

POL385 International Political Economy: An Introduction to Globalization

NOTE: THIS SYLLABUS IS SUBJECT TO CHANGE

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Office Hours: Monday, 1-2pm
Wednesday, 1-2pm

Lectures: Monday and Wednesday, 10:00 am - 10:50 am
Computer Science Building 104

Precepts: Precept P01 : 11:00 am - 11:50 am M Corwin Hall 023
Precept P02 : 7:30 pm - 8:20 pm M Robertson Hall 006
Precept P03 : 7:30 pm - 8:20 pm T Robertson Hall 006
Precept P04 : 10:00 am - 10:50 am T Firestone Library B06N
Precept P05 : 11:00 am - 11:50 am T Robertson Hall 008
Precept P06 : 1:30 pm - 2:20 pm T Robertson Hall 008
Precept P07 : 7:30 pm - 8:20 pm W Corwin Hall 126
Precept P08 : 7:30 pm - 8:20 pm Th Corwin Hall 126

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This course is a survey: it provides an introduction to the contemporary international political economy, and specifically, to economic globalization. Readings and lectures establish basic theoretical and empirical knowledge to consider the following types of questions: What is Globalization? Does globalization work? Who wins and who loses from globalization of trade and finance? Who sets the rules? How powerful are international organizations like the World Trade Organization, the International Monetary Fund or Multinational Corporations? Is regionalism a boon or bane for multilateralism? What are the social justice implications of globalization? Does foreign aid work? Are developing countries benefiting or losing from globalization? Our focus will be on current politics and practices and the course will include a live simulation of WTO trade round negotiations.

This course counts towards WWS disciplinary perspectives requirement. Pass/Fail Option is available.

Course requirements: All students are required to attend and participate in ALL lectures and precepts and to come to class prepared to discuss the assigned readings.

Reading Assignments: Approximately 150 to 200 pages per week. All students are encouraged to read the *Financial Times* and the *Wall Street Journal* on a regular basis to be up to date on current events.

Writing Assignments: Weekly assignments are due in precepts and a mid-term exam (take home, 10 pages) and final paper (10-15 pages) are required. **NOTE: print all assignments on paper. Use your Princeton ID to identify your assignments. DO NOT USE YOUR NAME.**

Course Materials: All course materials are on reserve at the library or are available electronically. I strongly recommend students purchase the following books:

C. Roe Goddard, Patrick Cronin & Kishore C. Dash, eds. 2003. *International Political Economy: 2nd Edition*. Boulder: Lynne Rienner Publishers.

Jeffrey Frieden & David Lake, eds. 2000. *International Political Economy: 4th Edition*. Wadsworth Press. HF1411 .I51757 2000

Robert Gilpin. 2001. *Global Political Economy*. Princeton University Press. HF1359 .G5516 2001

Martin Wolf. 2004. *Why Globalization Works*. Yale University Press.

Atul Kohli. 2004. *State Directed Development: Political Power and Industrialization in the Global Periphery*. Cambridge University Press.

Grading: Final grades will reflect four areas of achievement: (1) class participation (including attendance in lecture and precept) (10%), (1) precept assignments (30%), (3) a midterm exam (30%) and (4) a final paper in lieu of a final exam (30%). Grading scale is 0 to 100 points per assignment. Students must pass **ALL** four areas of achievement in order to pass this course. (So, if you get 100 points on all your papers but do not come to class, you will not pass this course.) Precept assignments will vary weekly and will be discussed in class. The take home mid-term exam is short essay. Students are required to answer 2 out of 3 questions provided on the exam. The exam will be handed out in class on Monday, October 22nd and be due in print to your preceptor by noon on Thursday, October 25th. Mid-term exams that exceed ten double-spaced pages will not be accepted. The final exam is a 10 to 15-page essay on the results of the in-class simulation. Papers are due in print to the preceptor by Monday, January 21st. All written assignments in this course will be graded for substance as well as for quality of writing, so be sure to make use of the Writing Center (<http://web.princeton.edu/sites/writing/>).

SECTION ONE - COURSE INTRODCUTION

Monday, September 17th: An Introduction to the International Political Economy

Robert Gilpin, The Nature of Political Economy, chapter 1 in Goddard, Cronin & Dash.

