

SOSC 4280: China in the Global Political Economy

Dong Zhang

Spring Semester, 2021-2022

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Office Hours: Wednesday 11:00 am–12:00 pm

Class Hours: Monday 9:00–11:50 am

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Course Overview

China's economic integration with the world has transformed the country's domestic political economy. Meanwhile, China's economic ascendancy has reshaped the geopolitical dynamics in the world. This undergraduate seminar is designed to understand China from the global political economy perspective. This course provides a general survey of research in the field of International Political Economy (IPE). IPE involves the study of how domestic and international politics (power, material interests, ideas, norms) influence and are influenced by economic relations between states. We study international trade, international finance, international production, and international development by exploring the cross-border flow of goods, production, capital, and labor from political perspective. The goal of this seminar is to expose advanced undergraduates to the major debates of IPE and help students develop an analytical toolkit to study China's economic engagement with the world.

Enrollment Requirement

To enroll in this course, students must have completed at least ONE of the following courses:

- HUMA 2590: The Making of the Modern World: Renaissance to the Present
- SOSC 1350: Contemporary China: Continuity and Change
- SOSC 2290: Understanding Globalization

Teaching and Learning Activities

This course consists of short lectures, classroom discussions, presentations, and research and writing.

Course Objectives

- Understand the major theoretical debates in the field of international political economy and recognize conflicting perspectives;
- Interpret and critically assess empirical evidence on issues about China and the world;
- Discuss a number of critical global issues which are currently being debated.

Intended Learning Outcomes

By the end of the course, the aim is that students will have improved the ability to:

- Use key concepts and theoretical frameworks from economics and political science to improve the understanding of China and the world;
- Apply critical thinking and analytical writing skills to the study of global political economy;
- Assess the validity of existing arguments based on empirical evidence;
- Develop a logical argument or theory that can be evaluated using evidence.

Assessment of Learning Outcomes

- **Participation (20%):** Students are expected to complete all required readings prior to each meeting. To secure a good participation grade, students are encouraged to make thoughtful contributions to the discussion.
- **Presentation (20%):** Each student will sign up for ONE presentation, which is based on a weekly reading. In a group of two (or three) students, you will make a presentation and lead discussion in each week's seminar. You will be expected to summarize the main arguments in the required reading, critically assess the evidence, and propose several discussion questions. The PowerPoint slides should be submitted to Canvas **no later than 8 PM** the evening before the meeting in which the reading(s) appear.
- **Response Paper (20%):** Students will write ONE response paper reacting to a weekly reading. You **CANNOT** choose the reading you have presented or will present in this course. The response paper should be submitted to Canvas **no later than 8 PM** the evening before the meeting in which the reading(s) appear. The response paper should be in the range of 3–5 pages (Times New Roman, 12-point font, double spaced).
- **Final Paper (40%):** Students will choose one research topic and write a critical literature review, which will assess influential works representing multiple perspectives. This assignment will be due on **Monday, May 16** at noon. Any late submission will be penalized by one letter grade per day (i.e. an A becomes an A-).

Course Materials

There are no required books for this course. All readings will be made available in electronic form through the course website. The seminars will NOT be recorded on video.

Course Schedule and Reading List

Week 1: Introduction

Monday, February 7

- Thomas Oatley, *International Political Economy: Interests and Institutions in the Global Economy* (Pearson Longman, 2012).
 - Chapter 1

Recommended:

- David Lake, "Open Economy Politics: A Critical Review," *Review of International Organizations* 4, (3) 2009: 219–244.
- Thomas Oatley, "The Reductionist Gamble: Open Economy Politics in the Global Economy," *International Organization* 65, (2) 2011: 311–341.
- Kathleen McNamara, "Of Intellectual Monocultures and the Study of IPE," *Review of International Political Economy* 16, (1) 2009: 72–84.
- Emilie M. Hafner-Burton, Stephan Haggard, David A. Lake, and David G. Victor, "The Behavioral Revolution and International Relations." *International Organization* 71, (S1) 2017: S1–S31.

