

INTERNATIONAL POLITICAL ECONOMY (POL2094) WEEK 1 2026

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School of Politics & International Relations
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Each week we will try and collect all relevant lecture, reading, and workshop resources we create into one easy to read (and annotate) document. This is the first week's document. These documents should help reduce your stress, help you keep up with the material, help you focus on me instead of copying down verbatim notes during the lecture, and help you take as much as possible away from each week's material. Enjoy!

Acknowledgement of Country

I acknowledge and celebrate the First Australians on whose traditional lands we meet, and I pay respect to their elders past and present.

Reading notes and questions

Please read these assigned readings before lecture and tutorial. We will be referring to them repeatedly during the week. By design, it will be hard to engage with the tutorial activities without doing this reading (and attending the lecture).

For week 1, please read:

Frieden, Jeffrey, and Lisa L. Martin. 2002. "International Political Economy: Global and Domestic Interactions." in Ira Katznelson, and Helen V. Milner, eds. Political Science: The State of the Discipline. New York: W.W. Norton pp. 118-146. [28 pages]

Department of Industry, Science and Resources. 2023. Critical Minerals Strategy: 2023-2030. Canberra: Australian Government. June. pp. 4-14. [11 pages]

The goal for Week 1's readings is to provide an initial framework that this class will develop over the course of the semester. The Frieden and Martin (2002) chapter was published before most of you were born, but it provides a clear overview of several terms I will introduce you to in lecture and that we will use for the remainder of the term. Most introductory chapters in our textbook and others you can find online or in the library cover largely complimentary ground.

Below are several things to keep in mind when doing this week's reading.

Firstly, how do the practical challenges described in the Strategy illustrate the theoretical frameworks from Frieden & Martin (2002)? Where do you see examples of domestic-international interactions, interest group competition, institutional constraints, and information challenges?

Reading questions for Frieden and Martin (2002)

1. How does Frieden & Martin define international political economy? What do they include and exclude from this field?
2. What do the authors mean by “domestic-international interactions” and why is it central to IPE?
3. What are the three key analytical factors they identify for studying IPE? How do these work at both domestic and international levels?
4. How do they classify different types of interests? What determines preference intensity? How do concentrated vs. diffuse interests differ?
5. What types of institutions do they identify? How do electoral systems matter? What role do bureaucracies play?
6. What creates cooperation or conflict? How do states deal with uncertainty? What role do beliefs play?

Reading questions for the Critical Minerals Strategy: 2023-2030

7. What are the strategy's core objectives and how do they balance economic, environmental, and social goals?
8. How does the strategy position Australia in global critical minerals markets? What advantages and challenges does it identify?
9. How does the strategy propose to manage competing interests between different stakeholders (mining companies, First Nations communities, environmental concerns)?
10. What does "targeted and proportionate" support mean? How will projects be prioritized? What role do different government agencies play?

LECTURE PART 1: The international political economy of critical minerals

Key enabling critical technology fields

Strategic minerals list

Critical minerals list

A changing landscape (example #1 from the Critical Minerals Strategy document)

“By 2030, electric vehicles will represent more than 60% of vehicles sold globally.

“Demand for battery minerals, such as lithium, is forecast to increase by 40 times 2020 levels by 2040, while demand for cobalt and graphite could rise by approximately 20 times.” (p.11)

This will require 50 new lithium mines, 60 new nickel mines, and 17 new cobalt mines.

Australian exports visualisation

Australian exports in 2022 and their destinations

Australia’s economic complexity scores for 2024

Australia is less complex in its trade than it is for technology and research.

Top 50 mining companies

Australia has three companies in the top 13 including Rio Tinto.

Where Rio Tinto operates

Many mines on six continents

Rio Tinto funding \$150 million partnership with several universities in 2025.

BBC article about 2020 destruction of Juunkan Gorge caves.

ATO graph of Australian tax revenue variability

A changing landscape (example #2, Trump’s USA)

Last week President Trump demanded US\$500 million worth of rare earth minerals to continue supporting Ukraine.

Wall Street Journal article about the current trade war

World Bank network graph of global trade integration

Excerpt from Keynes’ 1936 book mentioning the “animal spirits”

My motivating question this semester

How does domestic and international politics shape who has benefited and who will benefit from the ongoing massive economic transformations?

