1. Statement of purpose

The major issues of our times involve emerging economic powers. Economic power has always been a fundamental basis for national stature, but not in a predictable way. In this course, we will explore how economic levers and status bring influence in the world, and change how nations deal with each other.

2. Specific course goals

Economic growth translates into political and diplomatic influence in the world. To understand these interconnections, we will examine various levers of economic influence and see how they have been used and how effective they’ve been in the past. We will study the shifts in power and wealth that are happening in the world. After working through a number of specific areas, we will apply these specifics to an overall look at China as it becomes the world’s largest economy. We will examine the difference that this evolution might make for the United States and other traditional powers.

3. Teaching method and course requirements

• The class will be highly participatory, based on discussions and short readings. Students should stay up to date on breaking events and developments and be ready to compare topics in class to what's in the news.

• Students will each be asked to present a one page paper and a 5 minute briefing in class for a specified topics two or three times (depends on class size). You should use research material beyond the course readings.

• There will be a final research paper of five to seven pages on a situation where a country has used its economic power successfully or unsuccessfully.

• Grading will be based on class participation (20%), presentations (40%) and the final paper (40%)

4. Details

Sanctions, Boycotts, Embargoes

Monday March 10 -- Introduction and Sanctions

○ Economic power
○ Economic Pressure
○ Economic norms -- Joining the European Union
Pass out in class

- Nye, Joseph. The Future of Economic Power p.80
- Hufbauer slide
- Map of European Neighborhood

**Wednesday March 12 - Sanctions, Embargoes and Boycotts 22 pgs**

**Presentations**
- Sanctions on Syria
- Conflict Minerals -- not in your iPhone
- Student activism against apartheid

**Readings**
- Hufbauer, Gary Clyde. The Snake Oil of Diplomacy. 7pgs
- Keating, Joshua. Why did International Sanctions Work on South Africa but not Other Dictatorships? Slate 3pgs
- Bader, Jeffrey. “Prospects on Political Reform in Myanmar.” Brookings 5pgs
- Great Lakes Minerals “Regional Initiative against the Illegal Exploitation of Natural Resources” International Conference on the Great Lakes Region 1pg
- Department of State. Milestones Oil Embargo 1973 10 Oct. 2013 2pgs
- Chart on the price of oil in real dollars 1pg
- Birch, Simon. “How Activism Forced Nike to Change its Ethical Game.” The Guardian. 3 pgs

**Monday March 17 - Aid and Development 24pgs reading and 1 8min video**

**Presentations**
- Swedish or Norwegian assistance strategy
- Gates Foundation
- Millennium Challenge Corporation

**Readings**
- US Aid to Egypt: Influence or ball and chain?
- Elliot, Kimberly Ann. “Carrots and Sticks: The Role of Economic Incentives in American Foreign Policy.” Center for Global Development 2010 15pgs
- Carr, Edward. “Rethinking Graduation: Aid and Investment Tipping Point.” OpentheEchoChamber 22 August 2012 2pgs
- Paul Kagame interview: http://www.youtube.com/watch?v=GJ-CvQSsMF0 (8min)

**Wednesday March 19-- Trade and Investment -- Global Value Chains 38pgs**

**Presentations**
- Nutella Map: How goop is made.
- Israel’s Fight with McDonalds over Potatoes
Smiley Curve & Global Brands: who makes the money?

**Readings**
- Subramanian “Quantification and Validation.” Eclipse Sept. 2011 p.27-35; 40-41 10pgs
- President Laura Chinchilla Miranda’s Speech to OECD 15 Nov. 2013 3pgs

**Conditionality: We know what's good for you.**

**Monday March 24 -- Asian Financial Crisis:** Larry Summers in Indonesia vs Jeffrey Sachs in Malaysia 20pgs

**Presentations**
- What were the underlying causes of the crisis?
- Malaysia before the crisis and now
- Indonesia before the crisis and now

**Readings**
- “Ten Years On.” The Economist 4 July 2007 5pgs
- Ibrahim, Anwar “What have we learned” Address at Nanyang Technological University, on 22 August 2007 7pgs

**Wednesday March 26 -- Conditionality and reforms** 39pgs

**Presentations**
- India Ending the License Raj in 1991
- Gaiatsu in Japan
- Reforms in Greece, Italy and Ireland: Internal vs External drivers

