

# Coercion in the Globalized Economy

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## Course Description

This syllabus is an overview of economic coercion in international relations for advanced undergraduate students and early graduate students. Topics include asymmetric dependence as a currency of economic coercion, cooperation in coercion, colonialism, aid conditionality, and the commercial peace. What types of economic relations make coercion less likely? Why do states pay the costs of sanctions when they could resolve their differences by negotiation or by war?

This course is divided into two parts: 1) the theory of economic coercion and 2) applications of the theory. In each part we will study relevant interests, interactions, and institutions: how the choices of states, groups, and individuals **interact** to affect each other's **interests** within an **institutional** framework that favors some outcomes. This framework will help guide our study throughout the course.

This course is primarily about bringing theory to empirics. It is not designed to develop policy relevant recommendations – except to the extent that understanding why economic coercion occurs and how it develops informs policy choices.

While there are no formal prerequisites for this class, the material is intended for graduate students and advanced undergraduate students. I will presuppose some knowledge from an introductory international relations class (PLSC 111) as well as statistics and basic microeconomics and macroeconomics. If you are inexperienced with these topics you may need to do some extra work in the first few weeks to ensure that you have the right background for later classes.

## Assessments

The grade will be determined by the following:

- Response Papers (2 pages each) (35%)

- Paper proposal (1-2 pages) (5%) (Due week 9)
- Final paper draft (10%) (Due week 12)
- Final paper (~15 pages / ~10 pages for undergraduates) (30%)
- Participation (20%)

The final paper will ask you to integrate knowledge from throughout the course. Participation grades will include attendance. More details will be provided about deadlines.

**Response Papers:** A response paper is a critical assessment of the weekly materials. You can discuss the argument, definitions, measurement, research design, external/internal validity, limitations, or anything else that seems important. Do not merely summarize the readings.

You should end every response paper with two questions/comments to be discussed in class. I may choose some of these questions to use as discussion questions in class. Accordingly, these response papers are due by 5:00 the day before class.

While I expect you to read all the required readings in the syllabus for the class, you do not need to write a response paper each and every week. **Specifically, undergraduate students are required to submit 6 response papers while graduate students are required to submit 9 response papers.** Response papers should be three double spaced pages. There are three possible grades: +, ++, and +++. Students can choose which weeks to write response papers according to their preference and interests subject to one requirement: **All students must write 3 response papers by the end of Week 6.**

## Evaluation Criteria

In general, I expect student work to exhibit a high level of quality. In this class, quality means thoughtfulness. Students should make their arguments in the midterm and final papers with attention to alternative explanations. They must provide evidence for every claim made in the paper (including citations). The papers should clearly explain how the theory we cover in class is applied.

I understand that different types of students have different objectives in this class. For that reason, undergraduate students should focus on conveying their understanding of the material in their papers. Undergraduates will also make an argument in the paper, but the emphasis is on demonstrating their command of the material. In addition to demonstrating their understanding, graduate students must also synthesize the information into a novel argument. These papers are to be used as a way to jumpstart research. Thus, the novelty and sophistication of the argument will also be assessed.

## Course Policies

### Plagiarism

In academic environments honesty counts for quite a lot. It is dishonest to pass off someone else's work as your own. It is not dishonest to build on the work of others – as long as you give appropriate credit to their contribution. This is the primary reason why citing your sources matters so much to so many instructors, including me. Citing your sources also helps readers better understand how you

arrived at your conclusions and where to look for more information. As a practical matter, you are responsible for complying with the school's standards of academic integrity. Please do not plagiarize. It is a serious offense that both I and the school will not take lightly. If you have any questions or doubts about these policies please let me know.

You are required to cite your sources. I am quite indifferent about the format of your citations. All I care about is that you provide enough information for me to find the source if I decide to look for it. Tools such as Zotero, Mendeley, and Google Scholar produce citations automatically that can be easily inserted into your paper.