PART 2: International political economy overview

Venn diagram of political economy

WTO 1999 protests photos

IPE is a relatively new subdiscipline

First textbook in 1977

Defining political economy

PE lies at the crossroads of the study of politics and economics, defined as the mutual interaction of states and markets.

PE seeks to explain how political power shapes economic outcomes and how economic forces influence political action.

Defining international political economy

IPE studies how politics shape the global economy and how global economy shapes politics.

IPE analyses the political battle between winners and losers of global economic exchange and how it shapes how the global economy evolves.

It studies how politics shapes allocation of finite resources and the implications of these decisions.

“The whole point of studying international political economy is to extend more widely the conventional limits of the study of politics, and the conventional concepts of who engages in politics, and of how and by whom power is exercised to influence outcomes. Far from being a sub-discipline of international relations, IPE should claim that international relations are a sub-discipline of IPE.” — Susan Strange (1994: 2018; quoted in Ravenhill 2009: 539)

A more nuanced picture of social processes emerges from an integrated understanding of both political and economic affairs than from studying politics and economics separately.

Markets

The main means for organizing economic activities in the modern world.

Governed by fundamental laws that operate independently of the will of individuals and firm.

Perfectly competitive(?)

Economic laws cannot fully capture the workings of domestic and international markets.

Politics has at least as much effect on economic outcomes as the laws of the marketplace.

Nation-states

Oxford English Dictionary's earliest evidence for nation-state is from 1895 in the *Political Science Quarterly*.

Definition from Britannica.com

We face many choices

In studying IPE do we preference:

- free trade or protectionism?
- equal opportunities or equal outcomes?
- a stable exchange rate or monetary autonomy?

As citizens do we preference

- a single or multiple voting issues?
- investing for the short or long term?
- economic development or environmental protection?

Including which lens to study IPE...

Critical: Emphasizes how knowledge and power relationships shape the global economy; questions assumed "facts" about markets and economic relationships; focuses on how dominant ideologies and structures perpetuate inequality.

Constructivist: Studies how ideas, norms, and social meanings shape economic behaviour; examines how actors' identities and interests are socially constructed; focuses on how shared understandings influence economic policies.

Feminist: Analyses how gender relations shape and are shaped by the global economy; examines unpaid labour and reproductive work in the global economy; questions masculine biases in traditional IPE theories.

Post-Colonial: Examines how colonial legacies continue to shape the global economy; questions Western-centric assumptions in mainstream IPE; focuses on Global South perspectives and experiences.

Ecological/green: Centres environmental concerns in analysis of global economy; questions growth-focused economic models; examines relationships between capitalism and environmental degradation.

Cultural: Emphasizes role of culture in shaping economic behaviour and institutions; examines how meanings and practices influence economic relations; focuses on everyday practices and local contexts.

Similarities between other IPE approaches

- They reject notion of value-free social science.
- They question possibility of objective knowledge.

They are often more explicitly normative in their aims.
They focus more on qualitative methods.
They emphasize historical and social context.
They question traditional rationalist assumptions.

Levels of analysis and IPE interactions

Domestic and international level actors and institutions

International institutions

International institutions are formal or informal arrangements that:

- Structure interactions between states in the international economy
- Provide information and reduce transaction costs
- Help overcome collective action problems
- Enable credible commitments
- Set rules and standards for economic relations

Important to recognise *endogeneity* between interests and institutions

Application: World Trade Organization (WTO)

Domestic institutions' key functions

Aggregation

- Combine different societal interests into policy
- Determine whose preferences matter most
- Balance competing demands

Delegation

- Assign authority to specific actors
- Define scope of authority
- Establish accountability mechanisms

Why should we care?

These institutions determine how interest group preferences translate into policy, shape states' ability to make credible international commitments, and affect how international agreements are implemented domestically.

