 Apr MNCs and economic sanctions – GUEST LECTURE: TA Zhizhen Lu

TO PREPARE IN ADVANCE OF CLASS: (see Canvas)

17 Apr No in-person class; Asynchronous material: "Weaponized Interdependence"
We're going to delve into work by Farrell and Newman, the developers of the concept of "Weaponized Interdependence," for today's asynchronous course session. We'll focus on COVID and its immediate aftermath as the context. (See Canvas.)

Quiz: MNCs: Week 2 quiz

MNC week (+) 3/3: Wrap-up and exam

Recommended:

- Poke around the IPE Society website. . and take a look at titles, slides, and papers presented at conferences to learn more about cutting-edge research in the field.

Class sessions:

22 Apr Do MNCs like democracy?

- Readings/materials: Li and Resnick 2003 "Reversal of Fortunes." (See Canvas.)
 - What do MNCs think about investing in democracies v. non-democracies (autocracies)? The answer is a bit more complicated than you might think. This is a classic academic article from 2003 on these issues. You'll also see examples of quantitative analysis in action. Work to follow the interpretations of the quantitative results even if you're less familiar with the methods they use.
- Recommended:
 - Prof Wellhausen will mention this meta-study of 40 papers on the topic of FDI and democracy. Li, Owen, Mitchell. 2018. "Why Do Democracies Attract More or Less Foreign Direct Investment? A Metaregression Analysis." *International Studies Quarterly* 62:3. 494-504.

24 Apr Future of MNCs – and globalization itself?

- Readings/materials: Textbook - Oatley Ch 16

Quiz: MNCs: Week 3 quiz

29 Apr Wrap-up + Exam Review

- MNC exam review sheet: See Canvas

MNC Exam released on Canvas at the beginning of Finals:

Released Thursday, 2 May, 8 AM

MNC Exam due on Canvas BY THE END OF OUR ASSIGNED FINALS PERIOD

Our assigned finals period: Saturday, May 4 ends at 9:00 pm