

**PUBPOL 3025/5025**  
**U.S. Foreign Policy and Economic Statecraft**  
Professor Jana Nelson, [email@email.edu](mailto:email@email.edu)

**Credits: 4**

**Prerequisites: None**

**Description:** The world has changed, and the collective global policy goals of the 2000s are no longer at the forefront of international affairs. Increasingly, economic tools--both carrots and sticks--are a core tool of the U.S. Foreign Policy toolbox. The sticks, or coercive tools, such as sanctions, tariffs, and export controls, garner more public attention, but tools of positive reinforcement are equally relevant. This course will explore the historical and geopolitical context within which U.S. Foreign Policy is shifting toward weaponizing economic interdependence -- competition with the People's Republic of China, the war in Ukraine, and organized crime in the Western Hemisphere. It will also explore the question of how a new generation of national security professionals can navigate a world and a professional space that is increasingly moving away from the pro-globalization consensus of the 2000s.

**Learning Goals:** After taking this class, students will be able to (1) compare and describe the pros and cons of the foreign policy tools of economic statecraft; (2) to evaluate how policy-making in this realm is playing out in the relevant departments and agencies of the federal government (Treasury, Commerce, State, the National Security Council, etc.);

After taking this class, graduate students will be able to (1) compare and describe the pros and cons of the foreign policy tools of economic statecraft; (2) to evaluate how policy-making in this realm is playing out in the relevant departments and agencies of the federal government (Treasury, Commerce, State, the National Security Council, etc.); (3) *be able to cogently assess which is the best economic statecraft tool on behalf of a particular foreign policy goal.*

**Themes:** In the first part of the course, we will establish a basic understanding of economic statecraft. Then we turn to current questions and developments in the use of these tools. The second part will explore certain case studies, such as the U.S. and international economic responses to Russia's invasion of Ukraine and Venezuela. The course addresses the economic tools of national security broadly, concentrating on visa and financial sanctions, while also examining trade and export controls, as well as the regulation of outbound and inbound investment. Finally, at the end, the course makes the decision-making process more tangible, with role-playing of the inter-agency process, and exercises that require students to make an argument based on an agency's perspective.

Foreign Policy can at times seem like an abstract concept, posturing between countries. But it has real-world effects on people who are caught in between coercive economic arrangements. In this course, we will also consider the experience of individuals living in these sanctioned economies

**Structure:** The course meets once a week for 200 minutes. Attendance is mandatory. For class, you are welcome to bring your laptop for note-taking purposes. For discussion periods and **guest speakers, they should be put away**. Assignment extensions are possible but must be cleared with me ahead of time. Late assignments will be penalized one grade increment (i.e., an A to an A-) per day. I reserve the right to change this syllabus but will make reasonable attempts to warn you if I have to do so. My office hours are **TBD** via Zoom. I'm also happy to do an appointment at another time, if those times aren't convenient. The two official channels of communication for the course are via email or on Canvas, so be sure to monitor both of those.

**Integrity:** Remember your academic integrity. Abide by the Cornell University Code of Academic Integrity. Your submitted work should be your own. All required papers may be subject to software review for the detection of plagiarism or the use of AI.

**Access:** Your access in this course is important to me. Cornell has a wide range of resources to support you during the semester. Some particularly useful ones are listed under "Resources" in Canvas/Modules. Please talk to me about what approaches will help the most with access, both informal and formal.

If you need one, please request an accommodation letter early in the semester, or as soon as you become registered with SDS, so that we have adequate time to arrange your approved academic accommodations.

Once SDS approves your accommodation letter, it will be emailed to both you and me. You must follow up with me to discuss the necessary logistics of your accommodations. If you experience any access barriers in this course, such as with printed content, graphics, online materials, or any communication barriers; reach out to me or your SDS counselor right away.

If you need an immediate accommodation, please speak with me after class or send an email message to me and SDS at [sds\\_cu@cornell.edu](mailto:sds_cu@cornell.edu).