Domestic institutions examples

Electoral Institutions

- Define how leaders are chosen and held accountable
- Shape politicians' responsiveness to different constituencies
- Examples: Presidential vs. parliamentary systems, PR vs. first-past-the-post; size and structure of electoral districts

Legislative Institutions

- Determine how policies are made and implemented
- Shape the balance of power between different branches
- Examples: veto players, rules for passing legislation, committee structure

Bureaucratic Institutions

- Implement and enforce policies
- Often have delegated authority
- Examples: central banks, trade ministries, environmental protection agencies

Information

“The structure of international economic institutions alters the information available to and the policy incentives for some domestic actors.” (Frieden and Martin 2002: 122)

Example of US vs. Brazil at WTO

Interests

Domestic economic interests include a combination of concentrated/special interests and the broader public interest.

“The more specific the asset the greater that actor’s incentive to defend its value in its current use,” (FM 2002: 129).

What do these interests want?

How are they organized?

What cross-cutting interests are there?

Most scholars see concentrated interests dominating diffuse interests; although there can be conflicts of interest among concentrated interests.

Concentrated interests example

Mining Council of Australia

Australian Institute report

A FM (2002) type approach to critical minerals

Element	Critical minerals example
Interests	Mining companies Local communities Foreign capital First Nations communities Regional development interests Environmental groups Labor unions
Institutions	Environmental regulations Trade agreements Indigenous rights frameworks Environmental approval processes Native Title frameworks State vs. federal responsibilities Export financing agencies
Information	Market signals, geological data, environmental, social, and governance (ESG) performance

International factors shaping IPE

Being able to identify state interests
 Mapping power differentials
 Specifying the structural strategic setting
 Recognising uncertainty, beliefs, and ideas driving policy choice (signalling, resolve, and reputation).

This week's key terms

Actors
 Animal spirits
 Constructivist IPE
 Critical IPE
 Critical minerals
 Cultural IPE
 Domestic institutions
 Environmental IPE
 Feminist IPE
 Information
 Interests
 International institutions
 International political economy (IPE)
 Level of analysis
 Markets
 Nation-states
 Post-colonial IPE
 Power

Strategic minerals

Learning terms this semester, a modest proposal

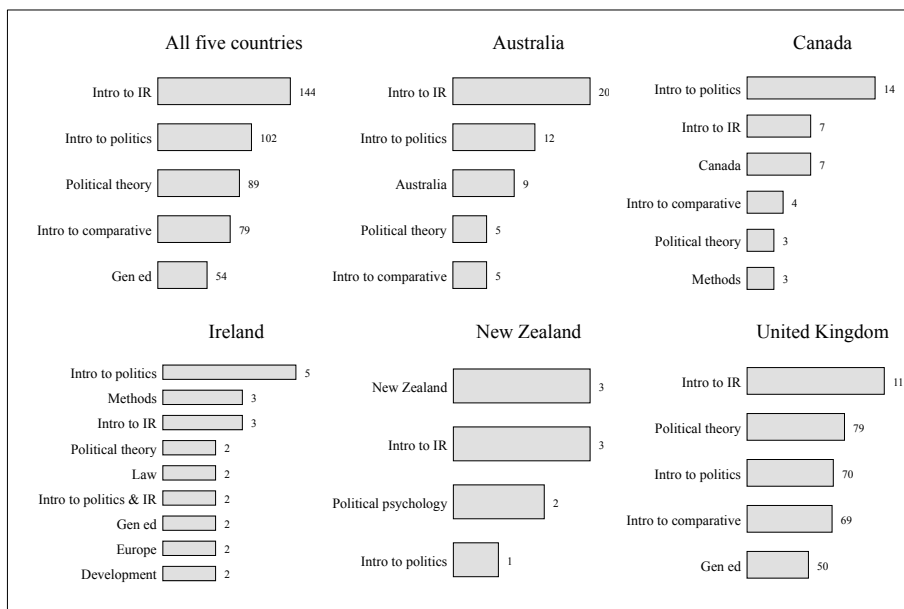
1. Write down the definition.
2. Describe why scholars think this term is useful.
3. Think of an example that resonates with you.

PART 3: CLASS LOGISTICS

Course outline

- Week 1: Introduction (RF)
- Week 2: Classical perspectives and contemporary approaches (KZ)
- Week 3: Free trade and domestic preferences (KZ)
- Week 4: Trade from preferences to policies (KZ)
- Week 5: Global trade governance (KZ)
- Week 6: Foreign direct investment (KZ)
- Week 7: Money (RF)
- Week 8: Finance (RF)
- Week 9: Foreign aid and development (RF)
- Week 10: Energy and the environment (RF)
- Week 11: Illicit economies (RF)
- Week 12: Conclusions (RF)

Top introductory political science classes



From my working manuscript “The Undergraduate Political Science Major Outside the US: Evidence from Five Democracies”

Who are we?