Benjamin R. Barber, Jihad vs. McWorld, The Atlantic Monthly, March 1992:
<http://www.theatlantic.com/doc/199203/barber>

SECTION TWO - THEORIES OF INTERNATIONAL POLITICAL ECONOMY

Wednesday, September 19th: Liberalism

Jeffry A. Frieden and David A. Lake, International Politics and International Economics, in Goddard, Cronin & Kishore, chapter 2, pp.25-32.

Adam Smith, Excerpts from the Wealth of Nations, in Goddard, Cronin & Kishore, chapter 3, pp.33-47.

Richard Rosecrance, The Rise of the Virtual State, in Goddard, Cronin & Kishore, chapter 6, pp.71-83.

J. Bradford DeLong. 1999. Globalization and Neoliberalism. Chronicle of Higher Education: http://econ161.berkeley.edu/Econ_Articles/Reviews/alexkafka.html

Suggested: Milton Friedman. 1982. Capitalism and Freedom (Pheonix Books). Introduction

THERE IS NO PRECEPT THIS WEEK. ASSIGNMENTS BEGIN NEXT WEEK.

Monday, September 24th: Realism

Alexander Hamilton, Excerpts from Reports on Manufactures, in Goddard, Cronin & Kishore, chapter 7, pp.85-98.

Robert O. Keohane, The Theory of Hegemonic Stability and Changes in International Economic Regimes, 1967-1977, in Goddard, Cronin & Kishore, chapter 8, pp.99-117.

Robert O. Keohane and Joseph S. Nye, Realism and Complex Interdependence, in Goddard, Cronin & Kishore, chapter 4, pp.49-58.

*Realism vs. Cosmopolitanism: A debate between Barry Buzan and David Held, conducted by Anthony McGrew, Polity Press, December, 1996:
<http://globalpolicy.igc.org/nations/future/rvsc.htm>*

Wednesday, September 26th: Marxism and Dependency

Karl Marx and Friedrich Engels, Excerpts from Capital and Communist Manifesto, in Goddard, Cronin & Kishore, chapter 11, pp.151-165.

Theotonio dos Santos, The Structure of Dependence, in Goddard, Cronin & Kishore, chapter 12, pp.167-177.

Samir Amin, The Future of Global Polarization, in Goddard, Cronin & Kishore, chapter 13, pp.179-189.

*Douglas Kellner, Globalization and the Postmodern Turn:
<http://www.gseis.ucla.edu/courses/ed253a/dk/GLOBPM.htm>*

WEEKLY PRECEPT ASSIGNMENT: write a one-page (single spaced, 12-point font, 1 inch margins) response to J. Bradford DeLong's essay on neoliberalism. Take a Liberal, Realist or Marxist position on his main claims and argue your point, for example, explaining why he is right or wrong about certain claims and why. Use (and cite) course materials to make your argument. Don't just state opinions; make arguments for or against a claim and back them up with evidence. Use (formal) citations. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

SECTION THREE - THE POLITICS OF GLOBALIZATION

Monday, October 1st: Globalization and the Nation State

Dani Rodrik, Sense and Nonsense in the Globalization Debate, in Frieden and Lake, pp.461-471.

Stephen D. Krasner, Sovereignty, in Goddard, Cronin & Kishore, chapter 10, pp.139-149.

Kenichi Ohmae, The End of the Nation State, chapter 1

Paul Hirst and Grahame Thompson, Globalization and the History of the International Economy, in Hirst & Thompson, Globalization in Question, chapter 2.

Foreign Policy, Measuring Globalization: Who's Up, Who's Down?:
<http://www.foreignpolicy.com/wwwboard/g-index.php>

Wednesday, October 3th: In Defense of Globalization

Jagdish Bhagwati, Anti-Globalization: Why? In Defense of Globalization, chapter 1, pp:3-27.

Martin Wolf, Will the Nation-State Survive Globalization? Foreign Affairs (2001), pp.178-190.

Martin Wolf, Traumatized by Trade, in Why Globalisation Works, chapter 10, pp.173-219.

WEEKLY PRECEPT ASSIGNMENT: You write for the New York Review of Books. (If you don't know what book reviews look like, see: <http://www.nybooks.com/>). Write a short (no more than one-page, single spaced, 12-point font, 1 inch margins) book review entitled: The Nation State is Dead? You will review Ohmae and Hirst and Thompson. Make your own argument about the quality of their arguments and defend your case; do NOT just rehearse their arguments. Explain why they are right or wrong. Use evidence. Use (formal) citations and rely on course materials we have already covered. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

Monday, October 8th: Globalization and Its Discontents

Joseph Stiglitz, Globalization and its Discontents, preface, chapter 1, pp. 3-22 and chapter 3, pp.53-88.