Week 2: Overview of the Contemporary International Economic Order

Monday, February 14

- Jeffrey Frieden, "The Modern Capitalist World Economy: A Historical Overview," in Dennis Mueller, ed., *Oxford Handbook of Capitalism* (Oxford University Press, 2012): Chapter 1

Recommended:

- Jeffrey Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century* (W.W.Norton & Company, 2007)
- Barry Eichengreen, *Globalizing Capital: A History of the International Monetary System* (Princeton University Press, 2008)

Week 3: International Trade I : Domestic Politics

Monday, February 21

- Jieun Lee and Iain Osgood, "Firms Fight Back: Production Networks and Corporate Opposition to the China Trade War," in Etel Solingen, ed., *Geopolitics, Supply Chains, and International Relations in East Asia*. (Cambridge University Press, 2021): Chapter 9

Recommended:

- Ronald Rogowski, "Political Cleavages and Changing Exposure to Trade," *American Political Science Review* 81, 4 (1987): 1121–1137.
- Michael Hiscox, "Class versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55, (1) 2001: 1–46.
- Kenneth Scheve and Matthew Slaughter, "What Determines Individual Trade-Policy Preferences?" *Journal of International Economics* 54, (3) 2001: 267–92.
- Edward D. Mansfield and Diana C. Mutz, "Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety," *International Organization* 63, (3) 2009: 425–57.
- In Song Kim, "Political Cleavages within Industry: Firm-Level Lobbying for Trade Liberalization," *American Political Science Review* 111, (1) 2017: 1–20.

Week 4: International Trade II: State Power and International Institutions*Monday, February 28*

- Markus Brunnermeier, Rush Doshi, and Harold James, "Beijing's Bismarckian Ghosts: How Great Powers Compete Economically," *The Washington Quarterly* 41, (3) 2018: 161–176

Recommended:

- Stephen Krasner, "State Power and the Structure of International Trade," *World Politics* 28, (3) 1976: 317–47.
- Joanne Gowa and Edward Mansfield, "Power Politics and International Trade," *American Political Science Review* 87, (2) 1993: 408–20.
- Christina Davis, "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization," *American Political Science Review* 98, (1) 2004: 153–69.
- Judith Goldstein, Douglas Rivers, and Michael Tomz, "Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade," *International Organization* 61, (1) 2007: 37–67.

Week 5: International Finance*Monday, March 7*

- Eswar Prasad, *Gaining Currency: The Rise of the Renminbi* (Oxford University Press, 2016).
 - Chapter 4

Recommended:

- Dennis Quinn and Carla Inclan, "The Origins of Financial Openness: A Study of Current and Capital Account Liberalization," *American Journal of Political Science* 41, (3) 1997: 771–813.
- Beth Simmons and Zachary Elkins, "The Globalization of Liberalization: Policy Diffusion in the International Political Economy," *American Political Science Review* 98, (1) 2004: 171–189.
- Jeffrey Frieden, "Invested Interests: The Politics of National Economic Policies in a World of Global Finance," *International Organization* 45, (4) 1991: 425–451.
- J. Lawrence Broz, "Political System Transparency and Monetary Commitment Regimes," *International Organization* 56, (4) 2002: 863–889.
- David Steinberg and Krishan Malhotra, "The Effect of Authoritarian Regime Type on Exchange Rate Policy," *World Politics* 66, (3) 2014: 491–529.

Week 6: International Production: Foreign Direct Investment*Monday, March 14*

- Min Ye, *The Belt Road and Beyond State-Mobilized Globalization in China: 1998–2018* (Cambridge University Press, 2020).
 - Chapter 4

Recommended:

- Nathan Jensen, "Democratic Governance and Multinational Corporations: The Political Economy of Foreign Direct Investment," *International Organization* 57, (3) 2003: 587–616.
- Tim Büthe and Helen Milner, "The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science* 52, (4) 2008: 741–62.
- Sonal Pandya, "Democratization and FDI Liberalization, 1970–2000," *International Studies Quarterly* 58, (3) 2014: 475–488.
- Leslie Johns and Rachel Wellhausen, "Under One Roof: Supply Chains and the Protection of Foreign Investment," *American Political Science Review* 110, (1) 2016: 31–51.
- Rachel Wellhausen, "International Investment Law and Foreign Direct Reinvestment," *International Organization* 73, (4) 2019: 839–58.

Week 7: Political Economy of Immigration

Monday, March 21

- Remco Zwetsloot, “Winning the Tech Talent Competition: Without STEM Immigration Reforms, the United States Will Not Stay ahead of China,” *The Center for Strategic and International Studies (CSIS)*, October 2021.

Recommended:

- Ken Scheve and Matt Slaughter, “Labor Market Competition and Individual Preferences over Immigration Policy,” *Review of Economics and Statistics* 83, (1) 2001: 133–145.
- Jens Hainmueller and Michael Hiscox, “Attitudes toward Highly Skilled and Low-Skilled Immigration: Evidence from a Survey Experiment,” *American Political Science Review* 104, (1) 2010: 61–84.
- Kirk Bansak, Jens Hainmueller, Dominik Hangartner, “How Economic, Humanitarian, and Religious Concerns Shape European Attitudes toward Asylum Seekers,” *Science* 354, (6309) 2016: 217–222.
- Jennifer Fitzgerald, David Leblang, and Jessica C. Teets, “Defying the Law of Gravity: The Political Economy of International Migration,” *World Politics* 66, (3) 2014: 406–445.