Conveners

Richard Frank

Office hours: By appointment

RSSS rm 2.39

I handle POLS2094 logistics.

Ruosui (Kelly) Zhang

Office hours: By appointment

RSSS rm 3.68

Tutors

Sofia Kalashnikova

Office hours: TBD

RSSS rm. 3.30

Dr. Ernest Akuamoah

Office hours: TBD

RSSS rm. 2.31

My interests in IPE

Political impacts of transnational non-state economic flows including private aid, remittances, microfinance, foreign direct investment, and cryptocurrencies

How electoral institutions and timing interact with transnational economic conditions to shape risk of political violence.

My approach to IPE

My research focuses on a positivist, empirical, and explanatory approach to understanding contemporary political and economic issues.

I am not trying to tell you what to think or belief but providing political science tools to help you reach your own conclusions.

Course representatives

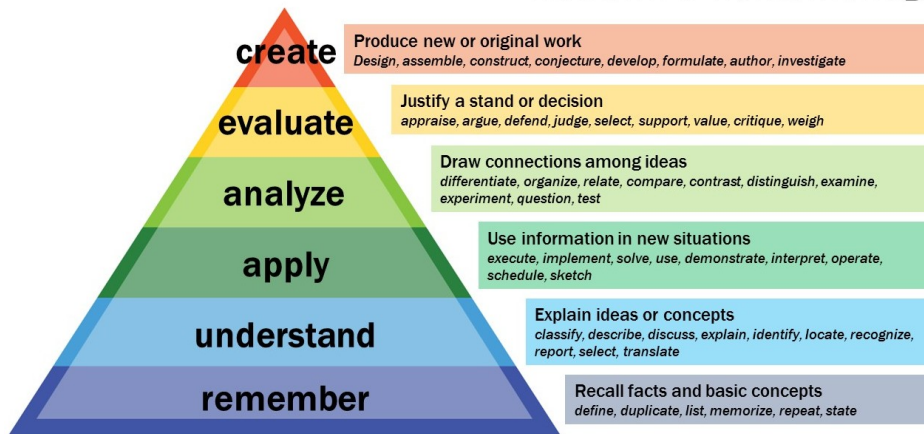
We need two course representatives.

Please email me if you would like to volunteer!

Bloom's taxonomy

I want to help you climb as high as possible this term.

Bloom's Taxonomy



Top 11 tips for a successful semester

1. Be curious.
2. Show up in person.
3. Do the reading.
4. Make it relevant to your life and experience.
5. Make a plan.
6. Stick to your plan but adjust as necessary.
7. Ask questions.
8. Move beyond the *what* to also explore the *why*.
9. Be proactive.
10. Take advantage of class resources.
11. Expect email responses within two business days.

Readings

The textbook can be purchased online.
It can also be read via the library website (3 simultaneous readers).
The remaining readings are PDFs on Wattle.
Complete the readings before lecture.
We will share reading questions and notes by Monday of the relevant week.

Tutorials

Held weekly in person from Weeks 2 to 11.
We cannot switch you between tutorials.
Participation marks are based on your in-class contributions that demonstrates critical engagement with the course content. Attendance is a prerequisite for participation.
Given that there are only ten weeks of tutorial, **students can miss one tutorial** without it negatively affecting their participation mark.
Students with medically documented health issues and those with EAPs should contact me with this documentation rather than the rest of the POLS2094 team.

Participation

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Midterm exam

Material covering Weeks 1-6.

15-minute reading time, 60-minute exam.

Design still in flux. More details to come in lecture, on Canvas, and in tutorial.

Held in Week 6. Hopefully in-person exam run by Exam Office.

Backup will be on Wattle.

