



Carleton College
POSC 206 Tools of National Power: Economic Statecraft
Spring 2021

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Virtual Office Hours: By appointment in advance on Thursdays at 9-10:30pm and Fridays at 8:30-10:00am (Central Daylight Time)

Course Description

This third, Tools of National Power course seeks to build off the earlier segments that looked at military and political instruments of statecraft by considering the tools of foreign economic policy, including trade, assistance, and sanctions. It will examine foreign economic policies by which the United States and other countries advance their national interests. Through short presentations, discussion of historical and current examples, and student-led reviews of case studies, class participants will consider the tools of international economic power and influence, how they are used, and their efficacy and appropriateness in different contexts. While this is a stand-alone class and students are not required to take the two previous courses, those who enrolled in one or both of those earlier segments are encouraged to make use of and build upon insights they gained on best uses of the all the instruments of national power.

During the spring 2021 term, the course instructor is serving abroad on assignment for the US government and so must conduct all aspects of this class virtually. **Class will convene online at 7:30-9:30 pm, Central Daylight Time (CDT), on Mondays, May 10, 17, 24, and 31, 2021. Note that internet breakdowns and/or a crisis in Afghanistan might create issues. The instructor will endeavor to contact students in a timely manner if that occurs.** Each class will include a short discussion on developments and issues in Afghanistan and US-Afghan relations.

Learning Outcomes

Successful students will become familiar with tools of economic statecraft, including international economic institutions and policy issues; what is economic power and how it is used; how effective economic tools have been and what accounts for differences in outcomes; and how policymakers think about using economic, as opposed to political or military instruments, to advance national aims. They should get an understanding of how foreign economic policy is made; trade policy, trade agreements, and the choices states make in concluding them; the substance, effectiveness, and limitations of economic sanctions; foreign aid and economic

support as instruments of influence and impact; and how foreign policy, economic and other priorities come together with respect to energy and climate change. Class participants should emerge familiar economic statecraft, including how policymakers weigh foreign policy considerations against domestic political and economic priorities.

Textbook & Materials

Week-by-week reading and video assignments are posted under the course heading in Moodle. *Note that page numbers in the syllabus correspond to actual page numbers used in underlying documents, not pages created by a pdf or similar file.* Supplemental, but not required reading suggestions for those wishing to delve further into specific topics appear below and will be added upon later. No textbooks are required for this course.

Attendance, Participation, and Late Work

Students are required to log into all synchronous online sessions on time and for the full, two-hour duration of each class, to have read the assigned reading prior to each session, and to participate fully (speak up, ask questions, etc.). **Participation accounts for 20% of the class grade**; the instructor will provide feedback on students' participation throughout the class. Those who must miss all or part of a class session should advise the instructor in a timely manner. Failure to adhere to these requirements will affect the grades awarded.

Case Studies

Student groups of about five will present in class on case studies relevant to each of the course's topics. Group presentations should be 15-20 minutes, leaving time for discussion among the class and broader lessons learned. Prepared case studies for the groups to read and draw from are listed below and appear in Moodle. (Class participants are encouraged to skim case studies to which they are not assigned, but this is not required.) A separate note will assign students to groups and describe expectations for what presentations should aim to accomplish. **Case study presentations account for 20% of the class grade.**

Research Assignment

Students will be responsible for submitting a research paper. It should consider how, in two different circumstances, the United States or another country or set of countries applied or are applying economic tools of statecraft to achieve national objectives. Further guidance and potential topic ideas will be provided separately and discussed when the class meets. Those who took part in segments one and two of Tools of National Power may expand their focus to look holistically at the combined application of military, political, and economic instruments of influence, but this is not a requirement. Research papers should describe the circumstances and problems being addressed, assess what instruments of statecraft are being or were used and why, and consider effectiveness in achieving the desired outcome and what accounts for that. Papers should be 10-15 pages in length, double-spaced, with standard margins, free of spelling, grammar, and formatting issues, and preferably in an accessible word processing program.

Highly-graded papers will comprehensively and insightfully deal with the substantive issues and be well-written and presented.

To assist in the development and preparation of these research papers, students should inform the instructor by **Friday, May 14** as to their proposed topics. By **Thursday, May 20**, they should provide a **one-page proposed outline and statement of tentative main ideas and a bibliography/research list** that **will be graded and will account for 10% of the class grade.**

Research papers are due Tuesday, June 1. They account for the 50% of the class grade.

