IPE 382: The Illicit Global Economy

Spring 2010   Tu, Th 3:30-4:50   McIntyre 307

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Course Description
This course examines patterns of illegal activity in the international economy. It discusses theories of globalization and international political economy as they relate to the erosion of state sovereignty and the rise of non-state actors engaged in illegal activities. A political economy approach is used to understand reasons why illicit behavior occurs, how it occurs, and who the relevant actors are. Moreover, the course looks at the kinds of relationships that exist between states, illicit entrepreneurs, criminals, multinational corporations, rebel groups, and consumers. Attention is focused on production and distribution of “commodities” such as guns, money, and intellectual property (originating in developed countries) and drugs, people, diamonds, art, animals, and trees (originating in developing countries). The course also analyzes efforts by states and multilateral institutions to combat illicit transnational activity.

The course applies IPE theories to a broad range of illicit activities often neglected in the mainstream literature—but which are of increasing concern to political elites and international organizations. Students will examine the difficulties of quantifying and interpreting “shadow economies.” It is expected that you will be better able to understand the links between legal and illegal activities and between formal and informal institutions. Moreover, you will be encouraged to assess many ethical issues in the global economy.

Some of the key questions we will address are: How should we look at illicit activity: from a legal, sociological, or ethical perspective? Are all forms of illicit activity necessarily detrimental to a state, economy, or social group? How are shadow economies related to violence? Are those actors who benefit directly or indirectly from illicit transactions—even if they themselves don’t engage in illegal acts—to be considered “guilty?” Is illicit activity an inherent aspect of global capitalism? Do new technologies stimulate or suppress the shadow economies? What are the unintended consequences of efforts to regulate the IGE?
Primary Readings

- A course packet can be purchased at the UPS bookstore. It contains all of the other required readings listed in the syllabus. These readings, drawn from books, journals, and media sources, are an integral part of the course. From time to time I will also provide handouts of supplementary material during class.

Expectations

- **ATTENDANCE**: Regular attendance and punctuality are required. Advance notice of a necessary absence should be given when possible. More than 3 unexcused absences will lower your participation grade. More than 5 unexcused absences will result in a failing course grade.

- **READINGS**: It is very important to read assigned materials before each class. Please bring the readings with you to class. I will often ask you in class discussions to answer specific questions about the assigned readings.

- **PARTICIPATION**: Your *meaningful* participation is what leads to a productive class. I expect thoughtful comments, consistent note-taking, and *demonstrated* ability to engage with class readings. Valuable participation also requires equanimity, respect for the opinions of fellow students, and the ability to assess issues with an open mind. Do not interrupt others who are talking, hog the conversation, or make flippant remarks. You are part of a shared endeavor to gain knowledge; your engagement with the course helps everyone. Your participation grade assesses a variety of factors including your intellectual curiosity, self-motivation, and critical thinking, and every-day involvement in the class. Take the initiative to draw connections to new issues and to point out to me relevant news items and articles that you come across. I prefer that discussion proceed via raising of your hand, so that that each person has an equal opportunity to join in. You can also expect me to call on you to answer questions.
**EXAMS AND WRITING ASSIGNMENTS:** I will hand out a study guide before each exam. Exams will consist of a combination of an essay, short answers, and identifications. The final exam is not comprehensive; it primarily covers the material from after the midterm. Laptops are not to be used for exams or in class unless approved by the Disabilities Services office. Exams must be taken on the scheduled date unless there is a legitimate, documented reason for absence. Similarly, writing assignments must be turned in on the due date. Late papers will be penalized a half grade for each day late unless you provide documentation in advance of legitimate, extraordinary circumstances.

**POP QUIZZES:** There will be 5 quizzes throughout the semester. Each will be given at the start of class. You will have 5 minutes. Each will consist of IDs and/or short answers about the day’s assigned reading(s). No makeups.

**PLAGAIRISM:** It is your responsibility to be familiar with the Student Integrity Code and UPS’ policies on academic honesty—particularly with regard to the serious consequences for plagiarism—as explained in The Logger at www.pugetsound.edu/student-life/student-resources/student-handbook/academic-handbook/academic-integrity

**OFFICE VISITS:** I expect you to stop by my office at least several times in the semester, whether for a quick question or an extended discussion. Take the initiative to ask questions, demonstrate that you understand the readings, and draw connections to new issues. I am interested in your opinions, observations, and materials that you come across that tie in to our course. I look forward to talking with you!

**OUTSIDE THE CLASSROOM:** There are many IPE-sponsored events in Spring 2010 and other presentations that I expect you to be engaged with – including the IPE Brownbag series, documentaries, and guest speakers. Follow our blog at http://ipeatups.blogspot.com.

**SUPPLEMENTARY READINGS:** You will benefit from regularly reading one of these publications: The New York Times; The Washington Post; The Wall Street Journal; The Economist; The Guardian. These media sources will reinforce what you learn in class and provide important examples of illicit transactions in the global economy.

**Grading**
Your work is assessed on the basis of a number of criteria, including: depth of analysis; clarity; organization; strength of assertions; proper balance between description and analysis; knowledge of and reflection on assigned readings; and attention to style,
grammar and punctuation. I expect you to take advantage of my written feedback and discussions with me to constantly strive to do your best work.