Paul Krugman, We Are Not the World, New York Times, February 13, 1997

David Held, Global Left Turn, Prospect, January 2005

In the shadow of prosperity: Hard truths about helping the losers from globalization, The Economist, Jan 18th 2007:

http://www.economist.com/PrinterFriendly.cfm?story_id=8548661

SECTION FOUR - THE POLITICS OF FREE TRADE

Wednesday, October 10th: The World Trading System

*Paul Krugman, What Do Undergraduates Need to Know About Trade? NBER:
<http://www.nber.org/~rosenbla/econ110/lecture/krugman.htm>*

Stephen Krasner, State Power and the Structure of International Trade, in Frieden & Lake, pp. 19-36.

Robert Gilpin, Global Political Economy, chapter 8.

Theodore H. Cohen, Global Trade Relations, in Global Political Economy, chapter 8, pp. 221-266.

Marcus Noland, Learning to Love the WTO, Foreign Affairs (1999) 78(5): 78-92.

Carla A. Hills, The Stakes of Doha, Foreign Affairs (2005) December.

Charlene Barshefsky, With or Without Doha, Foreign Affairs (2005) December.

WEEKLY PRECEPT ASSIGNMENT: You have two choices. (1) You are Martin Wolf. Write a letter to Joseph Stiglitz (watch out, it may get published in the Wall Street Journal, so be nice!) responding to his book, *Globalization and its Discontents*, and explaining where he is wrong and why. (2) You are Joseph Stiglitz. Write a letter to Martin Wolf (watch out, it may get published in the Financial Times, so be polite!) responding to his book, *Why Globalisation Works*, and explaining where he is wrong and why. Your letter should be short (no more than one-page, single spaced, 12-point font, 1 inch margins) and explain why your opponent is right or wrong. Use evidence if you can. Use (formal) citations. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

Monday, October 15th: The Regional Trading System

Theodore H. Cohen, Regionalism and the Global Trade Regime, in Global Political Economy, chapter 9, pp. 267-311.

Robert Gilpin, Global Political Economy, chapter 13, pp.341-376.

Edward Mansfield and Helen Milner, The Political Economy of Regionalism, chapter 1.

Visit: http://www.ustr.gov/Trade_Agreements/Regional/Section_Index.html

The trade two-step, The Economist, Apr 4th 2007:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=8960705

Wednesday, October 17th: Protectionism

Jagdish Bhagwati, Protectionism, chapters 1 and 3, pp. 1-15 and 43-59.

Daniel Drezner, The Outsourcing Bogyman, Foreign Affairs (2004) May/June.

Alan S. Blinder, Offshoring, the Next Industrial Revolution?, Foreign Affairs (2006) March/April.

Kenneth F. Scheve and Matthew J. Slaughter, A New Deal for Globalization, Foreign Affairs, July/August 2007:

<http://fullaccess.foreignaffairs.org/20070701faessay86403/kenneth-f-scheve-matthew-j-slaughter/a-new-deal-for-globalization.html?mode=print>

Food safety clash tells of trade battles ahead, By Alan Beattie,

Financial Times, July 31 2007: <http://www.ft.com/>

Apec warns on rise in protectionism, By Peter Smith, Financial Times, 3 August, 2007:

<http://www.ft.com/cms/s/afb05acc-4195-11dc-8328-0000779fd2ac.html>

WEEKLY PRECEPT ASSIGNMENT: This week is a case study of the Doha Trade Round. Read the short articles listed below and any other materials you choose on the Round. (There will be more recent materials than these articles. Find them!) Write a short (no more than one-page, single spaced, 12-point font, 1 inch margins) policy memo entitled: Why Doha Failed. Explain the outcome of Doha and state an argument explaining what happened. Who was at fault? Which issues were the real problems? Use (formal) citations to the works you draw from. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

The future of globalization: The wrecking of the world trade talks was senseless and short-sighted, The Economist, Jul 27th 2006:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=7223846

In the twilight of Doha, The Economist, Jul 27th 2006:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=7218551

Trade talks, Mangling trade, The Economist, Jun 28th 2007:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=9414428

Potsdam's price, The Economist, Jun 28th 2007:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=9409117