## ChatGPT and Other Large Language Models

Tools such as ChatGPT, Bing AI, and Google Bard (collectively called Large Language Models or LLMs) represent both challenges and opportunities in the classroom. These tools have a lot of potential to improve your scholarship. But some students may feel tempted to simply plagiarize their output without adding any value of their own. In this class, I encourage some uses of LLMs while prohibiting others. **As a general rule, I encourage you to use these tools in any way that makes you think deeper and I discourage any use that replaces your own thoughts with the output of a model.** For example, I encourage you to use an LLM as a brainstorming partner, a writing assistant, or even as a research assistant. However, I prohibit any thoughtless copying and pasting of large language model output into your assignments without reflection or original input.

Examples of allowed usage:

- Asking ChatGPT to be the “devil’s advocate” to your paper’s thesis to determine possible flaws or criticisms that may need to be addressed before you begin writing.
- Showing ChatGPT a paragraph you wrote and asking for editing help.
- Letting ChatGPT suggest some possible starting sentences when you feel stuck.

Examples of prohibited usage:

- Putting the assignment description into ChatGPT and submitting the output as your own work.
- Putting a single thesis statement into ChatGPT and telling it to write the rest of the paper for you.
- Any copying and pasting from any large language model into an assignment without adding your own substantial value.

When in doubt, ask yourself whether your use of an LLM is helping you think more deeply or less. If the answer is less, then that use is not allowed. If you are still in doubt, ask me.

I am interested to see how students will use LLMs in their work. **If you do use an LLM in your work, you are required to submit a transcript of your conversation as part of your assignment.** This transcript will be used to ensure your use of the LLM is within the course policy. ChatGPT makes it easy to export the transcript of your conversation – please include this text in a separate file alongside your assignment. If you use another LLM you can submit screenshots or text. I want to be able to see the entire transcript of the conversation, not just snippets.

I have personally used these tools extensively in my work. If you do give into the temptation to plagiarize an LLM in your assignments it will likely be detected. Even if undetected, it is unlikely that a purely AI generated essay would receive a good grade in this class. At the present time, these models are not able to effectively produce original coherent arguments from scratch that stand up to scrutiny.

## Diversity and Inclusion

It is important that our class is a welcoming environment for every student. Diversity enhances and elevates academic discussion. Thus, it is critically important that we foster a tolerant, inclusive, and respectful environment in the classroom. If there are aspects of the class that pose a barrier to your success, please let me know. I am committed to ensuring that each and every student has the support and resources they need to learn. We can work together to address any difficulties.

## Office Hours

I will hold office hours from 3:30 – 5:00 on Thursdays in my office (Rosenkranz 248). Feel free to just drop by, but I would appreciate it if you could let me know ahead of time if you plan on coming. If these times do not work for your schedule, I would be happy to arrange a time that works for you. Please send me an email to schedule a time.

Please come to office hours! Getting to know my students helps my pedagogy. I can sometimes tailor class examples to your interests and knowing your background sometimes helps me anticipate common points of confusion. I want you to get the most out of class, and I can deliver a better experience if I know more about what interests you!

Some students feel awkward about coming to office hours, so I want to dispel any doubts. Everyone is welcome at office hours. You are encouraged to bring specific questions about material, general questions, or just a vague sense of confusion. I am happy to talk about how to understand current events or anything else through the lens of the class material. If you do not wish to ask your questions in the presence of other students just send me an email and we can schedule an individual appointment.

Some students mistakenly think that that there is no reason to come to office hours if they feel they understand the material. On the contrary, students who feel the material is “easy” are especially encouraged to come. At office hours I can provide additional resources and instruction that go beyond the class material. There is always more to learn and I would be delighted to push your understanding further according to your interests.

## Course Schedule

- Welcome and Introduction
- Part I: Theory
  - International Economics Primer
  - Asymmetric Interdependence
  - Extracting Power from Dependence
  - Promises and Threats

- Economic Coercion as Conflict
- The Commercial Peace and the Upsides of Dependence
- Part II: Applications
  - Strategic Selection
  - Cooperation in Coercion
  - Colonialism and Economic Coercion
  - Lending and Aid Conditionality
  - Humanitarian Consequences
  - Noncompliance and Enforcement

## Week 1: Welcome and Introduction

### Key Questions

- Fazal, Tanisha M. and Paul Poast (2019). “War is Not Over”. In: *Foreign Affairs* 98.6, pp. 73-83.
- Braumoeller, Bear F. (2023). *Only the Dead: The Persistence of War in the Modern Age*. Oxford University Press.
- Roser, Max, Joe Hasell, Bastian Herre, et al. (2016). “War and Peace”. In: *Our World in Data*. <https://ourworldindata.org/war-and-peace>.