93-100 (A), 90-92 (A-) – Excellent
87-89 (B+), 83-86 (B) – Good
80-82 (B-) 77-79 (C+) – Satisfactory
73-76 (C), 70-72 (C-) – Below average
67-69 (D+), 63-66 (D), 60-62 (D-) – Poor
Below 60 (F) – Failing

Performance Measures
- Midterm Exam (22%)
- Final Exam (22%)
- 5 Pop quizzes (2% each)
- Research Paper (22%)
- Policy brief (10%)
- Participation, Readings and Attendance (14%)

Guidelines for the Policy Brief
The policy brief is a short proposal for the Obama administration on how best to deal with a drug trafficking or human trafficking. Use the “Action Memorandum” style from the American Prospect. The brief should be approximately 3 double-spaced pages. Due on February 11th

Components:
1) In a nutshell, what is the illicit problem and what are the challenges to existing policies?
2) What new actions/policies should the United States adopt and why might they be more effective?
3) What are the potential risks with the actions you propose?

Guidelines for the Research Paper
The paper will examine an illicit activity related to the themes of the course. Choose a topic you are interested in and can find library material on. It is always a good idea to narrow the focus of your paper; it will make your task easier. At the beginning of the paper, state clearly what you are trying to explain, why it is important, and what the reader should expect to find by the end of the paper. This can often be done in a couple of paragraphs. Organize the paper in a logical progression. Your conclusion should be a reformulation—not repeat—of what you wrote earlier. Keep in mind that you should try to support your thesis, not “prove” it. Strive to: use nuance and balance; pose reasonable explanations; acknowledge competing explanations; and include supporting data.
A strong paper will use a mix of books, journal articles, and Internet sources. The paper will be 11-12 pages, using standard margins and a 12-point font. Use the Chicago style of author-date parenthetical citation and referencing (unless you know another system well). Include a bibliography and a title page. Number every page. Identify the sources of all quotes, ideas, and paraphrased material. Opinions that are not originally yours must be cited. Direct quotations must be entirely enclosed in quotation marks. Avoid excessively close paraphrasing or use of just one source for several consecutive pages. Take time to proofread for mechanical, grammatical, and spelling mistakes. Keep copies of your rough drafts.

The paper is due on April 15th. I expect you to hand in to me no later than April 8th a one-paragraph statement of your paper topic. My advice: (1) the sooner you start the better; (2) seek feedback from me, other IPE faculty, and your friends; (3) research what you are truly interested in; (4) and look through the whole syllabus and browse through all the readings for ideas. I can usually help you narrow a topic, focus on key questions, and find resources that you may not know about. Don't hesitate to stop by my office with questions or if you would like to run through some ideas. The reference librarians and the Writing Center are also great resources.
Class Schedule

Jan 19:  Introduction to the Illicit Global Economy

Jan 21:  Issues and Actors in the Illicit Global Economy
- NPR, “Ivory Coast tragedy accents toxic flow to poor,” October 20, 2006
- Naim, chs. 1-2 (pgs. 1-37)

Jan 26:  What Can We Learn from Studying the Shadow Economies?

Drugs

Jan 28:  Drug Trafficking I
- Buxton, chs 5-7 (pp. 51-99)

Feb 2:  Drug Trafficking II
- Buxton, chs 8-10 (pp. 100-144)

Feb 4:  Drug Trafficking III
- Buxton, chs 11, 14, 16 (pp. 156-166, 176-189, 200-212)

People

Feb 9:  Human Trafficking

Feb 11:  Discussion of Policy Briefs
- First policy brief due
### Feb 16: Sex Trafficking I
- Kara, ch. 1

### Feb 18: Sex Trafficking II
- Kara, chs. 4-5

### Feb 23: Sex Trafficking II
- Kara, ch. 7-8

### Small Arms

### Feb 25: Arms Trafficking
- Rachel Stohl and Suzette Grillot, *The International Arms Trade* (Malden, MA: Polity, 2009), ch. 4
- *Small Arms Survey 2008*, “Adventures of a Would-Be Arms Dealer”

### Mar 2: Policy Options against Arms Trafficking
- Stohl and Grillot, ch. 6
- In class film: *Sierra Leone – Gunrunners* (Frontline)

### Money

### Mar 4: Financial Crimes

### Mar 9: The War on Terrorist Financing and Dirty Money

### Mar 11: Midterm Exam
### Mar 13-21: Spring Break

### Consumer Goods

### Mar 23: Old-Fashioned Cigarette Smuggling

- Marina Walker Guevara and Kate Wilson, “Big Tobacco’s New York Black Market” (December 19, 2008)

### Parts of People, Animals, and Trees

### Mar 25: Organ Trafficking


### Mar 30: Organ Trafficking

- In class: View documentary *Kidney on Ice* (2008)

### Apr 1: Animal Trafficking


### Apr 6: Illegal Timber Harvesting


### A Diamond Is Forever

### Apr 8: Blood Diamonds

Apr 13: Blood Diamonds and the Kimberley Process
✓ Greg Campbell, continued (pgs 99-181, 213-225)
✓ Screening of Cry Freetown (2000)

Apr 15: Research Paper
✓ Research Paper due

Conflict and Commodities in Africa

Apr 20: African War Economies
✓ Nordstrom, Preface and chs. 1-11 (pp. 1-113)

Apr 22: Africa and World Ports
✓ Nordstrom, chs. 12-20 (pp. 115-208)

Theft of “Intellectual Property” and National “Patrimony”

Apr 27: Counterfeits

Apr 29: Plundering Antiquities

Tackling the Illicit: What Can Be Done?

May 4: Policy Recommendations
✓ Naim, chs. 12-13 (pp.236-281)

May 11: Final Exam (4:00-6:00 pm)

Note (a.k.a. the fine print): This syllabus is subject to change