The Doha trade round: Just do it, The Economist, Jan 11th 2007:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=8522303

-----**MID TERM**-----

Monday, October 22nd: TAKE HOME MID TERM POSTED ON BLACKBOARDS. NO LECTURE

Wednesday, October 24th: NO LECTURE

Thursday, October 25th: TAKE HOME MID TERM DUE TO PRECEPTOR IN PRINT by 12:00pm

-----FALL BREAK-----

SECTION FIVE – GLOBALIZATION AND SOCIAL JUSTICE

Monday, November 5th: Social Justice At Risk—the environment and human rights

Peter Dauvergne, Globalization and the environment, Chapter 14:
www.politics.ubc.ca/fileadmin/template/main/images/departments/poli_sci/Faculty/dauvergne/15_Cha14.pdf

Robert J.S. Ross and Anita Chan, From North-South to South-South: The True Face of Global Competition, Foreign Affairs, September/October 2002.

Kevin P. Gallagher, Free Trade and the Environment: Mexico, NAFTA, and Beyond:
<http://ase.tufts.edu/gdae/Pubs/rp/NAFTAEnviroKGamerProgSep04.pdf>

Paul Krugman, What Should Trade Negotiators Negotiate About? A Review Essay:
<http://economics.about.com/gi/dynamic/offsite.htm?zi=1/XJ&sdn=economics&z=1/3A%2F%2Fweb.mit.edu%2Fkrugman%2Fwww%2Fnegot.html>

Ralph Nader, interview, Consumer Advocate (1998):
<http://www.globalvision.org/program/globalization/nader.html>

Wednesday, November 7th: Social Justice Defended

Joseph E. Stiglitz and Andrew Charlton, Trade Can be Good for Development, in Fair Trade For All, chapter 2, pp.12-40.

Martin Wolf, Incensed about inequality, Why Globalization Works, chapter 9, pp.138-172.

Emilie M. Hafner-Burton, Trading Human Rights: How Preferential Trade Agreements Influence Government Repression, International Organization, 2005, 59(3), pp. 593-629.

For more information on Globalization and Human Rights, see: Alison Brysk, Globalization and Human Rights, Introduction:
<http://www.ucpress.edu/books/pages/9595/9595.intro.html>

WEEKLY PRECEPT ASSIGNMENT: *In What Should Trade Negotiators Negotiate About?*, Paul Krugman tells us that, “If economists ruled the world, there would be no need for a World Trade Organization.” Thankfully, they don’t. This week, you are Pascal Lamy, the Director-General of the World Trade Organization. Write a policy statement to the Foreign Ministers of all your members (that is, all the countries that belong to the WTO) explaining whether social justice issues – such as the environment, human rights, worker’s rights, and poverty – should or should not become part of international trade negotiations and why. The memo should be short (no more than one-page, single spaced, 12-point font, 1 inch margins). It should be clear, concise, state an argument, and explain why. It should cite relevant materials and evidence. Use (formal) citations to the works you draw from. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

ALSO: Your preference for simulation roles is due in writing to your preceptor in precept.

SECTION SIX - THE INTERNATIONAL FINANCIAL INSTITUTIONS

Monday, November 12th: International Monetary Fund
Guest Lecturer: Professor James Vreeland, Yale University.

James Raymond Vreeland. 2007. The International Monetary Fund: Politics of Conditional Lending. Chapter 1.

Martin Feldstein, Refocusing the IMF, Foreign Affairs (1998) 77(2), pp.20-33.

Kenneth Rogoff, The IMF Strikes Back, Foreign Affairs (2003) January/February.

Martin Wolf, Fearful of Finance, in Why Globalisation Works, chapter 13, pp.278-304.

Flemming Larsen, Globalization, the NGOs, and the IMF: A New Dialogue, Op-ed, Le Monde (English Translation), September 19th, 2000:
<http://www.imf.org/external/np/vc/2000/091900.htm>

The International Monetary Fund: Fait accompli, The Economist, Jul 12th 2007:
http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=9475787

IMF quotas: Monetary misquotations, The Economist, Aug 24th 2006:
http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=7843295.

Wednesday, November 14th: World Bank
Guest Lecturer: Susan Aaronson

Robert Picciotto, A New World Bank for a New Century, in Goddard, Cronin & Dash, pp. 341-352.

Jessica Einhorn, Reforming the World Bank, Foreign Affairs, January/February 2006.

