

# Global Political Economy

**Root Number:** 441637

**Semester:** Fall semester- HS2021

**ECTS:** 5

**Lecturer:** Prof. Dr. Manfred Elsig

**Dates:** Monday 10:15 – 12:00

**Room:** Silva Casa Auditorium, World Trade Institute, the seminar is offered in a hybrid form

## Course Description

This course provides an introduction into the field of international relations and international political economy. In the first part, the course discusses various theories, analytical frameworks and research programmes with a special emphasis on globalization and cooperation in economic governance. In the second part the history of the world economy's global architecture is discussed and selected research areas presented, such the role of domestic factors, international organizations, new regionalism, trade-labor linkages and development.

## Lecturers

### Manfred Elsig

Manfred Elsig is Professor of International Relations at the World Trade Institute (University of Bern) since 2009. He is the Deputy Director of the WTI and its Director of Research. He studied at the Universities of Bern and Bordeaux and earned a degree in political science. He worked from 1997–1999 at the Swiss Federal Office for Foreign Economic Affairs. He then joined the Political Science Institute of the University of Zurich and received his PhD (Dr. phil) in 2002. From 2002–2004, he worked for UBS financial services group and as a personal advisor to the Minister of Economy of Canton Zurich. Before joining the WTI in 2005, he was a teaching fellow at the London School of Economics and Political Science. His research focuses primarily on the politics of international trade, European trade policy, international organizations, US–EU relations, and private actors in global politics. He has published over 30 peer-reviewed articles.

Guest lecturers:

### Cédric Dupont

Cédric Dupont is Professor of International Relations and Director of Executive Education at the Graduate Institute of International Studies, Geneva. He is a Senior Research Fellow of the Berkeley Asia Pacific Economic Cooperation Study Center (BASC) at the University of California at Berkeley. He has written extensively on regional integration developments in Western Europe, on domestic–international linkages in international negotiations and on game-theoretic modelling in political science. His current research focuses on the political economy of investment arbitration, on the governance of world and regional integration processes and on institutional performance of various international governance arrangements.

### Aydin Yildirim

Aydin Yildirim is a post-doctoral researcher at the World Trade Institute. He is a fellow of the Robert Schuman Centre of the European University Institute (EUI) as well as a Guest Professor at the University of Antwerp in Belgium. Previously he was a fellow of the Nuffield College of the University of Oxford and a Max Weber Fellow at the EUI. He has published on the politics of World Trade Organization dispute settlement and the role of globalization of production on trade policy making. His current research focuses on the role of multinational corporations (MNCs) supply chain networks on global economic governance.

### Patrick Wagner

Patrick Wagner is a post-doctoral researcher at the World Trade Institute. He holds a PhD from the University of Bern. He graduated magna cum laude from University of California, Davis with a Bachelor's in International Relations and finished a Master's degree with Distinction in International Public Policy from University College London. Patrick's research has so far focused on the effects of democratic institutional variation on electoral competition and personnel strategies and, most recently, electoral system variation and international trade policy outcomes. Some of Patrick's areas of theoretical and empirical interest are (though certainly are not limited to) the policy and distributional effects of democratic institutions, the subnational causes and effects of international trade and investment policies, modern monetary theory, and the causes of popular perceptions of redistributive and other economic policies

## Learning Objectives

- Introduction into the field Global Political Economy
- The role and use of theories
- Application of theories in relation to economic policy outcomes

## Exams and Grades

- This final course grade will be made up of two exams: one multiple choice exam and one academic essay.
- Multiple Choice Exam
  - During the exam period in January
  - Weight: one-third of your final GPE grade.
- Seminar Paper
  - Question released after class on 29 November.
  - **Deadline: December 22<sup>nd</sup>, 2021 midnight (GMT+1) via ILIAS**
  - Weight: two-thirds of your final GPE grade.

What is highly recommended is to listen to following podcast:

<https://www.tradetalkspodcast.com/>

## Course Overview

Class	Date	Day	Time	Hours	Lecturer	Topic
1	20. Sep	Monday	9:15- 12:00	2	Manfred Elsig	IR Theories
2	27. Sep	Monday	10:15- 12:00	2	Manfred Elsig	IPE Theories
3	4. Oct	Monday	10:15- 12:00	2	No class	No class
4	11. Oct	Monday	10:15- 12:00	2	Manfred Elsig	Evolution of Trading System
5	18. Oct	Monday	10:15-12:00	2	Cédric Dupont	Evolution of Monetary and Financial System
6	25. Oct	Monday	10:15-12:00	2	Manfred Elsig	Domestic factors of Economic Policy Making
7	1. Nov	Monday	10:15- 12:00	2	Manfred Elsig	International Economic Organizations: The Politics of IO
8	8. Nov	Monday	10:15- 12:00	2	Manfred Elsig	Research on Dispute Settlement and Trade Agreements
9	15. Nov	Monday	10:15- 12:00	2	Manfred Elsig	Preferential Trade Agreements
10	22. Nov	Monday	10:15- 12:00	2	Aydin Yildirim	Globalization of production and MNCs
11	29. Nov	Monday	10:15- 12:00	2	Patrick Wagner	BRICS, Investment and Labor Rights