Grade Scale	Range	Value
A+	98-100	98
A	93-97	95
A-	90-92	92
B+	88-89	88
B	83-87	85
B-	80-82	82
C+	78-79	78
C	73-77	75

C-	70-72	72
D	60-69	65
F	<59	50

Assignments	Grade %	Due Date	Hand In
Class Participation	15%	Weekly	In class
Reading Reactions	40% (for undergrad) 25% for grad students)	Weekly (x11)	Canvas
Policy Memo #1	20%	Early-Semester	Canvas
Policy Memo #2	25%	Mid- semester	Canvas
Policy Memo #3 (for grad students)	15%	End of semester	Canvas

## Assignments:

1. *Participation.* Regular class attendance and engaging with the discussion parts of each week's class session form the participation grade.
2. *Reading Reactions:* Each week, students will submit short 50-200 word reading reactions on the Canvas Discussion Board. In order to receive credit, these reading reactions cannot exceed 200 words. Reading reactions may be posted as far in advance as you would like, but must be posted the night before class. The first reading reaction is due for Class 2. You may skip two reading reactions during the semester.  
These reactions will give students a chance to think closely about the assigned reading in advance of in-class discussion. Students should react to the reading rather than summarize it. What about the reading interested you and why?
3. *Policy Memos.* Twice during the semester, you will write a 5 page policy memo with 3-4 pages of attachments, recommending, from the perspective of a particular agency, why and how best to impose or undo sanctions on a particular country/issue. We will use a few select memos as a guiding document for discussion in class on the challenges facing countries or issues.

*In addition to the assignments above, graduate students are also required to do the following:*

*Reading Reactions: graduate students will submit 200-400 word reading reactions based on the following questions: what larger themes did it confirm or counter? How did different aspects of the reading relate to one another?*

*Policy Memos: Graduate students will write a third memo outlining the geopolitical consequences of the current use of sanctions; and proposing ways in which economic statecraft tools can be successful over the next ten years.*

## **Books:**

The books can be purchased and will be available on reserve. Other required readings are accessible in Canvas.

Liu, Zongyuan Zoe, and Mihaela Papa. "Can BRICS De-Dollarize the Global Financial System?"

*Cambridge University Press*, 24 Feb. 2022, <https://doi.org/10.1017/9781009029544>.

Ramón, Paula. *Motherland*. AmazonCrossing, 31 Oct. 2023.

Fishman, Edward. *Chokepoints*. Penguin Group, 25 Feb. 2025.

## **Class Schedule:**

Each week we will consider the evolution of U.S. Foreign Policy in recent years, focusing particularly on the increased reliance on economic statecraft tools and their consequences.

**Week 1 (January 26): Setting the stage. The demise of the Liberal International Order. How the Geopolitical Competition changed U.S. Foreign Policy (Guest Speaker)**

*Policies: Soft Power, Capitalist Peace Theory,*

*Topics: Looking backward at the consensus over the last twenty years of U.S. Foreign Policy; International Relations Theory debates; Ending with the Weaponization of*

## *Economic Interdependence;*

Readings: Fishman, Edward. *Chokepoints*. Penguin Group, 25 Feb. 2025. **Chapter 2 (pg 20-23); Chapter 5-7 (pg 31-45)**

Keohane, Robert O, and Joseph S Nye. "The End of the Long American Century." *Foreign Affairs*, 2 June 2025.

Goddard, Stacie E, et al. "Liberalism Doomed the Liberal International Order." *Foreign Affairs*, 28 July 2025

## **Week 2 (February 2): How the Geopolitical Competition changed U.S. Foreign Policy (Guest Speaker)**

*Policies: Great Power Competition*

*Topics: The collapse of the World Trade Organization; Recent Growth of BRICS; New tools of economic interdependence (New Development Bank; Asia Infrastructure Investment Bank)*

Readings: Mathias Döpfner. "The Downfall of the World Trade Organization."

*POLITICO*, 15 Feb. 2025, [www.politico.eu/article/trade-war-donald-trump-downfall-of-the-world-trade-organization-wto/](https://www.politico.eu/article/trade-war-donald-trump-downfall-of-the-world-trade-organization-wto/).