Visit: <http://www.worldbank.org/>

The World Bank Right, second time, The Economist, May 31st 2007:

http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=9257627

WEEKLY PRECEPT ASSIGNMENT: Read *How to Rebuild Africa*, by Stephen Ellis. Ellis tells us that, to help Africa, the World Bank and the International Monetary Fund must be brought onboard. This week, you work for either the IMF or the World Bank. (Your choice.) You are on the Africa desk. Write a policy statement to your board members (that is, all the member countries that belong to these institutions) explaining what role your institution can, and cannot, play in rebuilding Africa. The memo should be short (no more than one-page, single spaced, 12-point font, 1 inch margins). It should state (1) the problem to be solved, (2) what the institution should do, and (3) the potential mistakes to avoid and why. It should cite relevant materials and evidence. Use (formal) citations to the works you draw from. Come to class ready to state your case. Identify yourself by your Princeton University ID. **DO NOT USE YOUR NAME.**

Stephen Ellis, How to Rebuild Africa, Foreign Affairs, September/October 2005:

<http://fullaccess.foreignaffairs.org/20050901faessay84511/stephen-ellis/how-to-rebuild-africa.html?mode=print>

SECTION SEVEN – FOREIGN AID

Monday, November 19th: Foreign Aid

Globalization: Foreign Investment and Foreign Aid, Chapter 13, The World Bank:
www.worldbank.org/depweb/english/beyond/beyondco/beg_13.pdf

Nancy Birdsall, Dani Rodrik, and Arvind Subramanian, How to Help Poor Countries, Foreign Affairs (2005) July/August.

Carol Lancaster, Redesigning Foreign Aid, Foreign Affairs (2000), September/October.

William Easterly, The Legend of the Big Push, in The White Man's Burden, chapter 2, pp. 37-59.

Curt Tarnoff and Larry Nowels, Foreign Aid: An Introductory Overview of US Programs and Policy, A CRS Report for Congress: <http://usinfo.state.gov/usa/infousa/trade/files/98-916.pdf>

Your simulation roles will be posted on blackboards today.

-----THANKS GIVING BREAK-----

Wednesday, November 21st: THANKSGIVING BREAK (NO CLASS)

HAPPY THANKSGIVING! NO PRECEPT OR ASSIGNMENT

SECTION EIGHT – GEOPOLITICS AND THE DEVELOPING COUNTRIES

Monday, November 26th: Economic reemergence of Asia and the implications for the US
Guest Lecture: Daniel Kliman

Steven Radlett and Jeffrey Sachs, Asia's Reemergence, Foreign Affairs, November/December 1997
<http://www.foreignaffairs.org/19971101faessay3810/steven-radelet-jeffrey-sachs/asia-s-reemergence.html>

Goldman Sachs Global Economic Paper no. 99, Dreaming with the BRICS: the Path to 2050, October 1, 2003
<http://www2.goldmansachs.com/insight/research/reports/99.pdf>

Thomas Friedman, The World is Flat, 250-275 (Chapter 7: The Quiet Crisis)

Adam Segal, Is America Losing It's Edge?, Foreign Affairs (November/December 2004)
<http://www.foreignaffairs.org/20041101facomment83601/adam-segal/is-america-losing-its-edge.html>

Nicholas Kristof, Kaifeng on the Hudson, New York Times, May 22, 2005

Wednesday, November 28th: China
Guest Lecture: Kristina Johnson

Speech by Deputy Secretary of State Robert Zoellick to the National Committee on U.S.-China Relations Gala Dinner, September 21, 2005:
http://hongkong.usconsulate.gov/uscn_state_2005092101.html

C. Fred Bergsten et al., "China in the World Economy: Opportunity or Threat?" Chapter 4 in China: The Balance Sheet. Institute for International Economics and Center for Strategic and International Studies: New York.

David Zweig and Bi Jianhai, "China's Global Hunt for Energy," Foreign Affairs September/October 2005

PRECEPT: Discussion and preparation for simulation. You are to hand in a one-page (single-spaced) policy paper in preparation for the domestic caucus part of the simulation. Instructions are found at the end of this syllabus. **YOU MAY USE YOUR NAME.**

Friday, December 1st, 12:00pm to 2:00pm: FILM PRESENTATION. Darwin's Nightmare. Dodds Auditorium

Monday, December 3rd: India and Africa
Guest Lecturer: Shahana Chattaraj

Kohli, Atul. State Directed Development: Political Power and Industrialization in the Global Periphery, Introduction: pages 1-27, Chapter 3: pages 221-291, Chapter 4: pages 291-267.