Final exam

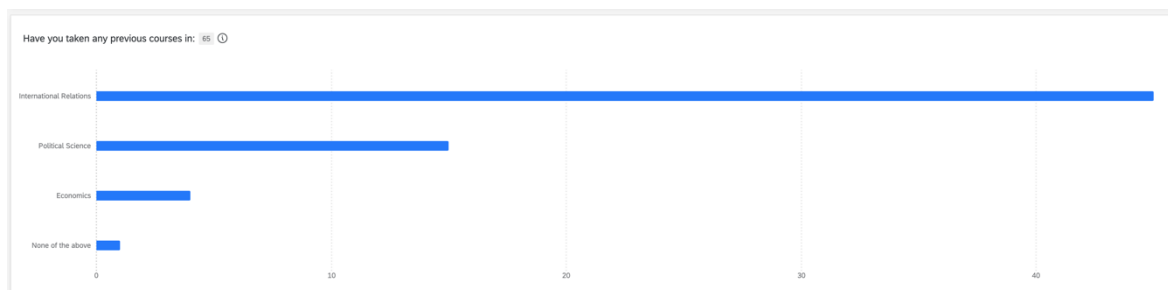
Material covering Weeks 1-12 with the focus on Weeks 7-12.

15-minute reading time, 120-minute exam.

Design still in flux. More details to come in lecture, on Canvas, and in tutorial.

Hopefully in-person exam run by Exam Office.

Thanks to those who completed the course survey!

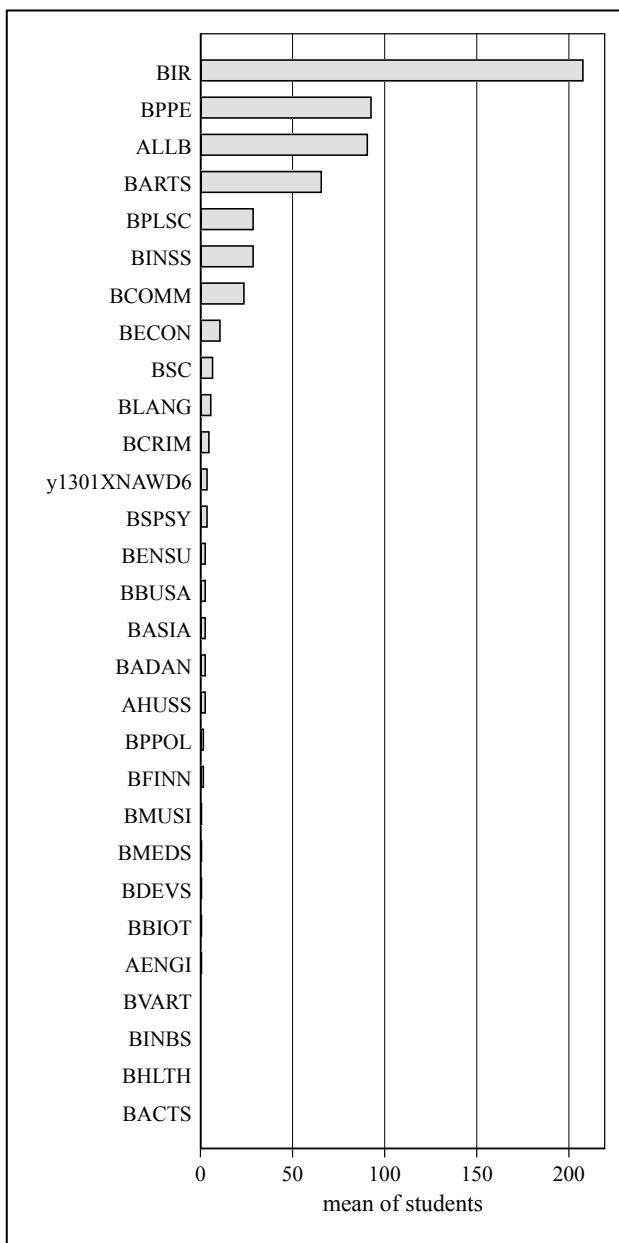


Student residency

Domestic: 326 (93%)
International: 24 (7%)

Student degrees

100 (29%) students are in **single** degrees.
224 (64%) students have **double** degrees.
20 (6%) students have **triple** degrees.
1 (0.003%) student has a **quadruple** degree (BIR, BPPE, ALLB, & BARTS).



Student degrees incentivised via Commonwealth fee structure

Let me know if you have any questions. Thanks!