

PS 341 INTERNATIONAL POLITICAL ECONOMICS

SPRING 2025

555 Clark B01

Tue/Thur 12:30-1:50 pm

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COURSE DESCRIPTION AND LEARNING OBJECTIVES

This course analyzes economic interactions across countries. It covers both international trade and international macroeconomics. It begins by explaining what International Political Economy (IPE) is and how it differs from international economics. We'll then discuss the factors that influence international cooperation when national economic policies affect other countries. The course will also cover the politics of international trade, monetary systems, and financial structures. After that, we'll look at economic development strategies used by low- and middle-income countries and the role of foreign aid in supporting growth. Finally, we'll explore how global economic connections relate to political conflicts and examine the rise of new economic powers and its potential impact on U.S. influence in the global economy.

COURSE PREREQUISITES

It is suggested – but not strictly required – that students take Political Science 240 (Introduction to International Relations). I presume that students in this course have some background knowledge of and interest in world politics. Likewise, introductory courses in macroeconomics and international economics are helpful but not required.

CLASS MATERIALS

In this class, we will use variety of in-print and on-line resources. All of the non-case assigned readings on the course schedule will be scanned and posted on the course canvas site on the “Assigned Readings” module. The case readings are available to purchase from the Harvard Business School online store; once you have purchased them you’ll be able to download the PDF of the reading.

The full-group, in-class case discussions will be based on the assigned case readings. Lectures and the other assigned readings are complements, not substitutes. To perform well in this course, you will need to attend the lectures in addition to closely reading all the assigned material, including the cases (and not just the ones for which you are writing your short paper).

The following books are recommended for a few topics. You can purchase these books if you like, or more pragmatically borrow copies from the library.

- Robert C. Feenstra, Alan M. Taylor. 2021. *International Economics*. Palgrave Macmillan
- R. Glenn Hubbard. 2008. *Money, the Financial System, and the Economy*. Addison Wesley
- David N. Balaam, Bradford Dillman. 2018. *Introduction to International Political Economy*. Routledge

COURSE REQUIREMENTS

Course Participation: 10%

WTO Simulation and Papers: 20%

Midterm exam: 25%

Final exam: 25%

Case-based analysis paper: 20%

Course Participation and Attendance (10%)

Participation is a critical component of this course. Your participation grade is determined by your attendance as well as the quality of your participation. That is, you are awake, come to class prepared, paying attention, answering questions, and asking questions. **Missing more than 15 minutes of the class will be considered as an absence.** If you want your absence to be excused, you need to submit a proper document: a doctor's note or memo from university officials. Find more from here: <https://weinberg.northwestern.edu/undergraduate/courses-registration-grades/missing-class.html>

You will be given one free absence without penalty in the quarter.

WTO Simulation and Papers (20%)

For this quarter, discussion sections will be dedicated toward a simulated World Trade Organization negotiation. Students will be put into teams to represent countries and will negotiate trade aspects on behalf of these countries. More details will be provided in section, and I will provide more documentation. Your grade for simulation will be based off your attendance, participation in the simulation, your group's written reports, a final individual paper, and your countries outcome during the negotiations.

Discussion sections are scheduled as follows:

| | |
|--------|----------------------|
| Week 2 | Introduction |
| Week 3 | Group Meeting 1 |
| Week 4 | Group Meeting 2 |
| Week 5 | Review for Midterm |
| Week 6 | Round 1 Negotiations |
| Week 7 | Group Meeting 3 |
| Week 8 | Round 2 Negotiations |
| Week 9 | Simulation recap |

Two Exams (25x2%)

The in-person midterm exam is currently set for **Thursday, May 8**, and will cover all lectures and assigned readings (possibly including the cases) up to that date. The final exam is currently scheduled for **Tuesday, June 3**, in class. It will be cumulative but will focus more on material from the second half of the course. Additional details about the exam formats and expectations will be provided.

Policy on Rescheduling Exams: Students are required to take the exam as scheduled. The only allowable exception to this policy is a documented emergency or university event. In cases of severe illness and family emergency (death in family), students need to provide sufficient proof of the absence (e.g. a doctor's note, the obituary, etc). If an emergency arises, students will need to contact me or TA **BEFORE** the exam or will receive zero credit.

Case-based analysis paper (20%)

Students will write a case-based analysis paper on one of the four assigned case readings individually. These cases cover topics such as China's 2001 entry into the World Trade Organization, Argentina's currency and debt crises, South Korea's economic "growth miracle" strategy, and US-China competition for global leadership. Detailed instructions for this assignment will be posted on Canvas during the second week of the Spring 2025 quarter. Papers must be submitted through Canvas before the class discussion of the chosen case. Late submissions will be subject to penalties outlined in the document with the paper questions and guidelines.

I calculate end-of-quarter grades as follows:

A = 93-100; A- = 90-92; B+ = 87-89; B = 83-86; B- = 80-82; C+ = 77-79; C = 73-76; C- = 70-72; D = 60-69; F < 60.