**SEPTEMBER 20, 2021**

**Manfred Elsig  
IR Theories**

**Topics**

- Introduction to Global Political Economy
- Realism, Liberalism and Social Constructivism

**Compulsory Reading Material**

- Dunne, T. & Schmidt, B. C., "Realism" in Baylis, J. et al. (eds.) *The Globalization of World Politics* (6th edn. OUP 2014) pp. 99-112 (Chapter 6).
- Dunne, T., "Liberalism" in Baylis, J. et al. (eds.) *The Globalization of World Politics* (6th edn OUP 2014) pp. 113-125 (Chapter 7).
- Barnett, M., "Social Constructivism" in Baylis, J. et al. (eds.) *The Globalization of World Politics* (6th edn OUP 2014) pp. 155-168 (Chapter 10).

**SEPTEMBER 27, 2021****Manfred Elsig  
IPE Theories****Compulsory Reading Material**

- Ravenhill, J., "The Study of Global Political Economy", in: Ravenhill, J. (ed.) *Global Political Economy* (3rd edn. OUP 2011) pp.1-28.
- O'Brien, R. & Williams, M., "Theoretical Perspectives", in: O'Brien, R. & Williams, M. (eds.), *Global Political Economy* (Palgrave/Macmillan 2013) pp.5-40.
- Farrell, H. & Newman, A. "Weaponized Interdependence: How Global Economic Networks Shape State Coercion." *International Security*, 2019, 44(1):42-79.

**Optional Reading Material**

- Watson, M., "Theoretical Traditions in Global Political Economy", in: Ravenhill, J. (ed.) *Global Political Economy* (3rd edn OUP 2011) pp. 29-6
- Gilpin, R., "Three Ideologies of Political Economy", in: Gilpin, R. (ed.) *The Political Economy of International Relations* (Princeton University Press 1987) pp. 25-64.

**OCTOBER 11, 2021**  
**Manfred Elsig**  
**Evolution of Trading System**

**Compulsory Reading Material**

- Silke Trommer., "The Evolution of the Global Trade Regime", in: Ravenhill, J. (ed.) Global Political Economy (6<sup>th</sup> edn OUP 2020)
- Elsig, M. & Eckhardt, J., "The Creation of the Multilateral Trade Court: Design and Experiential Learning", World Trade Review, 2015, 14(S1):S13-32

**Optional Reading Material**

- Zeiler, T., "The Expanding Mandate of the GATT, the first seven rounds", in: Narlikar, A., et al. (eds.) The Oxford Handbook on the World Trade Organization (OUP 2012) pp. 102-121.
- Preeg, E., "The Uruguay Round Negotiations and the Creation of the WTO", in: Narlikar, A., et al. (eds.) The Oxford Handbook on the World Trade Organization (OUP 2012) pp. 122-140.

**OCTOBER 18, 2021****Cédric Dupont****Evolution of Monetary and Financial System****Compulsory Reading Material**

- Helleiner, E., "The Evolution of the International Monetary and Financial System", in: Ravenhill, J. (ed.) *Global Political Economy*, (3rd edn OUP 2011) pp. 213-240 (chapter 7).
- Pauly, L. W., "The Political Economy of Global Financial Crises", in: Ravenhill, J. (ed.) *Global Political Economy*, (3rd edn OUP 2011) pp. 241-272 (chapter 8).

**Optional Reading Material**

- Aggarwal, V. K. and Dupont, C., "Collaboration and Coordination in the Global Political Economy," in: Ravenhill, J. (ed.) *Global Political Economy* (3rd edn OUP 2011) pp. 67-95 (chapter 3).
- Eichengreen, B. and Woods, N., "The IMF's Unmet Challenges", *Journal of Economic Perspectives*, Vol. 30(1), 2016, pp. 29-52.
- Reinhart, C. and Trebesch, C., "The International Monetary Fund : 70 Years of Reinvention", *Journal of Economic Perspectives*, Vol. 30(1), 2016, pp. 3-28

**OCTOBER 25, 2021**

**Manfred Elsig**

**Domestic Factors of Economic Policy Making**

### **Compulsory Reading Material**

- Hiscox, M., "The Domestic Sources of Foreign Economic Policies", in: Ravenhill, J. (ed.) *Global Political Economy* (6th edn OUP 2020)

### **Optional Reading Material**

- Allee, T., "The Role of the United States: A Multilevel Explanation for Decreased Support over Trade", in: Narlikar, A., et al. (eds) *The Oxford Handbook on the WTO* (OUP 2012) pp. 235-253.
- Elsig, M., "The EU's Choice of Regulatory Venues for Trade Negotiations: A Tale of Agency Power?", *Journal of Common Market Studies*, 2007, 45(4): 927-48
- Putnam, R., "Diplomacy and Domestic Politics: the Logic of Two-Level Games", *International Organization*, 1988, Vol. 42 (3).