**Readings**
- *India's reforms of the 1990s*
  - Economist “India's Economy: One More Push” 21 July 2011 3pgs
  - Chandrahhas Choudhury “20 Years Later” Bloomberg 26 July 2011 6pgs

- *Greece facing the troika.*
  - Flow Chart Summary of Greece Financial crisis 1pg
  - Reforms in Greece and Italy “Austerity Measures in Crisis Countries Results and Impact on Mid-term Development” Intereconomics Jan/Feb 2013 29pgs

**G-wiz**

**Monday March 31: G20** 29 pgs

**Presentations**
- G-8: History and current goals
- Breakdown of Trade Negotiations in Seattle
- G-20 sub-groups: how many, what do they do?

**Readings**
- Richard Haas “What International Community?” Project Syndicate 24 July
2013 3pgs
○ Henry, Peter Blair. “The Global Trust Deficit” Project Syndicate 1 July 2013 3pgs
○ Nelson, Rebecca. “The G-20 and International Economic Cooperation: Background and Implications for Congress” CRS 7 November 2013. 15pgs
○ Economist: “Grading the G20: This time they really mean it.” 3 Nov. 2011 2pgs
○ Andrew Kennis, Factors Behind the Breakdown of Negotiations, Synthesis & Generation 6pgs

Wednesday April 2: Future of Global Institutions
Hard law, soft law, good practices: IMF, WTO, OECD, anti-bribery law, EITI 20pgs

● Presentations
○ EITI: Publish what you pay
○ The Anti-bribery Convention
○ Stirring Alphabet Soup: Merkel & Sarkozy and international organizations

● Readings
○ Rodrik, Dani. “New Rules for the Global Economy” Project Syndicate 10 January 2011 3pgs
○ Oxford Martin Commissions “Creative Coalitions” p.31-35 and 57-59 8pgs

Big picture: who’s up and who’s down?

Monday April 7: The General Proposition 40pgs

● Presentations
○ The Middle Income Trap
○ BRICS, TIMBI, CIVETS
○ Military spending and GDP: Japan, France, Russia

● Readings
○ Kennedy, Paul. Rise and Fall of Great Powers, Vintage 15 January 1989 pgs 438-458; Table 6 and 7 p.149 20pgs
○ Economist “The Trillion-dollar Club.” The Economist 5 April 2010 8pgs

Wednesday April 9: Japan in the 1980s 11pgs

Presentations
○ Pebble Beach & Rockefeller Center - US Reactions
○ Just in time manufacturing
○ Detroit in the 1980s
● **Readings**
  ○ Ishihara, Shintaro. The Japan That Can Say No. *Simon and Schuster* January 1991 p.120-127 7pgs
  ○ “Lie of the Tiger” Clyde Prestowitz *Foreign Policy* October 2010 3pgs

**Big China:**
Monday April 14 - Piecing China together: Trade, Currency, Investment impacts 22pgs and a 3min video

● **Presentations**
  ○ Chinese companies overseas: friends & influence
  ○ China's aid programs -- who to and why
  ○ China’s Top Five global economic interests

● **Readings**
  **Growth and military spending**
  ○ The dragon’s new teeth April 7, 2012 *The Economist* 6pgs

  **China's import, export and investment patterns.**
  ○ “Is China Rebalancing? Implications for Asia” IMF External report 8pgs

Wednesday April 16 -- Chinese Economic “Dominance”: What Can They Do With Their Muscle? 41pgs and 16min video

● **Presentations**
  ○ India’s view of China’s Rise
  ○ Chinese role in international bodies: WTO, IMF, ASEAN
  ○ Trouble at home -- Rebalancing China's Economy

● **Readings**
  ○ Dambisa Moyo, TED Talk
Monday April 21- “When the elephants fight, the grass gets trampled.”

Let’s look at the grass. We’re going to pick a country that lacks economic power and identify how it can find its path to influence and development in a world largely defined by others.

The final research paper of five to seven pages will be due on Monday, April 28 at 8:30 am. You should propose a topic and gain my approval before the end of March. Topics should examine a situation, a country or company and identify how it plays in the world of global economics, how it influences behavior and how it has used to bring power to bear.