Goldstein, Pinaud, Reisen and Chen. The Rise of China and India: Whats in it for Africa? OECD. 2006 - summary 5 pages.

The great unraveling, Jan 18th 2007, The Economist:
http://www.economist.com/research/articlesBySubject/PrinterFriendly.cfm?story_id=8548670

SECTION NINE – MULTINATIONAL CORPORATIONS

Wednesday, December 5th: Multinational Corporations and Corporate Social Responsibility

Richard Caves, The Multinational Enterprise as an Economic Organization, in Frieden & Lake, pp. 145-155.

Gilpin, Global Political Economy, chapter 11, pp. 278-304.

Martin Wolf, Cowed by Corporations, in Why Globalisation Works, chapter 11.

George C. Lodge, The Corporate Key: Using Big Business to Fight Global Poverty, Foreign Affairs, July/August 2002.

Ethan B. Kapstein, The Corporate Ethics Crusade, Foreign Affairs (2001) September/October.

United Nations Global Compact: Third world way, The Economist, Jul 20th 2007:
http://www.economist.com/business/globalexecutive/PrinterFriendly.cfm?story_id=9531002

WEEKLY PRECEPT ASSIGNMENT: This week, you write for the Financial Times, editorial page. (<http://www.ft.com/home/us/>). Write a short (no more than one-page, single spaced, 12-point font, 1 inch margins) op-ed, entitled: *Should We Fear Globalization?* Think about what you have learned in this course and make an argument about what globalization means, how we should think about it, what benefits it brings and for whom, and what risks and dangers it creates.

State your argument and explain it using evidence. Use (formal) citations and rely on course materials we have already covered. Come to class ready to state your case.

SECTION TEN – SIMULATION

Monday, December 3rd: Meetings with Heads of State. 5:00pm to 7:00pm

Friday, December 7th: Simulation Day 1. 3:00pm to 12:00am (or longer)

Saturday, December 8th: Simulation Day 2. 9:00am to 5:00pm

Monday, December 10th: Simulation De-Briefing. Normal class time and location

No Readings.

Wednesday, December 12th: Conclusion. Normal class time and location

No Readings.

NO PRECEPT THIS WEEK

-----**FINAL EXAM**-----

Final take home essay exam handed out in class, Wednesday, December 13th. It is due, in print to your preceptor, by noon on January 21st.

POL 385: Introduction to International Political Economy Simulation Instructions: World Trade Organization Ministerial Talks

1. Overview

Fourteen states have agreed to meet at Princeton University between December 7th and 8th. These states are Brazil, Britain, China, Colombia, France, Germany, India, Japan, Jordan, Madagascar, Norway, South Africa, USA, and Vietnam. This round of talks is designed to resolve the ongoing tensions surrounding a WTO trade round and to come to agreement on four issues:

- (1) What level should be set for domestic farm subsidies for cotton, sugar and corn? (See for background: <http://www.iht.com/articles/2007/06/21/business/wto.php>)
- (2) Should the WTO create an International Investment Agreement? (See for background: www.iisd.org/pdf/2003/investment_riia_iisd.pdf)
- (3) Should the WTO create core labor standards? (See for background: http://www.wto.org/english/thewto_e/coher_e/wto_ilo_e.htm)
- (4) Should the WTO create environmental standards? (See for background: [Environmentalhttp://www.wto.org/english/tratop_e/envir_e/envir_e.htm](http://www.wto.org/english/tratop_e/envir_e/envir_e.htm))

2. Protocol

As this is a top-level diplomatic meeting, all delegates must be dressed in Western business attire for all meetings. (Even the NGOs and farmers.) Each delegation should have a primary cell phone contact that will be shared with other delegations so that negotiations between delegations can be arranged. All delegations must monitor their email accounts (which will be provided to them) during negotiations for the same reason. All negotiations and communications should be conducted diplomatically.

