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This course is an advanced graduate colloquium on international political economy. It focuses on the key issues in international political economy, such as trade, monetary policy, foreign investment, globalization, development, foreign aid, and international institutions and cooperation.

This course will be run as a discussion group in which everyone is expected to participate. In addition to the weekly readings, students will write three short papers (3-5 pages) over the course of the semester, comparing and criticizing the readings. In addition, one student will be responsible for leading discussion each week. (Each week, at least one student will be writing a short paper.)

Students will write a research paper (about 30-40 pages) on some original research question for their final. The final paper will count for 50% of your grade; the rest of the grade will be based upon class participation and the short papers.

Final papers are due by Dean's Date (May 16) for first-years. Second years may turn in their final papers by May 23 (post- written generals).

**Course Outline:**

1. Background Reading
2. Some IPE Theory
3. Globalization, Preferences, and Coalitions
4. Globalization and Domestic Institutions
5. Migration
6. FDI
7. Finance
8. More on FDI and Finance
9. Multilateral Trade – The International Trading System
10. Bilateral Trade
11. Currency
12. Development
13. Further Topics in IPE

**Background Reading: Introduction to IPE (Before 1<sup>st</sup> Session)**

- Frieden, Jeffrey A. 2006. *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York: W.W. Norton. Chs. 15-20 (pp. 339-472). (Course Reserves: HF1359 .F735 2006)
- Williamson, Jeffrey G. 1998. "Globalization, Labor Markets and Policy Backlash in the Past." *Journal of Economic Perspectives* 12 (4): 51-72. <http://www.jstor.org/stable/2646894>

## Session 1: Some IPE Theory (~172 pages)

### **Debate: Open Economy Politics**

- Lake, David. 2009. "Open Economy Politics: A Critical Review." *The Review of International Organizations* 4 (3): 219-244. <https://doi.org/10.1007/s11558-009-9060-y>
- Oatley, Thomas. 2011. "The Reductionist Gamble: Open Economy Politics in the Global Economy." *International Organization* 65 (2): 311-341. <http://www.jstor.org/stable/23016814>
- (Response to Oatley) Chaoudin, Stephen, Helen Milner, and Xun Pang, 2016. "International Systems and Domestic Politics: Linking Complex Interactions with Empirical Models in International Relations." *International Organization* 69 (2): 275-309. <https://doi.org/10.1017/S0020818314000356>

### **Network Analysis in IPE**

- Hafner-Burton, Emilie M., Miles Kahler, and Alexander H. Montgomery. 2009. "Network Analysis for International Relations." *International Organization* 63 (3):559-592. <http://www.jstor.org/stable/40345947>
- Cao, Xun, 2012., "Global Networks and Domestic Policy Convergence: A Network Explanation of Policy Changes." *World Politics* 64 (3): 375-425. <https://doi.org/10.1017/S0043887112000081>

## Session 2: Globalization, Preferences and Coalitions (~174 pages)

### **Domestic Coalitions**

- Mayda, Anna Maria and Dani Rodrik. 2005. "Why Are Some People (and Countries) More Protectionist Than Others?" *European Economic Review* 49 (6): 1393-1430. <http://dx.doi.org.ezproxy.princeton.edu/10.1016/j.euroecorev.2004.01.002>
- Adserà, Alicia and Carles Boix. 2002. "Trade, Democracy and the Size of the Public Sector: The Political Underpinnings of Openness." *International Organization* 56 (2):229-62. <http://www.jstor.org/stable/3078605>

### **Democracies**

- Milner, Helen V. and Keiko Kubota. 2005. "Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries." *International Organization* 59 (1): 107-143. <http://www.jstor.org/stable/3877880>
- Margalit, Yotam. 2011. "Costly Jobs: Trade-Related Layoffs, Government Compensation, and Voting in U.S. Elections." *American Political Science Review* 105 (1): 169-188. <http://www.jstor.org/stable/41480833>

### **Sociotropic Preferences – And a Response**

- Mansfield, Edward D. and Diana C. Mutz. 2009. "Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety." *International Organization* 63 (3):425-57. <http://www.jstor.org/stable/40345943>
- Fordham, Benjamin O. and Katja B. Kleinberg. 2012. "How Can Economic Interests Influence Support for Free Trade?" *International Organization* 66 (2): 311-328. <http://www.jstor.org/stable/41428957>

## Session 3: Globalization and Domestic Institutions (~155 pages)

### Globalization and Social Welfare

- Mosley, Layna. 2000. "Room to Move: International Financial Markets and National Welfare States." *International Organization* 54 (4):737-73. <http://www.jstor.org/stable/2601380>
- Wibbels, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World." *International Organization* 60 (02):433-68. <http://www.jstor.org/stable/3877899>
- Burgoon, Brian. 2009. "Globalization and Backlash: Polanyi's revenge?" *Review of International Political Economy* 16 (2):145 - 77. <http://dx.doi.org/10.1080/09692290802408832>