Students who need more time due to finals, requirements in other classes, or other reasons can request, at any time before June 1, a later due date prior to, at the latest, *11:59pm CDT on June 7*. Papers submitted after the due date or requested alternative will be penalized and could result in a failing grade. Grading standards:

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| A | Excellent: well-researched and complete substance |
| B | Good, with substantive omissions |
| C | Fair-to-poor: many major substantive issues, inadequate research, and/or overwhelming writing problems |
| D | Unserious and sloppy |

Instructor Response

The instructor, who lives temporarily in Afghanistan, has no office or office hours on the Carleton campus. During the period of the course, he will endeavor to make himself available to talk – e.g., via phone, WhatsApp, Signal, Zoom., etc. – on Thursdays at 9-10:30pm and Fridays at 8:30-10:00am (CDT) and at other times by arrangement (Kabul is 9½ hours ahead of CDT.) **Students should send an email well in advance to set up a call.**

Week 1: Course Introduction and Trade Policy – May 10, 2021

⇒ **Class is online at 7:30-9:30pm, Monday, May 10, 2021.**

Objectives

- Introductions.
- Review course objectives, content, and requirements.
- Understand the institutions of international trade, trade policy, and how the United States organizes trade policymaking.
- Assess key current trade issues.
- US dilemma in Afghanistan.

Video

- US economic pressure before Pearl Harbor,
<https://www.youtube.com/watch?v=9p8z1A3TsxU>.

Reading

- Cimino-Isaacs, Cathleen D., “US Trade Policy Primer: Frequently Asked Questions,” Congressional Research Service, February 4, 2021, pps. 10-11, 26-42, 47-48, and 54.
- US Trade Policy since 1934, US International Trade Commission, pps. 62-89.
- Wilson, Ross, “FTAA and the US Free Trade Agenda in the Hemisphere,” remarks, Inter-American Dialogue, March 25, 2004.
- Block, Daniel, “Free Trade for Liberals,” Washington Monthly, July/August 2019.
- King, Sean, ‘Time to Revisit Trans-Pacific Trade,’ The Hill, December 11, 2020.
- Harrell, Peter and Elizabeth Rosenberg, “Economic Dominance, Financial Technology, and the Future of US Economic Coercion,” Center for a New American Security, 2019.
- Afghanistan Study Group Final Report, US Institute of Peace, February 2021, pps. 4-10 and 19-22.

Assignment: Students should advise the instructor via email no later than Friday, May 14 regarding their research paper topics. A few sentences will suffice.

Week 2: Sanctions Policy, Application, and Impact – May 17, 2021

⇒ **Class is online at 7:30-9:30pm, Monday, May 17, 2021.**

Objectives

- Complete trade policy via a case studies – student groups 1 and 2 present and discuss.
- Understand sanctions, including how and why policymakers turn to sanctions.
- Assess what makes for effective sanctions and what can be unintended consequences.
- Consider current issues in sanctions policy.
- Afghanistan: sanction and impact.

Reading

- Masters, Jonathan, “What Are Economic Sanctions,” Council on Foreign Relations, August 12, 2019.
- O’Toole, Brian and Samantha Sultoon, “Sanctions Primer: How a Foreign Policy Problem Becomes a Sanctions Program,” Economic Sanctions Initiative, Atlantic Council, September 22, 2019.

- Hufbauer, Gary, “The Snake Oil of Diplomacy: When Tensions Rise, the US Peddles Sanctions,” Washington Post, July 12, 1998.
- Dau, Eva, et. al., “US Ban on China’s Xinjiang Cotton Fractures Fashion Industry Supply Chains,” Washington Post, February 22, 2021.
- Erlanger, Steven, “Europe Struggles to Defend Itself against a Weaponized Dollar,” New York Times, March 12, 2021.
- Secretary Pompeo’s Statement on the Political Impasse in Afghanistan, March 23, 2020.
- “Pompeo Welcomes Afghan Power-Sharing Deal, Chides Leaders for Lost Time,” Reuters, May, 17, 2020.

Case Studies on Trade (groups 1 & 2 present and discuss)

- Letovsky, Robert, “The Customer is Always Wrong: the Airbus A220 and US Trade Law,” Institute for the Study of Diplomacy, Georgetown University, 2020.
- Ryan, Michael R. and Teresita Ramos-Soler, “Beer Brawls: GATT ‘Settles’ the Market Access Dispute between US and Canadian Brewers,” Institute for the Study of Diplomacy, Georgetown University, 1996.

Additional Optional Reading

- Fried, Daniel, “US Sanctions Policy: the Trump Administration’s Record and Recommendations for the Next Administration,” Atlantic Council, November 2020.