Babic, M, Dixon, A & Liu, I 2022, Geoeconomics in a Changing Global Order. in M Babic, AD Dixon & IT Liu (eds), *The Political Economy of Geoeconomics: Europe in a Changing World*. International Political Economy Series, Palgrave Macmillan, pp. 1-15. [Note last required reading page is not the end of the article]

[https://pure.hw.ac.uk/ws/portalfiles/portal/102809621/978\\_3\\_031\\_01968\\_5\\_1.pdf](https://pure.hw.ac.uk/ws/portalfiles/portal/102809621/978_3_031_01968_5_1.pdf)

Liu, Zongyuan Zoe, and Mihaela Papa. "Can BRICS De-Dollarize the Global Financial System?"

*Cambridge University Press*, 24 Feb. 2022,

<https://doi.org/10.1017/9781009029544>.

## **Week 3 (February 9): The Carrots of Economic Statecraft. Modernizing Multilateral Development Assistance (Guest Speaker)**

*Policies: Neoliberalism; Post-Neoliberalism; Financing for Development; Development Economics*

*Topics: The creation of the Development Finance Corporation; Evolution of the ExIm Bank; The bipartisan and continued effort to better use multilateral development bank's capital*

Readings: Harris, Jennifer. "The Post-Neoliberal Imperative | Foreign Affairs.", 22 Apr. 2025,

Akhtar, S. I., & Brown, N. M. (2022a, February 22). U.S. international development finance corporation (DFC). Congressional Research Service (IF11436—Version: 7). Retrieved from

<https://crsreports.congress.gov/product/pdf/IF/IF11436/7> Pp 1-12

*Export-Import Bank: Overview and Reauthorization Issues*.

2019.<https://sgp.fas.org/crs/misc/R43581.pdf>

Ilan Goldfajn. "El Sector Público No Puede Hacerlo Solo: Una Nueva Era Para El Desarrollo Global." *El País*, 27 June 2025, [elpais.com/planeta-futuro/2025-06-27/el-sector-publico-no-puede-hacerlo-solo-una-nueva-era-para-el-desarrollo-global.html](https://elpais.com/planeta-futuro/2025-06-27/el-sector-publico-no-puede-hacerlo-solo-una-nueva-era-para-el-desarrollo-global.html).

Banga, Ajay. "Development is how we compete, grow and stay secure" *Financial Times*, April 2025, [www.ft.com/content/3e5d55bb-0c0d-40e6-a15c-5187c8a021b2](https://www.ft.com/content/3e5d55bb-0c0d-40e6-a15c-5187c8a021b2).

#### **Week 4 (February 23): The Chips Act and Critical Minerals (Guest Speaker)**

*Policies: Industrial Policy*

*Topics: Stockpiling of Critical Minerals; Working with allies and neighbors to respond to semiconductor needs.*

*Readings:* Deese, Brian. "Remarks on Executing a Modern American Industrial Strategy." 2022.

GAO report Critical Minerals: Action Needed to Implement Requirements that Reduce Supply Chain Risks

White House Two Years after the CHIPS and Science Act Fact Sheet

#### **Week 5 (March 2): An Overview of Coercive Economic Statecraft Tools**

*Policies: Financial Sanctions, Visa Sanctions, Human Rights Promotion, Anti-Corruption*

*Topics: Review of effectiveness of Financial and Visa Sanctions*

*Readings:*

Fishman, Edward. *Chokepoints*. Penguin Group, 25 Feb. 2025. **Chapter 11-13 (pg 64-81); Chapter 17 (pg 98-106); Chapter 19-21 (pg 115-135)**

*THE TREASURY 2021 SANCTIONS REVIEW*. 2021.

<https://home.treasury.gov/system/files/136/Treasury-2021-sanctions-review.pdf>

*SHAMING without NAMING the Limits of Confidential U.S. Visa Sanctions for Accountability 2*. 2023. [https://humanrightsfirst.org/wp-content/uploads/2023/12/Shaming-without-naming\\_December-2023.pdf](https://humanrightsfirst.org/wp-content/uploads/2023/12/Shaming-without-naming_December-2023.pdf)

Drezner, Daniel W. "The United States of Sanctions," *Foreign Affairs*, No. 100, September/October 2021.