### Domestic Institutions

- Hicks, Raymond, Helen Milner, and Dustin Tingley, 2013. "Trade Policy, Economic Interests, and Party Politics in a Developing Country: The Political Economy of CAFTA-DR." *International Studies Quarterly* 58 (1): 106-117. <http://dx.doi.org/10.1111/isqu.12057>
- Gawande, Kishore, Pravin Krishna, and Marcelo Olarreaga. 2009. "What Governments Maximize and Why: The View from Trade." *International Organization* 63 (3):491-532. <http://www.jstor.org/stable/40345945>

## Session 4: Migration (~165 pages)

- Peters, Margaret. 2015. "Open Trade, Closed Borders: Immigration Policy in the Era of Globalization." *World Politics* 67 (1): 114-54. <https://doi.org/10.1017/S0043887114000331>
- Scheve, Kenneth F., and Matthew J. Slaughter. 2001. "Labor Market Competition and Individual Preferences over Immigration Policy." *Review of Economics and Statistics* 83 (1): 133-145. <http://www.jstor.org/stable/2646696>
- Mayda, Anna M. 2006. "Who is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants." *Review of Economics and Statistics* 88 (3): 510-530. <http://www.jstor.org/stable/40043013>
- Hanson, Gordon, Kenneth F. Scheve, and Matthew J. Slaughter. 2007. "Public Finance and Individual Preferences over Globalization Strategies." *Economics and Politics* 19 (1): 1-33. <http://doi.org/10.1111/j.1468-0343.2007.00300.x>
- Hatton, Timothy J. and Williamson, Jeffrey G. 2006. "A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labor-Scarce Economies?" *IZA Discussion Paper* no. 2146. <http://doi.org/10.3386/w11866>
- Facchini, Giovanni, Anna Maria Mayda, and Prachi Mishra. 2011. "Do Interest Groups affect US Immigration Policy?" *Journal of International Economics* 85 (1 September): 114-128. <http://dx.doi.org.ezproxy.princeton.edu/10.1016/j.jinteco.2011.05.006>

## Session 5: FDI (~124 pages)

### The Role of MNEs

- Melitz, Marc J., and Daniel Trefler. 2012. "Gains from Trade When Firms Matter." *Journal of Economic Perspectives* 26 (2): 91-118. <http://www.jstor.org/stable/41495306>

- Alfaro, Laura and Andrew Charlton. 2009. "Intra-Industry Foreign Direct Investment." *American Economic Review* 99 (5): 2096-2119. <http://www.jstor.org/stable/25592549>
- Yeaple, Stephen R. 2013. "The Multinational Firm." *Annual Review of Economics* 5:193-217. <http://www.annualreviews.org/doi/abs/10.1146/annurev-economics-081612-071350>

### **Determinants of FDI**

- Pandya, Sonal. 2010. "Labor Markets and the Demand for Foreign Direct Investment." *International Organization* 64 (3 Summer): 389-409. <http://www.jstor.org/stable/40930441>
- Blake, Daniel J. 2013. "Thinking Ahead: Government Time Horizons and the Legalization of International Investment Agreements." *International Organization* 67 (4): 797-827. <https://doi.org/10.1017/S0020818313000258>

## **Session 6: Finance (~162 pages)**

### **Capital Controls and Governance**

- Edwards, Sebastian. 1999. "How Effective are Capital Controls?" *Journal of Economic Perspectives* 67 (4): 65-84. <https://doi.org/10.3386/w7413>
- Garret, Geoffrey. 1995. "Capital Mobility, Trade, and the Domestic Politics of Economic Policy." *International Organization* 49 (4): 657-689. <http://www.jstor.org/stable/2706922>

### **Sovereign Wealth Funds**

- Chwioroth, Jeffrey. 2014. "Fashions and Fads in Finance: The Political Foundations of Sovereign Wealth Fund Creation." *International Studies Quarterly* 58 (4): 752-763 <http://dx.doi.org.ezproxy.princeton.edu/10.1111/isqu.12140>
- Singer, David Andrew. 2004. "Capital Rules: The Domestic Politics of International Regulatory Harmonization." *International Organization* 58 (3): 531-565 <http://www.jstor.org/stable/3877842>

### **Sovereign Debt**

- Tomz, Michael. 2007. *Reputation and International Cooperation: Sovereign Debt Across 3 Centuries*. Princeton University Press, p. 1- 37. <http://www.jstor.org/stable/j.ctt7sdm3>
- Beaulieu, Emily, Gary W. Cox and Sebastian Saiegh, 2012. "Sovereign Debt and Regime Type: Reconsidering the Democratic Advantage." *International Organization* 6 (4): 709-738. <http://www.jstor.org/stable/23279976>