## Week 2: International Economics Primer

### Required:

- Bernhofen, Daniel M and John C Brown (2004). “A direct test of the, theory of comparative advantage: the case of Japan”. In: *Journal of Political Economy* 112.1, pp. 48-67.
- Helpman, Elhanan (2014). “Foreign trade and investment: Firm-level, perspectives”. In: *Economica* 81.321, pp. 1-14.
- Eaton, Jonathan and Samuel Kortum (2002). “Technology, geography, and, trade”. In: *Econometrica* 70.5, pp. 1741-1779.
  - Read ONLY pages 1741 – 1745 and 1766 – 1775
- Yotov, Yoto V, Roberta Piermartini, Mario Larch, et al. (2016). *An, advanced guide to trade policy analysis: The structural gravity model.*, WTO iLibrary.
  - Read ONLY pages 5 – 17

### Recommended:

- Antras, Pol and Elhanan Helpman (2004). “Global sourcing”. In: *Journal, of political Economy* 112.3, pp. 552-580.
- Olivei, Giovanni P (2000). “The role of savings and investments in, balancing the current account: Some empirical evidence from the United, States”. In: *New England Economic Review*, p. 3.

- Ghosh, Atish Rex and Uma Ramakrishnan (2017). “Current Account, Deficits”. In: *Finance & Development*.
- Feldstein, Martin (2017). “Inconvenient Truths about the US Trade, Deficit”. In: *Project Syndicate*.
- Dekle, Robert, Jonathan Eaton, and Samuel Kortum (2007). “Unbalanced, trade”. In: *American Economic Review* 97.2, pp. 351-355.
- Helpman, Elhanan, Marc Melitz, and Yona Rubinstein (2008). “Estimating, trade flows: Trading partners and trading volumes”. In: *The quarterly, journal of economics* 123.2, pp. 441-487.

### Week 3: Asymmetric Interdependence

Required:

- Hirschman, Albert O (1945). *National power and the structure of, foreign trade*. Vol. 105. Univ of California Press.
- Abdelal, Rawi and Jonathan Kirshner (1999). “Strategy, economic, relations, and the definition of national interests”. In: *Security, Studies* 9.1-2, pp. 119-156.
- Carnegie, Allison (2014). “States held hostage: Political hold-up, problems and the effects of international institutions”. In: *American, Political Science Review* 108.1, pp. 54-70.
- Baldwin, David A (1980). “Interdependence and power: a conceptual, analysis”. In: *International Organization* 34.4, pp. 471-506.

### Week 4: Extracting Power from Dependence

Required:

- Eaton, Jonathan and Maxim Engers (1992). “Sanctions”. In: *Journal of, political economy* 100.5, pp. 899-928.
  - Read ONLY pages 899 – 914
- Baldwin, David A (2020). *Economic statecraft: New edition*. Princeton, University Press.
  - Read ONLY Chapter 7
- Mangini, Michael-David (2023). “The Economic Coercion Trilemma”. In: *Journal of Conflict Resolution*, p. 0.
- Farrell, Henry and Abraham L Newman (2019). “Weaponized, interdependence: How global economic networks shape state coercion”, In: *International Security* 44.1, pp. 42-79.

Recommended:

- Smith, Alastair (1995). “The success and use of economic sanctions”, In: *International Interactions* 21.3, pp. 229-245.

## Week 5: Promises and Threats

- Mangini, Michael-David (2023). *Coalitions and the Politics of Restraint: Commitment Credibility and the Iran Deal.*, <https://www.michaeldavidmangini.com/working/iran-deal/iran-deal-may-2022-cloud.pdf>.
- Baldwin, David A (1971). "The power of positive sanctions". In: *World, Politics* 24.1, pp. 19-38.
- Kydd, Andrew H and Roseanne W McManus (2017). "Threats and assurances, in crisis bargaining". In: *Journal of conflict resolution* 61.2, pp., 325-348.
- Cebul, Matthew D, Allan Dafoe, and Nuno P Monteiro (2021). "Coercion, and the Credibility of Assurances". In: *The Journal of Politics* 83.3., pp. 975-991.

