

BRIEF CONTENTS

Preface ix

- CHAPTER 1** International Political Economy 1
- CHAPTER 2** The World Trade Organization and the World Trade System 21
- CHAPTER 3** The Political Economy of International Trade Cooperation 45
- CHAPTER 4** A Society-Centered Approach to Trade Politics 69
- CHAPTER 5** A State-Centered Approach to Trade Politics 89
- CHAPTER 6** Trade and Development I: Import Substitution Industrialization 111
- CHAPTER 7** Trade and Development II: Economic Reform 133
- CHAPTER 8** Multinational Corporations in the Global Economy 158
- CHAPTER 9** The Politics of Multinational Corporations 180
- CHAPTER 10** The International Monetary System 202
- CHAPTER 11** Cooperation, Conflict, and Crisis in the Contemporary International Monetary System 225
- CHAPTER 12** A Society-Centered Approach to Monetary and Exchange-Rate Policies 249
- CHAPTER 13** A State-Centered Approach to Monetary and Exchange-Rate Policies 273
- CHAPTER 14** Developing Countries and International Finance I: The Latin American Debt Crisis 298
- CHAPTER 15** Developing Countries and International Finance II: A Decade of Crises 323
- CHAPTER 16** Globalization: Consequences and Controversies 346

Glossary 370

References 388

Index 401

DETAILED CONTENTS

Preface ix

CHAPTER 1

International Political Economy 1

What Is International Political Economy? 2

Studying International Political Economy 7

Traditional Schools of International Political Economy 8

Interests and Institutions in International Political Economy 13

The Global Economy in Historical Context 15

CHAPTER 2

The World Trade Organization and the World Trade System 21

What Is the World Trade Organization? 22

Hegemons, Public Goods, and the World Trade System 28

The Evolving World Trade Organization: New Directions, New Challenges 32

The Greatest Challenge? Regional Trade Arrangements and the World Trade Organization 36

CHAPTER 3

The Political Economy of International Trade Cooperation 45

The Economic Case for Trade 46

Trade Bargaining 53

Enforcing Agreements 58

CHAPTER 4

A Society-Centered Approach to Trade Politics 69

Trade Policy Preferences 70

Factor Incomes and Class Conflict 70

Sector Incomes and Industry Conflict 73

Organizing Interests: The Collective Action Problem and Trade Policy Demands 79

Political Institutions and the Supply of Trade Policy 81

CHAPTER 5

A State-Centered Approach to Trade Politics 89

States and Industrial Policy 90

The Infant-Industry Case for Protection 91

State Strength: The Political Foundation of Industrial Policy 95

Industrial Policy in High-Technology Industries 99

Strategic-Trade Theory 100

Strategic Rivalry in Semiconductors and Commercial Aircraft 103

CHAPTER 6

Trade and Development I: Import Substitution Industrialization 111

Domestic Interests, International Pressures, and Protectionist Coalitions 112

The Structuralist Critique: Markets, Trade, and Economic Development 118

Market Imperfections in Developing Countries 118

Market Imperfections in the International Economy 120

Domestic and International Elements of Trade and Development Strategies 121

Import Substitution Industrialization 121

Reforming the International Trade System 128

CHAPTER 7

Trade and Development II: Economic Reform 133

Emerging Problems with Import Substitution Industrialization 134

The East Asian Model 137

Structural Adjustment and the Politics of Reform 145

Developing Countries and the World Trade Organization 154

CHAPTER 8

Multinational Corporations in the Global Economy 158

Multinational Corporations in the Global Economy 159

Economic Explanations for Multinational Corporations 165

Locational Advantages 165

Market Imperfections 168

Locational Advantages, Market Imperfections, and Multinational Corporations 171

Multinational Corporations and Host Countries 173

CHAPTER 9

The Politics of Multinational Corporations 180

- Regulating Multinational Corporations 181
 - Regulating Multinational Corporations in the Developing World* 181
 - Regulating Multinational Corporations in the Advanced Industrialized Countries* 185
 - Bargaining with Multinational Corporations* 188
- The International Regulation of Multinational Corporations 194

CHAPTER 10

The International Monetary System 202

- The Economics of the International Monetary System 203
 - Exchange-Rate Systems* 203
 - The Balance of Payments* 205
 - Balance-of-Payments Adjustment* 208
- The Rise and Fall of the Bretton Woods System 212
 - Creating the Bretton Woods System* 212
 - Implementing Bretton Woods: From Dollar Shortage to Dollar Glut* 215
 - The End of Bretton Woods: Crises and Collapse* 219

CHAPTER 11

Cooperation, Conflict, and Crisis in the Contemporary International Monetary System 225

- From the Plaza to the Louvre: Conflict and Cooperation during the 1980s 226
- Global Imbalances and the Great Financial Crisis of 2007–2009 234
- Exchange-Rate Cooperation in the European Union 241

CHAPTER 12

A Society-Centered Approach to Monetary and Exchange-Rate Policies 249

- Electoral Politics, the Keynesian Revolution, and the Trade-Off between Domestic Autonomy and Exchange-Rate Stability 250
- Society-Based Models of Monetary and Exchange-Rate Politics 255
 - The Electoral Model of Monetary and Exchange-Rate Politics* 257
 - The Partisan Model of Monetary and Exchange-Rate Politics* 260
 - The Sectoral Model of Monetary and Exchange-Rate Politics* 264

CHAPTER 13

A State-Centered Approach to Monetary and Exchange-Rate Policies 273

Monetary Policy and Unemployment 274

The Time-Consistency Problem 281

Commitment Mechanisms 283

Independent Central Banks and Exchange Rates 293

CHAPTER 14

Developing Countries and International Finance I: The Latin American Debt Crisis 298

Foreign Capital and Economic Development 299

Commercial Bank Lending and the Latin American Debt Crisis 304

Managing the Debt Crisis 309

The Domestic Politics of Economic Reform 317

CHAPTER 15

Developing Countries and International Finance II: A Decade of Crises 323

The Asian Financial Crisis 324

Bretton Woods II 332

The Heavily Indebted Poor Countries 338

CHAPTER 16

Globalization: Consequences and Controversies 346

Globalization and Global Poverty 347

Globalization and "Sweatshops" 351

Trade and the Environment 358

Glossary 370

References 388

Index 401