*First Policy Memo Due*

#### **Week 6 (March 9): Weaponizing Economic Interdependence: The War in Ukraine (Guest Speaker)**

*Policies:*

*Topics: War in Ukraine, SWIFT cancellation*

*Readings:* Fishman, Edward. *Chokepoints*. Penguin Group, 25 Feb. 2025. **Chapter 51 (pg 320-323); Chapter 54 (pg 335-337); Chapter 56-57 (pg 343-353); Chapter 63 (pg 378-381)**

OFAC Ukraine/Russia-Related Sanctions Program Brochure.

Adeyemo, Adewale. "America's New Sanctions Strategy." *Foreign Affairs*, December 16, 2022.

Yellen, Janet. "A New Way to Make Russia's Assets Pay for Ukraine's Defense and Rebuilding." *New York Times*, June 13, 2024.

#### **Week 7 (March 16): Weaponizing Economic Interdependence: Organized Crime in the Western Hemisphere (Guest Speaker)**

*Policy:*

*Topics: Narco-Terrorism, Emerging Threats*

*Readings: Beguiristain, Maria et al. "United States Designates Eight Cartels and Transnational Criminal Organizations". February 24, 2025*

Freeman, Will. "Organised Crime has taken on a different shape in Latin America." *Financial Times*, 2018, [www.ft.com/content/bd99f025-94eb-49e5-96fe-e07b55698672](https://www.ft.com/content/bd99f025-94eb-49e5-96fe-e07b55698672).

**Week 8 (March 23): The Human Cost of Economic Statecraft: Venezuela (Guest Speaker)**

*Policy: Do No Harm*

*Topics: The human effects of policies determined in the halls of the White House*

Readings: Ramón, Paula. *Motherland*. AmazonCrossing, 31 Oct. 2023.

*Spring Break – No class*

**Week 9 (April 6): The Inter-Agency Process for Economic Statecraft (Guest Speakers)**

*Policy: Decision-making processes*

*Topics: How do different agencies approach the decision-making process for economic statecraft*

Readings: N/A

*Second Policy Memo Due*

**Week 10 (April 13): Trade tools for Economic Statecraft**

*Policy: Industrial Policy*

*Topics: Committee on Foreign Investment in the United States, International Emergency Economic Powers Act,*

*Readings:* Danzman, Sarah Bauerle. "Investment Screening in the Shadow of Weaponized Interdependence," in Drezner et al. **(article will be requested to author and a pdf available on Canva)**

Cimino-Isaacs, Cathleen D. and Sutter, Karen M. "The Committee on Foreign Investment in the United States (CFIUS)." Congressional Research Service, 2017.

Benson, Emily and Allen, Gregory C. "A New National Security Instrument: The Executive Order on Outbound Investment." CSIS, 2023.

Harrell, Peter. "The Case against IEEPA Tariffs." Lawfare, January 31, 2025

**Week 11 (April 20): Case Study discussions**

*Policy: Inter-Agency Policy Process*

*Topics: Re-enactment of a Deputies Committee to decide on economic statecraft tools for a particular country or issue. Each group of two students will represent an agency.*

Readings: Select Policy Memos on the country/issue.

**Week 12 (April 27): Digital Finance: A new Frontier of Economic Statecraft (Guest Speaker)**

*Policy: Emerging technologies*

*Topics: Central Bank Digital Currencies, why are countries adopting them; Crypto, citizens who use them to get around authoritarianism and unstable economies; Stablecoins, are they the solution for continued dollar dominance?*

Readings: Gladstein, Alex. "How to Dictator-proof your Money." Journal of Democracy. Online Exclusive

Farah, Douglas and Marianne Richardson. "The Growing use of Cryptocurrencies by Transnational Organized Crime Groups in Latin America." Georgetown Journal of International Affairs.

Bogost, Ian. "Cryptocurrency might be a path to Authoritarianism." The Atlantic. May 30, 2017

Tran, Hung and Barbara Matthews. "The Stablecoin Race." The Atlantic Council. July 10, 2025

*Final Policy Memo for Grad students due*

**Week 13 (May 04): In-person visit to Treasury and/or Department of State**