Econ 497
Political Economy of the Liberal International Economy

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Following the collapse of the Liberal international economic order (LIEO) based on the gold standard, in the aftermath of the Second World War the allies constructed a new Liberal order with the World Bank, the IMF, and the GATT/WTO at their core. By historical standards, this system has been spectacularly successful. The purpose of this course is to provide a historical and analytical perspective on the politics and economics of this system. We will focus primarily on the attempt to create and manage a stable, liberal international order for monetary and trade relations.

Readings for the course will be drawn from:


Evaluation: Your performance in this course will be evaluated on the basis of 10 analytical comments (worth 100 points total); and 1 research papers (worth 100 points). To receive an A, you must earn at least 90 percent of the points available. To pass the course you must earn at least 60 percent of the points available. Grades between these limits will be determined on the
basis of your performance relative to that of the class as a whole.

**Policy on analytical comments.** The analytical comments are written assignments consisting of two parts: a comment on the assigned reading for the week (7 of 10 points); and 5 questions raised by the assigned reading for the week (3 of 10 points). The comment should be about 3 double-spaced pages long. Do not waste time summarizing the reading. The goal is to identify some aspect of the reading that strikes you as particularly interesting and to explain why you find it interesting. The questions should identify things you would like to see discussed in class. The comments are due on, or before, the start of the class in which the material is discussed. Late comments will not be accepted.

**Research papers.** Every member of the class is required to produce a research paper on some aspect of the political economy of globalization. These papers must be original work, *plagiarism will not be tolerated.* Broadly speaking, I expect papers in the 25-35 page range. To ensure that topics are well-established and suitable for the course, I require a proposal due no later than 4 October. Late proposals will result in a 10 point penalty to be assessed on the paper’s final score. Research papers are due at the last regular meeting of the course (6 December). *Late papers will not be accepted, and will earn a score of 0 points.*
Econ 497 SYLLABUS Fall 2006

Topic I. Introduction

- 6 September: Sovereignty and Interdependence
  - Brown, Chapters 1 & 2

Topic II. Past as Prologue: The End of the First LIEO

  - Eichengreen, Chapters 1 & 2
  - Brown, Chapter 3
  - Frieden, Chapters 1-5

- 18, 20 September: Context of Collapse
  - Frieden, Chapters 6-10

- 25, 27 September: The Collapse of International Monetary
Cooperation

- James1, Chapter 1
- Eichengreen, Chapter 3
- James2, Chapter 2.

● 4 October: Trade and Immigration Policy

- Brown, Chapter 4
- James2, Chapters 3 and 4

- Paper proposals due

Topic III. Creating a New LIEO: Bretton Woods and the GATT

● 9, 11 October: The Bretton Woods Order: Context

- Frieden, Chapters 11-15

● 16, 18 October: Creating the Bretton Woods Monetary Order

- James1, Chapters 2-4

● 23, 25 October: How the Bretton Woods Order Worked

- Eichengreen, Chapter 4
- James1, Chapters 5-7

● 30 October, 1 November: The Creation of a Liberal Trade Order: The Early GATT

- Brown, Chapter 5 & 6
Topic IV. Globalization without Fixed Exchange Rates

- **6, 8 November: Political Context**
  - Frieden, Chapters 16-20

- **13, 15 November: Crisis in the Bretton Woods Monetary Order**
  - James1, Chapters 8-10

- **20 November: International Monetary Relations in the Post-Bretton Woods Era**
  - Eichengreen, Chapters 5 & 6
  - James1, Chapters 11-13

- **27, 29 November: Functioning of the GATT/WTO System**
  - Narlikar, Chapters 1-5
  - Brown, Chapters 7-9

Topic V. Where Are We Going?

- **4, 6 December**
  - James1, Chapters 14-17.
  - Narlikar, Chapters 6 & 7.
  - Brown, Chapters 10-12

Final Paper Due: Wednesday, 6 December.