3. Communication

All communication regarding the simulation must be recorded for the purpose of creating a historical record (from which you will be writing your final papers). For this purpose, an email address has been set up for each country (XXX@gmail.com, where XXX is the name of your country) in the simulation for all official communications with other delegations and with the head of state (who will have an email address HOSXXX@gmail.com, where HOS stands for Head of State XXX is the name of your country). All emails to and from your head of state must be sent from this official delegation email address to the official head of state email address; all other communication will be assumed to be from WTO protestors and will be immediately discarded. These email addresses, with passwords, will be handed over to the delegation chairs during class on Wednesday, November 28th, along with head of state emails. Interest groups from different countries will not be given their own emails; any communication between these groups across national borders will take place informally.

During ALL STAGES: No delegation member should make a concession, or promise another delegation to make a concession, without written approval from its head of state. These are obtained by sending a confidential email to the head of state (HOSXXX@gmail.com). All emails must comply with regulations. The head of state will send an email reply as quickly as possible.

The initial meeting for each country delegation with the head of state on **Monday, December 3rd** is listed below, along with locations for the meetings. These dates are NOT NEGOTIABLE, so please arrange your schedules in advance to be there. Preparations for this meeting are explained below.

5:00pm-5:30pm

Brazil, room 10 Roberston
Colombia, room 12 Roberston
India, room 14 Roberston
Madagascar, to be announced

5:30pm – 6:00pm

Britain, room 10 Roberston
France, room 12 Roberston
Germany, room 14 Roberston
Norway, to be announced

6:00pm-6:30pm

China, room 10 Roberston
Japan, room 12 Roberston
Jordan, room 14 Roberston
EU, to be announced

6:30pm – 7:00pm

USA, room 10 Roberston
Vietnam, room 12 Roberston
South Africa, room 14 Roberston
WTO Director General, to be announced

4. Position Memo (all except chair of delegation and WTO Director General):

You must collect information about your ministry or organization's likely views on the WTO trade round. Focus on your organization's interests and expertise: What would your organization support? What information would it emphasize regarding the four issues under consideration? Then write a memorandum to your delegation chair. (The EU representative will send his/her memo to the delegation chairs of all EU Member States.) This memorandum should be no longer than 2 pages, single-spaced, 12-point font. It is due no later than 12 PM, Wednesday, November 28th, and should address all the following questions from the perspective of your organization. Email a copy of this memorandum to 1) the head of state (HOSXXX@gmail.com) and 2) your country's email account (XXX@gmail.com). This memorandum should consider the four issues under negotiation and discuss: What positions do you advocate, given your organization's interests? What specific goals does your organization want to be achieved? Are those goals achievable in this conference? What is your specific advice to the delegation chair on strategies to maximize the chances of achieving these goals?

5. Memo (chair of delegation only)

By 5 PM, Sunday, December 2nd, the delegation chair will have composed a synthesis of all the memoranda representing the coherent objectives of their country. This synthesis should be no longer than 3 pages, single-spaced, 12-point font. Email a copy of this memorandum from your country's email account (XXX@gmail.com) to the head of state (HOSXXX@gmail.com) and the rest of your delegation. The delegation chair must also make a five-minute presentation to the head of state and be prepared to answer questions about the state's position. These presentations will take place on Monday, December 3rd between 5:00pm and 7:00pm. (Times and locations for each meeting are listed above.) In this meeting, the delegation chair will be given further instructions from the head of state and will prepare a 5-minute speech for the opening plenary session. The EU representative and the WTO Director General are expected to write memos outlining the objectives of their position in this negotiation.

6. Assignment (all)

This simulation will be the basis for your final exam. You will have until 12 PM on January 21st, 2008 to complete the assignment. Write a formal essay explaining the negotiations, analyzing the issues at stake and accounting for why the negotiations ended the way they did using the materials we have studied in class. This assignment, no more than 15 pages double-spaced (edited, properly formatted, and properly cited), should be based on the simulation negotiation record contained in email correspondences and any official documents passed by the body, as well as any relevant course materials. It should do the following, concisely:

- 1) explain in a paragraph or less the outcome of the simulation negotiations;
- 2) explain why these kind of negotiations are important – what role the WTO plays in globalization of the world economy and why state consensus on the rules is important;

3) explain, in brief, the nature of the four issues at stake in these negotiations – what is being debated (be sure here that you don't just tell me that "labor issues" are being debated, but rather that you explain why these issues are being debated, what is at stake and for whom, and why it matters);

4) explain the outcome of your simulation – why did the outcome happen, whose interests were being represented, who blocked which issues, who was able to compromise on which issues and why?;

and finally, 5) compare the outcome of this simulation to the outcome of the real Doha Round and explain where and why they are different. Don't tell me they are different. Explain why.