COURSE POLICIES AND OTHER INFORMATION

Use of GenAI is prohibited in this course:

This course focuses on the development of independent critical thinking and the mastery of IPE. To ensure that all submitted work accurately reflects personal understanding and original thought, the use of Generative AI (GenAI) tools in completing assignments or assessments is strictly prohibited. This policy supports our commitment to academic integrity, the development of each student's learning, and direct interaction with IPE. Any work suspected to be generated by AI will be reported to the Dean for Academic Integrity.

Academic Integrity Statement

Students enrolled in Northwestern courses are required to comply with [Northwestern's academic integrity policy](#). All papers submitted for credit in this course must be submitted electronically unless otherwise instructed by the professor. Your written work may be tested for plagiarized content. Any form of cheating, including improper use of content generated by artificial intelligence, constitutes a violation of Northwestern's academic integrity policy. To download Academic Integrity: A Basic Guide go to <https://www.northwestern.edu/provost/policies-procedures/academic-integrity/index.html>

Accessibility Statement

Northwestern University is committed to providing a supportive environment for students with disabilities. Should you anticipate or experience disability-related barriers in the academic setting, please contact [AccessibleNU](#) to move forward with the university's established accommodation process. If you already have established accommodations with AccessibleNU, please let your instructor know as soon as possible, preferably within the first two weeks of the term, so we can work with you to implement your disability accommodations. Disability information, including academic accommodations, is confidential under the Family Educational Rights and Privacy Act.

Diversity, Equity, and Inclusion

Difference enhances both the teaching and learning experiences. The classroom is a space where all students are welcome, regardless of age, dis/ability, ethnicity, gender identity and/or expression, national origin, race, religious non/belief, sex, sexual orientation, socioeconomic status, religious non/belief, and alignment with other identities or contexts. Furthermore, if any student has a particular consideration, including learning and participation style, that affects their ability to meet course expectations, please see me as soon as possible.

I am personally committed to creating and maintaining an inclusive learning environment for each and every student. Please, do not hesitate to contact me with specific needs or concerns, and the sooner the better. Maintaining transparency (and communication in general) with your instructor is not only a good professional skill, but also a good way to develop a more one-on-one relationship. Furthermore, accommodations are far easier and effective to arrange when planned than when rushed. In short, I will make every effort to ensure students' equal access.

Prohibition of Recording of Class Session by Students

Unauthorized student recording of classroom or other academic activities (including advising sessions or office hours) is prohibited. Unauthorized recording is unethical and may also be a violation of University policy and state law. Students requesting the use of assistive technology as an accommodation should contact [AccessibleNU](#). Unauthorized use of classroom recordings – including distributing or posting them – is also prohibited. Under the University's [Copyright Policy](#), faculty own the copyright to instructional materials – including those resources created specifically for the purposes of instruction, such as syllabi, lectures and lecture notes, and presentations. Students cannot copy, reproduce, display, or distribute these materials. Students who engage in unauthorized recording, unauthorized use of a recording, or unauthorized distribution of instructional materials will be referred to the appropriate University office for follow-up.

Support for Wellness and Mental Health

Northwestern University is committed to supporting the wellness of our students. Student Affairs has multiple resources to support student wellness and mental health. If you are feeling distressed or overwhelmed, please reach out for help. Students can access confidential resources through the Counseling and Psychological Services (CAPS), Religious and Spiritual Life (RSL) and the Center for Awareness, Response and Education (CARE). Additional information on all of the resources mentioned above can be found here:

<https://www.northwestern.edu/counseling/>
<https://www.northwestern.edu/religious-life/>
<https://www.northwestern.edu/care/>

Exceptions to Class Modality

Class sessions for this course will occur in person. Individual students will not be granted permission to attend remotely except as the result of an Americans with Disabilities Act (ADA) accommodation as determined by AccessibleNU.

Electronic Etiquette

Cellphones may not be used during class. If you anticipate an important phone call (e.g. family emergency) put your phone on vibrate and leave the classroom, should you need to answer it. Other electronic devices like laptops or tablets are only allowed for classroom purposes. This policy is aimed at providing the best possible learning environment for all students.

Email Communication

All email communication with the professor should include a subject line that begins with PS 341 followed by more specific information regarding the purpose of the email. For example, “PS 341: meeting to discuss paper ideas.” I check email periodically, and you can expect me to respond within 24 hours during the week and 48 hours or more over the weekend or holiday. Yet, if the answers to questions are already found in the syllabus, you may not receive an answer to your email. Always consult the syllabus before emailing a question.

Email is a useful way to ask quick questions. Replying to long questions about the readings/lectures, however, is highly inefficient for both you and me. If you want to talk about something you don’t understand, come to office hours! While I respond to student emails, I prefer to talk in person. Come see me during office hours!