## Week 6: Economic Coercion as Conflict

**Key Questions** Why do countries pay the costs of war when they could resolve their differences by negotiation?

Required:

- Nephew, Richard (2017). *The art of sanctions: A view from the field.*, Columbia University Press.
- Fearon, James D (1995). "Rationalist explanations for war". In: *International organization* 49.3, pp. 379-414.
- Baldwin, David A (1997). "The concept of security". In: *Review of, international studies* 23.1, pp. 5-26.
- Powell, Robert (2006). "War as a commitment problem". In: *International organization* 60.1, pp. 169-203.

Recommended:

- Powell, Robert (1993). "Guns, butter, and anarchy". In: *American, Political Science Review* 87.1, pp. 115-132.
- Powell, Robert (1991). "Absolute and relative gains in international, relations theory". In: *American Political Science Review* 85.4, pp., 1303-1320.
- Gowa, Joanne and Edward D Mansfield (1993). "Power politics and, international trade". In: *American political science review* 87.2, pp., 408-420.

## Week 7: The Commerical Peace and the Upsides of Dependence

**Key Questions:** What types of economic relations make conflict less likely?

Required:

- Gartzke, Erik (2007). "The capitalist peace". In: *American journal of, political science* 51.1, pp. 166-191.
- Copeland, Dale C (2014). "Economic interdependence and war". In: *Economic Interdependence and War*. Princeton University Press.
  - Chapter 6 only
- Grinberg, Mariya (2021). "Wartime commercial policy and trade between, enemies". In: *International Security* 46.1, pp. 9-52.

- Coe, Andrew J (2015). “The modern economic peace”. In: *Unpublished, manuscript, University of Southern California*.

Recommended:

- Angell, Norman (1913). *The great illusion: A study of the relation of, military power to national advantage*. McClelland and Goodchild.
- Monteiro, Nuno P and Alexandre Debs (2020). “An Economic Theory of, War”. In: *The Journal of Politics* 82.1, pp. 255-268.

## Week 8: Strategic Selection

Required:

- Drezner, Daniel W (2003). “The hidden hand of economic coercion”. In: *International Organization* 57.3, pp. 643-659.
- Whang, Taehee, Elena V McLean, and Douglas W Kuberski (2013)., “Coercion, information, and the success of sanction threats”. In: *American journal of political science* 57.1, pp. 65-81.
- Miller, Nicholas L (2014). “The secret success of nonproliferation, sanctions”. In: *International Organization* 68.4, pp. 913-944.
- Mangini, Michael-David (2023). *How Effective is Trade Conditionality?, Economic Coercion in the Generalized System of Preferences.*, <https://www.michaeldavidmangini.com/working/gsp/gsp-main.pdf>.

Recommended:

- Hufbauer, Gary Clyde, Jeffrey J Schott, and Kimberly Ann Elliott, (1990). *Economic sanctions reconsidered: History and current policy.*, Vol. 1. Peterson Institute.
- Pape, Robert A (1997). “Why economic sanctions do not work”. In: *International security* 22.2, pp. 90-136.
- Pape, Robert A (1998). “Why economic sanctions still do not work”. In: *International security* 23.1, pp. 66-77.
- Morgan, T Clifton, Navin Bapat, and Yoshiharu Kobayashi (2014). “Threat, and imposition of economic sanctions 1945-2005: Updating the TIES, dataset”. In: *Conflict Management and Peace Science* 31.5, pp., 541-558.
- Felbermayr, Gabriel, Aleksandra Kirilakha, Constantinos Syropoulos, et, al. (2020). “The global sanctions data base”. In: *European Economic Review* 129, p. 103561.
- Fearon, James (2002). “Selection effects and deterrence”. In: *International Interactions* 28.1, pp. 5-29.

## Week 9: Cooperation in Coercion

Required:

- Martin, Lisa L (1993). “Credibility, costs, and institutions; Cooperation on economic sanctions”. In: *World Politics* 45.3, pp., 406-432.