7. Timeline

Week of November 5th: You must choose your three preferred countries and three roles to play during the simulation. You will be assigned one of each. They are due to your preceptor in precept. Your choices are:

Positions (choose three): Head of Delegation, Minister of Agriculture, Minister of Labor, Minister of Environment, Left-leaning Member of the Legislature, Right-leaning Member of the Legislature, Big Business Lobby, Anti-Globalization Protestor

Countries (choose three): Brazil, Britain, China, Colombia, France, Germany, India, Japan, Jordan, Madagascar, Norway, South Africa, USA, and Vietnam

Wednesday, November 28th: Memos to Delegation Chairs due by 12pm by email. (You must also copy your Head of State on these memos to get credit for the assignment.)

Sunday, December 2nd: Delegation Chairs' Memos to Heads of State due by 5pm by email.

Monday, December 3rd: Delegations meet with Heads of State, 5pm to 7pm. (EXACT times and locations are listed above.) Delegations will meet with their head of state. Hard copies of the memoranda will be turned in at this time AND send to the head of state by email. This meeting will begin with a short (5 minute) briefing by the delegation chair for the head of state. All delegates (not just the chair) should be prepared to answer questions from the head of state regarding their state's policies as well as their ministry's position. The head of state will then respond to the delegation chair's memorandum and dictate instructions for the conference. By begin of negotiations on Friday, December 7th the delegations will have arrived at a coherent negotiation objective which conforms to the head of state's instructions.

Friday, December 7th: Plenary. Frist Campus Center, Lecture Hall 302

3:00pm to 4:30pm: Opening statements. WTO Director-General will give an opening speech outlining the situation and the objectives of the negotiations. All delegation chairs (or chosen deputies) will then present their positions in official opening statements, of no longer than 5 minutes, at the plenary meeting. This will give all participants the opportunity to hear the opening positions of all other delegations and their conference goals. A powerpoint projector and an overhead projector will be available. Chairs are advised to bring copies of their speech for all other delegation chairs, and to send them to the other delegations via email. They must also send copies to their heads of state.

4:30pm to 6:00pm: First plenary. Negotiations begin officially after these opening statements. Not all delegation members have to participate in all meetings, but all members should remain informed of the negotiation status at all times. We recommend that delegations hold regular debriefing sessions for their members.

6:00pm to 7:00pm: Delegations will meet again for a second plenary session. Delegations should be prepared to refine their opening statements and indicate whether their positions have shifted for this session. Updates on world events, if necessary, will also be made at this time. Delegations should keep their heads of state (who will not be at the negotiations) up to date at all times. They should send in a formal update to their heads of state by 7:00pm, which should be sent by email to HOSXXX@gmail.com for each country.

7:00pm to --- : Delegations are expected to continue negotiating into the night.

Saturday, December 8th: Plenary. Frist Campus Center, Lecture Hall 302

9:00am to 12pm: Negotiations may begin as early as desired on Saturday morning, or more likely will still be continuing from the previous evening.

12:00pm to 1:00pm: The first plenary session will take place in Frist Campus Center, Lecture Hall 302. All members of all delegations must assemble in the meeting hall at noon for an opening plenary. At this time, delegation chairs (or chosen deputies) will present their updated positions in official statements, of no longer than 5 minutes. Updates on world events, if necessary, will also be made at this time.

From noon on Saturday until the expected last plenary of the conference (5:00pm), delegations are free to continue negotiating.

1:00pm to 3:00pm: The second plenary session will take place in Frist Campus Center, Lecture Hall 302.

3:00pm to 5:00 pm: The third plenary session will take place in Frist Campus Center, Lecture Hall 302. Email contact with your heads of state cease!

5:00pm: The final plenary session will take place in Frist Campus Center, Lecture Hall 302. By the end of the exercise, parties are expected to arrive at a written resolution that will be voted on. Side agreements may also be made that do not require the blessing of the entire conference. Should no text be agreed on, negotiations will have collectively failed. Delegations can decide to extend the sessions, but not beyond **10:00pm** on Saturday.

Monday, December 10th: Discussion of Simulation (regular class). There are no readings, but also no lectures for this day. Come to class prepared to talk about what happened and why, whose interests were most represented and why, and how the negotiations could have gone differently. This is the last time we will meet before you write the exam.