SUMMARY OF KEY DATES

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|----------------|---------------|
| First Midterm | 5/8, in-class |
| Second Midterm | 6/3, in-class |

COURSE SCHEDULE

NOTE: Readings subject to change

4/3 No class: MPSA

Topics 1 & 2: What is IPE

4/8 Lecture: Introduction

4/10 Lecture: Obstacles to cooperation in international economic relations

Assigned readings for topics 1 & 2

- Robert Keohane, "International Institutions: Can Interdependence Work?" *Foreign Policy* (Spring 1998): pp. 82-94.
- Walker, E. T., & Rea, C. M. (2014). The political mobilization of firms and industries. *Annual review of sociology*, 40, 281-304.

Topic 3: Politics of international trade

4/15 Lecture: Politics of international trade before 1939

4/17 Lecture: Politics of international trade after 1945

4/22 Group discussion of the China-WTO accession Case. Read: [Richard Vietor and Julia Galef, "China and the WTO: What Price Membership?" HBS Case 9-707-032 \(rev. April 9, 2008\): pp. 1-27.](#)

Assigned readings for topic 3:

- Ngozi Okonjo-Iweala, "Why the World Still Needs Trade: The Case for Reimagining – Not Abandoning – Globalization," *Foreign Affairs* 102, 4 (2023): pp. 94-103.
- Gowa, Joanne, & Edward Mansfield. 1993. "Power Politics and International Trade." *American Political Science Review* 87(2): 408-420.

Topic 4: International monetary orders

4/24 Lecture: International monetary orders before 1939

4/29 Lecture: International monetary orders after 1945

Assigned readings for topic 4:

- Laiquat Ahamed, "Currency Wars, Then and Now," *Foreign Affairs* (March/April 2011): pp. 92-103.
- Broz, J. Lawrence, & Jeffry A. Frieden. 2001. "The Political Economy of International Monetary Relations." *Annual Review of Political Science* 4: 317-343.

Topic 5: Financial flows and market crises

5/1 Lecture: International monetary disorder in the age of global capital mobility

5/6 Group discussion of the Argentine financial crisis, sovereign debt default and economic recovery case. Read: [Rafael Di Tella and Fernanda Miguel, "Breaking Bad \(the Rules\): Argentina Defaults, Inflates \(and Grows\), 1997-2015." HBS Case 9-714-036 \(August 19, 2019\).](#)

Assigned readings for topic 5:

- Krugman, Paul. "The Return of Depression Economics." *Foreign Affairs*, vol. 78, no. 1, 1999, pp. 56–74. JSTOR

- Frieden, Jeffery A. 1991. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance." *International Organization* 45(4): 425-451.

IN-CLASS MIDTERM SCHEDULED FOR Thursday, May 8

Topic 6: Economic development and foreign economic aid

5/13 Lecture: State-led economic development

5/15 Lecture: Foreign aid and economic development

5/20 Group discussion of the South Korean “growth miracle” case. Read: [Forest Reinhardt, Sophus A. Reinert, Dawn H. Lau, and Jonathan Schleifer, “Korea: The Miracle on the Han River,” HBS Case 9-723-019 \(February 16, 2023\).](#)

Assigned readings for topic 6:

- Easterly, William. “Can Foreign Aid Buy Growth?” *The Journal of Economic Perspectives*, vol. 17, no. 3, 2003, pp. 23–48
- Sarah Blodgett Bermeo, “Aid Allocation and Targeted Development in an Increasingly Connected World,” *International Organization* 71 (2017): pp. 735-66.

Topic 7: Economic statecraft

5/22 Lecture

Assigned readings for topic 7:

- Emma Ashford, “Not-So-Smart Sanctions: The Failure of Western Restrictions against Russia,” *Foreign Affairs* (January/February 2016): pp. 114-123.
- Daniel Drezner, “The United States of Sanctions: The Use and Abuse of Economic Coercion,” *Foreign Affairs* 100 (September/October 2021): pp. 142-154.
- Justyna Gudzowska and John Prendergast, “Can Sanctions be Smart? The Costs and Benefits of Economic Coercion,” *Foreign Affairs* 101 (March/April 2022): pp. 188-193

Topic 8: The link between international commerce and interstate conflict + Does China’s economic rise the decline of the US-central international economic order?

5/27 Lecture

Assigned readings for topic 8:

- Henry Farrell and Abraham Newman, “Weaponized Interdependence: How Global Economic Networks Shape Coercion,” *International Security* 44, 1 (2019): 42-79.
- Michael Beckley, “The Peril of Peaking Powers: Economic Slowdowns and Implications for China’s Next Decade,” *International Security* 48, 1 (Summer 2023): pp. 7-46.

- Wang Jisi, “The Plot Against China? How Beijing Sees the New Washington Consensus,” *Foreign Affairs* 100 (July/August 2021): pp. 48-57.

5/29 Group discussion of the US-China relations and the future of global order case.
Read: [Jeremy Friedman, “The Last Hegemon? US-China Relations and the Future of World Order,” HBS Case 9-718-059 \(12 March 2018\): pp. 1-32.](#)

***Final Exam SCHEDULED FOR Tuesday, June 3 in class ***