## **Session 7: More on FDI and Finance (~164 pages)**

### **Effects of FDI**

- Desbordes, Rodolphe, and Julien Vauday. 2007. "The Political Influence of Foreign Firms in Developing Countries." *Economics & Politics* 19 (3):421-51. <https://doi.org/10.1111/j.1468-0343.2007.00317.x>
- Elkins, Zachary, Andrew T. Guzman, and Beth A. Simmons. 2006. "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000." *International Organization* 60 (4):811-46. <http://www.jstor.org/stable/3877848>

- Scheve, Kenneth, and Matthew J. Slaughter. 2004. "Economic Insecurity and the Globalization of Production." *American Journal of Political Science* 48 (4): 662-74. <http://www.jstor.org/stable/1519926>
- Li, Quan, and Rafael Reuveny. 2003. "Economic Globalization and Democracy: An Empirical Analysis." *British Journal of Political Science* 33 (1): 29-54. <http://www.jstor.org/stable/4092267>

### **Financial Markets**

- Greenwood, Jeremy, and Bruce D. Smith. 1997. "Financial markets in development, and the development of financial markets." *Journal of Economic Dynamics and Control* 21 (1): 145-181. [http://dx.doi.org.ezproxy.princeton.edu/10.1016/0165-1889\(95\)00928-0](http://dx.doi.org.ezproxy.princeton.edu/10.1016/0165-1889(95)00928-0)
- Frieden, Jeffry A. 1991. "Invested interests: the politics of national economic policies in a world of global finance." *International Organization* 45 (4): 425-451. <https://doi.org/10.1017/S0020818300033178>

## **Session 8: Multilateral Trade – The International Trading System (~178 pages)**

### **Designing Multilateral Institutions**

- Rosendorff, B. Peter, and Helen V. Milner. 2001. "The Optimal Design of International Trade Institutions: Uncertainty and Escape." *International Organization* 55 (4): 829-57. <http://www.jstor.org/stable/3078617>
- Bagwell, Kyle, and Robert W. Staiger. 1999. "An Economic Theory of GATT." *The American Economic Review* 89 (1): 215-48. <http://www.jstor.org/stable/116986>
- Chase, Kerry. 2003. "Economic Interests and Regional Trading Arrangements: The Case of NAFTA." *International Organization* 57 (1): 137-74. <http://www.jstor.org/stable/3594828>

### **Effects of GATT/WTO**

- Maggi, Giovanni. 1999. "The Role of Multilateral Institutions in International Trade." *American Economic Review* 89 (1): 190-214. <http://www.jstor.org/stable/116985>
- Gowa, Joanne and Soo Yeon Kim. 2005. "An Exclusive Country Club: The Effects of the GATT, 1950-94." *World Politics* 57 (4): 453-78. <http://www.jstor.org/stable/40060114>
- Bechtel, Michael M. and Thomas Sattler. 2015. "What Is Litigation in the World Trade Organization Worth?" *International Organization* 69 (2): 375-406. <https://doi.org/10.1017/S002081831400037X>

## **Session 9: Bilateral Trade (~165 pages)**

### **Formation**

- Maggi, Giovanni and Robert W. Staiger. 2015. "Optimal Design of Trade Agreements in the Presence of Renegotiation." *AER: Microeconomics* 7 (1): 109-143. <http://doi.org/10.1257/mic.20120232>
- Mansfield, Edward D. and Helen V. Milner, 2015. "The Domestic Politics of Preferential Trade Agreements in Hard Times." (40 pages) <https://www.princeton.edu/~hmlner/working%20papers/Mansfield%20and%20Milner%20PTAhard%20times%20APSA%202015.pdf>

## **Effects**

- Baccinni, Leonardo, and Johannes Urpelainen. 2014. "International Institutions and Domestic Politics: Can Preferential Trading Agreements Help Leaders Promote Economic Reform?" *The Journal of Politics* 76 (1): 195-214.  
<http://doi.org/10.1017/S0022381613001278>
- Lampe, Marcus. 2009. "Effects of Bilateralism and the MFN Clause on International Trade: Evidence for the Cobden-Chevalier Network, 1860-1875." *Journal of Economic History* 69 (4): 1012-1040. <http://www.jstor.org/stable/25654031>
- Kim, Soo Yeon and Mark S. Manger. 2016. "Hubs of Governance: Path-Dependence and Higher-Order Effects of PTA Formation." *Political Science Research and Methods*.  
<https://doi.org/10.1017/psrm.2016.2>