Week 8: International Development I: Development Ideas and Models

Monday, March 28

- Christopher A. McNally, “Sino-Capitalism: China’s Reemergence and the International Political Economy,” *World Politics* 64, (4) 2012: 741–76.
 - Read pages 741–56

Recommended:

- Dani Rodrik, “Goodbye Washington Consensus, Hello Washington Confusion?” *Journal of Economic Literature* 44, (4) 2006: 973–87.
- Daron Acemoglu, Simon Johnson, and James Robinson, “Institutions as a Fundamental Cause of Long-Run Growth,” in Philippe Aghion and Stephen Durlauf, eds., *Handbook of Economic Growth* (Amsterdam: Elsevier, 2005).
 - Read pages 388–428
- Alexander Gerschenkron, *Economic Backwardness in Historical Perspective: A Book of Essays* (Harvard University Press, 1962).
 - Chapter 1

- Richard Doner, Bryan Ritchie, and Dan Slater, "Systemic Vulnerability and the Origins of Developmental States: Northeast and Southeast Asia in Comparative Perspective," *International Organization* 59: (2) 2005: 327–361.

Week 9: International Development II: Foreign Aid

Monday, April 4

- Deborah Brautigam, *The Dragon's Gift: The Real Story of China in Africa* (Oxford University Press, 2010).
 - Chapter 5

Recommended:

- Bruce Bueno de Mesquita and Alastair Smith, "A Political Economy of Aid," *International Organization* 63, (2) 2009: 309–40.
- Joseph Wright and Matthew Winters, "The Politics of Effective Foreign Aid," *Annual Review of Political Science* 13, 2010: 61–80.
- Ilyana Kuziemko and Eric Werker, "How Much is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations," *Journal of Political Economy* 114, (5) 2006: 905–930.
- James Raymond Vreeland and Axel Dreher, *The Political Economy of the United Nations Security Council: Money and Influence* (Cambridge University Press, 2014).
- Michael Faye and Paul Niehaus, "Political Aid Cycles," *American Economic Review* 102, (7) 2012: 3516–3530.

Week 10: Economic Sanctions

Monday, April 11

- James Reilly, "China's Unilateral Sanctions," *The Washington Quarterly* 35, (4) 2012: 121–133.

Recommended:

- Robert A. Pape, "Why Economic Sanctions Do Not Work," *International Security* 22, (2) 1997: 90–136.
- Colin M. Barry and Katja B. Kleinberg, "Profiting from Sanctions: Economic Coercion and US Foreign Direct Investment in Third-Party States," *International Organization* 69, (4) 2015: 881–912.
- Kerim Can Kavaklı, J. Tyson Chatagnier, and Emre Hatipoğlu, "The Power to Hurt and the Effectiveness of International Sanctions," *The Journal of Politics* 82, (3) 2020: 879–894.

- Elena V. McLean and Taehee Whang, "Economic Sanctions and Government Spending Adjustments: the Case of Disaster Preparedness," *British Journal of Political Science* 51, (1) 2021: 394–411.

***** **No Meeting on April 18: Easter Monday** *****

Week 11: The Backlash against Globalization

Monday, April 25

- Scott Lincicome, "Testing the 'China Shock': Was Normalizing Trade with China a Mistake?" *CATO Institute*, July 2020.

Recommended:

- Italo Colantone and Piero Stanig, "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe," *American Journal of Political Science* 62, (4) 2018: 936–953.
- Diana C. Mutz, "Status Threat, not Economic Hardship, Explains the 2016 Presidential Vote," *Proceedings of the National Academy of Sciences* 115, (19) 2018: 4330–4339.
- J. Lawrence Broz, Jeffrey Frieden, and Stephen Weymouth, "Populism in Place: The Economic Geography of the Globalization Backlash," *International Organization* 75, (S2) 2021: 464–494.
- Helen V. Milner, "Voting for Populism in Europe: Globalization, Technological Change, and the Extreme Right," *Comparative Political Studies* 54, (13) 2021: 2286–2320.
- Dani Rodrik, "Why Does Globalization Fuel Populism? Economics, Culture, and the Rise of Right-Wing Populism," *Annual Review of Economics* 13, 2021: 133–170.

***** **No Meeting on May 2: The day following the Labor Day** *****

***** **No Meeting on May 9: The day following the Birth of the Buddha** *****