- Kaempfer, William H and Anton D Lowenberg (1999). “Unilateral versus, multilateral international sanctions: A public choice perspective”. In: *International Studies Quarterly* 43.1, pp. 37-58.
- Drezner, Daniel W (2000). “Bargaining, enforcement, and multilateral, sanctions: when is cooperation counterproductive?” In: *International, organization* 54.1, pp. 73-102.
- Bapat, Navin A and T Clifton Morgan (2009). “Multilateral versus, unilateral sanctions reconsidered: A test using new data”. In: *International Studies Quarterly* 53.4, pp. 1075-1094.

## Week 10: Colonialism

### Key Questions:

Required:

- Du Bois, William Edward Burghardt (1915). *The African Roots of War.*, The Atlantic.
- Gartzke, Erik and Dominic Rohner (2011). “The political economy of, imperialism, decolonization and development”. In: *British Journal of, Political Science* 41.3, pp. 525-556.
- Santos, Theotonio Dos (1970). “The structure of dependence”. In: *The, american economic review* 60.2, pp. 231-236.
- Frieden, Jeffrey A (1994). “International investment and colonial, control: A new interpretation”. In: *International Organization* 48.4., pp. 559-593.

Recommended:

- Mulder, Nicholas (2022). *The Economic Weapon: The Rise of Sanctions as, a Tool of Modern War.* Yale University Press.
- Bhambra, Gurminder K (2020). “Colonial global economy: towards a, theoretical reorientation of political economy”. In: *Review of, International Political Economy* 28.2, pp. 307-322.

## Week 11: Lending and Aid Conditionality

Required:

- Carnegie, Allison and Nikolay Marinov (2017). “Foreign aid, human, rights, and democracy promotion: Evidence from a natural experiment”, In: *American Journal of Political Science* 61.3, pp. 671-683.
- Dreher, Axel, Jan-Egbert Sturm, and James Raymond Vreeland (2009)., “Global horse trading: IMF loans for votes in the United Nations, Security Council”. In: *European Economic Review* 53.7, pp. 742-757.
- Dreher, Axel, Andreas Fuchs, Brad Parks, et al. (2018). “Apples and, dragon fruits: The determinants of aid and other forms of state, financing from China to Africa”. In: *International Studies Quarterly*, 62.1, pp. 182-194.
- Stone, Randall W (2008). “The scope of IMF conditionality”. In: *International organization* 62.4, pp. 589-620.

Recommended:

- Vreeland, James Raymond and Axel Dreher (2014). *The political economy, of the United Nations Security Council: Money and influence.* Cambridge, University Press.

## Week 12: Humanitarian Consequences

- Fabre, Cécile (2018). *Economic statecraft: Human rights, sanctions, and conditionality*. Harvard University Press.
- Peksen, Dursun (2009). "Better or worse? The effect of economic, sanctions on human rights". In: *Journal of Peace Research* 46.1, pp., 59-77.
- Drezner, Daniel W (2011). "Sanctions sometimes smart: Targeted, sanctions in theory and practice". In: *International studies review*, 13.1, pp. 96-108.
- Wall, Christopher (1998). "Human Rights and Economic Sanctions: The New, Imperialism". In: *Fordham Int'l LJ* 22, p. 577.
- Gibbons, Elizabeth and Richard Garfield (1999). "The impact of economic, sanctions on health and human rights in Haiti, 1991-1994." In: *American journal of public health* 89.10, pp. 1499-1504.

## Week 13: Noncompliance and Enforcement

- Early, Bryan R (2009). "Sleeping with your friends' enemies: An, explanation of sanctions-busting trade". In: *International Studies, Quarterly* 53.1, pp. 49-71.
- Eichensehr, Kristen E and Cathy Hwang (2023). "National Security Creep, in Corporate Transactions". In: *Columbia Law Review* 123.2, pp., 549-614.
- Emmenegger, Susan (2016). "Extraterritorial economic sanctions and, their foundation in international law". In: *Ariz. J. Int'l & Comp. L.*, 33, p. 631.
- Bauerle Danzman, Sarah and Sophie Meunier (2023). "Mapping the, characteristics of foreign investment screening mechanisms: the new, PRISM dataset". In: *International Studies Quarterly* 67.2, p. sqad026.