**NOVEMBER 01, 2021****Manfred Elsig****International Economic Organizations: The Politics of IO****Compulsory Reading Material**

- Abbott, K. , Keohane, R., Moravcsik, A., Slaughter, A. M., and Snidal, D. 'The Concept of Legalization', *International Organization*, 2000, 54(3):401–419.
- Elsig, M. 'Principal-Agent Theory and the World Trade Organization: Complex Agency and 'Missing Delegation'', *European Journal of International Relations*, 2011, 17(3):495-517.

**Optional Reading Material**

- Koromenos, B., Lipson, C. and Snidal, D. 'The Rational Design of International Institutions', *International Organization*, 2001, 55(4):761-799.

**NOVEMBER 8, 2021****Manfred Elsig****Research on Dispute Settlement and Trade Agreements****Compulsory Reading Material**

- Elsig, M. and Pollack, M. "Agents, Trustees, and International Courts: Nomination and Appointment of Judicial Candidates in the WTO Appellate Body", *European Journal of International Relations*, 2014, 20(2): 391-415.
- Elsig, M. and Stucky, P. "Low-Income Developing Countries and WTO Litigation: Why Wake Up the Sleeping Dog?", *Review of International Political Economy*, 2012, 19(2):292-316.

**Optional Reading Material**

- Shaffer, G., Elsig, M. and Puig, S. "The Law and Politics of WTO Dispute Settlement", in: Sandholtz, W. and Whytock, C. (eds.), *Research Handbook on the Politics of International Law*, Edgar Elgar Publishing, 2017.
- Allee, T. and Elsig M. "Why Do Some International Institutions Contain Strong Dispute Settlement Provisions? Evidence from Preferential Trade Agreements", *Review of International Organizations*, 2016, 11(1):89-120.

**NOVEMBER 15, 2021**  
**Manfred Elsig**  
**Preferential Trade Agreements**

**Compulsory Reading Material**

- Dür, A., Baccini, L. & Elsig, M., "The Design of International Trade Agreements: Introducing a New Database", *The Review of International Organizations*, Vol. 9(3), 2014, p. 353.
- Allee, T., Elsig, M. and Lugg, A., "The Ties between the World Trade Organization and Preferential Trade Agreements: A Textual Analysis", *Journal of International Economic Law*, Vol. 20(2), 2017, pp. 333-363.
- Allee, T. and Elsig, M. "Are the Contents of International Treaties Copied and Pasted? Evidence from Preferential Trade Agreements", *International Studies Quarterly*, 2019, 63(3):603-13.

**Optional Reading Material**

- Ravenhill, J., "Regional Trade Agreements", in: Ravenhill, J. (ed.) *Global Political Economy* (3rd edn OUP 2011), pp. 173-212.
- Allee, T., Elsig, M. and Lugg, A., "Is the European Union Trade Deal with Canada New or Recycled? A Text-as-data Approach", *Global Policy*, First published: 17 March 2017, DOI: 10.1111/1758-5899.12420

**NOVEMBER 22, 2021****Aydin Yildirim****Globalization of production and Multinational Companies (MNCs)****Compulsory Reading Material**

- Jensen, J., Quinn, D., & Weymouth, S. "The Influence of Firm Global Supply Chains and Foreign Currency Undervaluations on US Trade Disputes." *International Organization*, 2015, 69(4):913-947.
- Yildirim, A.B., Tyson Chatagnier, J., Poletti, A. & De Bievre, D. "The internationalization of production and the politics of compliance in WTO disputes. " *Review of International Organizations*, 2018, 13(1):49-75.

**Optional Reading Material**

Kim, I. S., Milner, H., Bernauer, T., Spilker, G., Osgood, I., & Tingley, D. (2019). Firms' Preferences over Multidimensional Trade Policies: Global Production Chains, Investment Protection and Dispute Settlement Mechanisms. *International Studies Quarterly*.

Plouffe, Michael (2018), 'Heterogeneous Firms and Policy Preference' in *The Oxford Handbook of the Political Economy of International Trade*, edited by Lisa Martin.

**NOVEMBER 29, 2021****Patrick Wagner****BRICS, Investment and Labor Rights****Compulsory Reading Material**

- Greenhill, B., Mosley, L., and Prakash, A. (2009). Trade-based diffusion of labor rights: A panel study, 1986-2002. *American Political Science Review*, 103(4):669-690
- Adolph, C., Quince., and Prakash, A. (2017). The Shanghai Effect: Do Exports to China Affect Labor Practices in Africa? *World Development*, 89:1-18

**Optional Reading Material**

- Malesky, E.J., and Mosley, L. (2018). Chains of Love? Global Production and the Firm-Level Diffusion of Labor Standards. *American Journal of Political Science*, 62(3):712-728.
- Raess, D., Dür, A., and Sari, D. (2018). Protecting labor rights in preferential trade agreements: The role of trade unions, left governments, and skilled labor. *Review of International Organizations*. 13:143-162.