Assignment: In preparation for their research paper assignments, students should provide via email to the instructor by Thursday, May 20 (a) a one-page proposed outline and statement of tentative main ideas and (b) a bibliography/research list. This will be graded and accounts for 10% of the class grade.

Week 3: Foreign Assistance, Conditionality, and Foreign Policy – May 24, 2021

⇒ **Class is online at 7:30-9:30pm, Monday, May 24, 2021.**

Objectives

- Complete sanctions via a case studies – student groups 3 and 4 present and discuss.
- Consider foreign aid policies and strategies of the United States and others – including humanitarian, development, rule of law/democracy, and security-related assistance.
- Assess how foreign aid and official financing are used for influence and to what effect.
- Afghanistan: aid conditionality.

Video

- “The Belt and Road Initiative,” Gravitas Plus, <https://youtu.be/Rjx1iuY9D2s>.

Reading

- Lawson, Marian L. and Emily M. Morgenstern, “Foreign Aid: an Introduction to US Programs and Policy,” Congressional Research Service, April 16, 2019, pps. 1-18.
- Runde, Daniel F., “US Foreign Assistance in the Age of Strategic Competition,” Center for Strategic and International Studies, 2020.
- TheForeignAssistance.gov (US assistance review), October 23, 2020.
- China’s Belt and Road; Implications for the United States, Council on Foreign Relations Independent Task Force Report No. 79, 2021, pps, 2-19.
- Communiqué, Geneva Conference: #Afghanistan2020, November 24, 2020.
- Key Elements for Sustained International Support to Peace and Development in Afghanistan, Geneva Conference: #Afghanistan2020, November 24, 2020.
- Afghanistan Partnership Framework, Geneva Conference: #Afghanistan2020, November 24, 2020.

Case Studies on Sanctions (groups 3 & 4 present and discuss)

- Treverton, Gregory F. and Pamela Varley, “The United States and South Africa: the 1985 Sanctions Debate,” Institute for the Study of Diplomacy, Georgetown University, 1992.
- Delevic, Milica, “Economic Sanctions as a Foreign Policy Tool: the Case of Yugoslavia,” International Journal of Peace Studies, Vol. 3, No. 1., January 1998.

Week 4: Geopolitics of Energy & Climate Change and Conclusions – May 31, 2021

⇒ **Class is online at 7:30-9:30pm, Monday, May 31, 2021**

Objectives

- Complete assistance via a case study – student group 5 presents and discusses.
- Understand the geopolitics of energy.
- Assess how and why countries use energy as a tool in foreign policy – and use foreign policy tools (political and military) to advance energy security.

- Consider geopolitical and statecraft issues associated with climate change.
- Review and conclusions.

Reading

- Pascual, Carlos, “The New Geopolitics of Energy,” Center on Global Energy Policy, Columbia University, September 2015, pps. 11-16.
- Wilson, Ross, “US Strategy on Eurasia and Eurasian Energy,” testimony before the US House of Representatives Committee on Foreign Affairs, June 2, 2011.
- Loskot-Strachota, Agata, “Case against Nord Stream 2,” EnergyPost.eu, November 23, 2015.
- Mitrova, Tatiana, “Geopolitics of Decarbonization: the Russian Case” in “The Geopolitics of Decarbonization,” 21st Century Diplomacy: Foreign Policy is Climate Policy, Wilson Center & Adelphi, pps. 11-15.
- Biniaz, Susan, “‘Multilateralism,’ Climate Change, and the (Greater Metropolitan) Paris Agreement,” 21st Century Diplomacy: Foreign Policy is Climate Policy, Wilson Center & Adelphi
- Hormats, Robert, Shape, Steer, and Sustain: a US Strategy for the New Global Economic Order, Atlantic Council Strategy Paper No. 4, June 2016, pps. 1-32.

Video

- “Clash of Nations, Energy Politics and a New World Order,” CERA Strategic Dialogue, October 1, 2020, <https://ondemand.ceraweek.com/cwc/detail/videos/all-strategic-dialogues/video/6196182776001/the-clash-of-nations-energy-politics-and-a-new-world-order?autoStart=true>.

Case Studies on Assistance (group 5 presents and discusses)

- Hey, Jeanne A. K., “The Rocky Road toward Debt Forgiveness,” Institute for the Study of Diplomacy Georgetown University, 2003.

Assignment: *Research papers are due via email to the instructor Tuesday, June 1 (or by a date up to June 7, per request submitted to the instructor prior to June 1).*