## **Session 10: Currency (~221 pages)**

### **Theory**

- Broz, J. Lawrence and Jeffrey A. Frieden. 2001. "The Political Economy of International Monetary Relations." *Annual Review of Political Science* 4: 317-343.  
<http://doi.org/10.1146/annurev.polisci.4.1.317>
- Bearce, David. 2003. "Societal Preferences, Partisan Agents, and Monetary Policy Outcomes." *International Organization* 57 (2 Spring): 373-410.  
<http://www.jstor.org/stable/3594856>
- Rose, Andrew and Jeffrey Frankel. 2002. "An Estimate of the Effect of Common Currencies on Trade and Income." *Quarterly Journal of Economics* 117 (2): 437-466.  
<http://www.jstor.org/stable/2696432>
- Cohen, Benjamin. 2016. "The IPE of money revisited," *Review of International Political Economy*, FirstOnline. <http://dx.doi.org/10.1080/09692290.2016.1259119>
- Chaudoin, Stephen & Helen V. Milner. 2017. "Science and the system: IPE and international monetary politics," *Review of International Political Economy*, FirstOnline. <http://www.tandfonline.com/doi/full/10.1080/09692290.2017.1302974>

### **Implications of Currency**

- Jensen, J. Bradford, Dennis P. Quinn and Stephen Weymouth. 2015. "The Influence of Firm Global Supply Chains and Foreign Currency Undervaluations on US Trade Disputes." *International Organization* 70 (1): 913-947. <https://doi.org/10.1017/S0020818315000247>
- Broz, J. Lawrence and Seth H. Werfel, 2014. "Exchange Rates and Industry Demands for Trade Protection." *International Organization* 68: 393-416.  
<https://doi.org/10.1017/S002081831300043X>

### **The Euro**

- Copelovitch, Mark, Jeffrey Frieden, and Stefanie Walter. 2016. "The Political Economy of the Euro Crisis." *Comparative Political Studies* 49 (7): 811-840. <https://doi-org.ezproxy.princeton.edu/10.1177/0010414016633227>



## Session 11: Development (~142 pages)

### **Foreign Aid: New Work**

- Bermeo, Sarah B. 2016. "Aid is Not Oil: Donor Utility, Aid Heterogeneity, and the Aid-Democratization Relationship." *International Organization* 70 (1):1-32. <https://doi.org/10.1017/S0020818315000296>.
- Dietrich, Simone, 2016. "Donor Political Economies and the Pursuit of Aid Effectiveness." *International Organization* 70 (1): 65-102 <https://doi.org/10.1017/S0020818315000302>
- Crost, Benjamin, Joseph Felter, and Patrick Johnston. 2014. "Aid Under Fire: Development Projects and Civil Conflict." *American Economic Review* 104 (6): 1833-1856, <https://doi.org/10.1257/aer.104.6.1833>

### **Energy & The Resource Curse**

- Hughes, Llewelyn and Phillip Lipsky. 2013. "The Politics of Energy." *Annual Review of Political Science* 16: 449-469. <https://doi.org/10.1146/annurev-polisci-072211-143240>
- Bearce, David and Jennifer Laks Hudnick. 2011. "Toward an Alternative Explanation for the Resource Curse: Natural Resources, Immigration, and Democratization." *Comparative Political Studies* 44 (6): 689-718. <https://doi.org/10.1177/0010414011401211>

## Session 12: Further Topics in IPE (~159 pages)

### **Trade, Firms, and Conflict**

- Berger, Daniel, William Easterly, Nathan Nunn, and Shanker Satyanath, 2013. "Commercial Imperialism? Political Influence and Trade During the Cold War." *American Economic Review* 103 (2): 863-896 <http://www.jstor.org/stable/23469685>.
- Frieden, Jeffry A. 1994. "International Investment and Colonial Control: A New Interpretation." *International Organization* 48 (4): 559-593. <http://www.jstor.org/stable/2706896>
- Fordham, Benjamin O. 2008. "Power or Plenty? Economic Interests, Security Concerns, and American Intervention." *International Studies Quarterly* 52 (4):737-58. <https://doi.org/10.1111/j.1468-2478.2008.00524.x>
- Gowa, Joanne and Edward D. Mansfield. 1993. "Power Politics and International Trade." *The American Political Science Review* 87 (2): 408-420. <http://www.jstor.org/stable/2939050>

### **Economic Sanctions**

- Morgan, T. Clifton, and Valerie L. Schwebach. 1995. "Economic sanctions as an instrument of foreign policy: The role of domestic politics." *International Interactions* 21 (3): 247-263. <http://dx.doi.org/10.1080/03050629508434868>

### **Future of International Trade**

- Ehrlich, Sean D. 2010. "The Fair Trade Challenge to Embedded Liberalism." *International Studies Quarterly* 54 (4): 1013-1033. <https://doi.org/10.1111/j.1468-2478.2010.00624.x>
- Kim, In Song. 2017. "Political Cleavages within Industry: Firm-level Lobbying for Trade Liberalization," *American Political Science Review*. 111 (1): 1-20. <https://doi.org/10.1017/S0003055416000654>