

POL 585: Graduate Seminar on International Political Economy

Spring 2010

Monday 1:30-4:30.

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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, each student must write a short paper (about 3-5 pages) every other week, comparing and criticizing the readings (a total of 4 of these papers). Students can either complete a take-home exam at the end of the term. Or they can write a research paper (about 30-40 pages) on some original research question in lieu of the final. The final (or paper) will count for 50% of your grade; the rest of the grade will be based upon class participation and the short papers.

PLEASE NOTE THERE IS READING FOR THE FIRST CLASS.

Week 1: Introduction. (Feb. 1)

Frieden, Jeffry A. 2006. Global Capitalism: Its Fall and Rise in the Twentieth Century. Chs. 15-20 (pp. 339-472).

Week 2: Some Theory for IPE (Feb. 8)

Moravcsik, Andrew. 1997. "Taking Preferences Seriously: A Liberal Theory of International Politics." *International Organization* 51 (4):513-53.

Milner, Helen V. 1997. Interests, Institutions, and Information: Domestic Politics and International Relations. Chs. 1-2 (pp. 3-66).

Lake, David. 2009. "Open Economy Politics: A critical review." *The Review of International Organizations* 4 (3):219-44.

Hafner-Burton, Emilie M., Miles Kahler, and Alexander H. Montgomery. 2009. "Network Analysis for International Relations." *International Organization* 63 (3):559-92.

Morrow, James D. 1999. "The Strategic Setting of Choices." In Strategic Choice and International Relations, ed. D. A. Lake and R. Powell. Ch. 3 (pp. 77-114).

Finnemore, Martha, and Kathryn Sikkink. 1999. "International Norm Dynamics and Political Change." In Exploration and Contestation in the Study of World Politics, ed. P. J. Katzenstein, R. O. Keohane and S. D. Krasner. (pp. 247-78).

Week 3: International Trade and Domestic Politics: Preferences and Institutions (Feb. 15)

Milner, Helen V. 2002. "International Trade." In Handbook of International Relations, ed. W. Carlsnaes, T. Risse and B. A. Simmons. Ch. 23 (pp. 448-61).

Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81 (4):1121-37.

Hiscox, Michael J. 2002. "Commerce, Coalitions, and Factor Mobility: Evidence from Congressional Votes on Trade Legislation." *American Political Science Review* 96 (3):593-608.

Bailey, Michael A., Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." *World Politics* 49 (3):309-38.

Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100 (03):369-84.

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.

Gawande, Kishore, Pravin Krishna, and Marcelo Olarreaga. 2009. "What Governments Maximize and Why: The View from Trade." *International Organization* 63 (3):491-532.

Week 4: The International Trading System (Feb. 22)

- Bagwell, Kyle, and Robert W. Staiger. 1999. "An Economic Theory of GATT." *The American Economic Review* 89 (1):215-48.
- Steinberg, Richard. 2002. "In the Shadow of Law or Power? Consensus-Based Bargaining and Outcomes in the in the GATT/WTO." *International Organization* 56 (2):339-74.
- Rosendorff, B. Peter, and Helen V. Milner. 2001. "The Optimal Design of International Trade Institutions: Uncertainty and Escape." *International Organization* 55 (4):829-57.
- Busch, Marc. 2000. "Democracy, Consultation, and the Paneling of Disputes under GATT." *Journal of Conflict Resolution* 44 (4):425-46.
- Mansfield, Edward D., Helen V. Milner, and B. Peter Rosendorff. 2002. "Why Democracies Cooperate More: Electoral Control and International Trade Agreements." *International Organization* 56 (3):477-513.
- Maggi, Giovanni. 1999. "The Role of Multilateral Institutions in International Trade." *American Economic Review* 89 (1):190-214.
- Goldstein, Judith L., Douglas Rivers, and Michael Tomz. 2007. "Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade." *International Organization* 61 (1):37-67.

Week 5: International Monetary Politics (Mar. 1)

- Broz, J. Lawrence, and Jeffrey A. Frieden. 2001. "The Political Economy of International Monetary Relations." *Annual Review of Political Science* 4 (1):317-43.
- Frieden, Jeffrey A. 1991. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance." *International Organization* 45 (4):425-51.
- Gowa, Joanne. 1988. "Public Goods and Political Institutions." *International Organization* 42 (1):15-32.
- Andrews, David M. 1994. "Capital Mobility and State Autonomy: Toward a Structural Theory of International Monetary Relations." *International Studies Quarterly* 38 (2):193-218.
- Andrews, David M. 2006. International Monetary Power. Chs. 1-3 (pp. 7-71).

- Simmons, Beth A. 2000. "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs." *American Political Science Review* 94 (4):819-35.
- And the two replies by Jana Von Stein and Simmons in the APSR:
- Von Stein, Jana. 2005. "Do Treaties Constrain or Screen? Selection Bias and Treaty Compliance." *American Political Science Review* 99 (4):611-22.
- Simmons, Beth, and Daniel J. Hopkins. 2005. "The Constraining Power of International Treaties: Theory and Methods." *American Political Science Review* 99 (4):623-31.
- Singer, David Andrew. 2004. "Capital Rules: The Domestic Politics of International Regulatory Harmonization." *International Organization* 58 (03):531-65.

Week 6: Direct Foreign Investment and Multinational Corporations (Mar. 8)

- Moran, Theodore H. 1978. "Multinational Corporations and Dependency: A Dialogue for Dependentalists and Non-Dependentalists." *International Organization* 32 (1):79-100.
- Jensen, Nathan M. 2003. "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment." *International Organization* 57 (3):587-616.
- Li, Quan, and Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment to Developing Countries." *International Organization* 57 (1):175-211.
- Li, Quan, and Rafael Reuveny. 2003. "Economic Globalization and Democracy: An Empirical Analysis." *British Journal of Political Science* 33 (1):29-54.
- Brooks, Stephen G. 2005. Producing Security: Multinational Corporations, Globalization, and the Changing Calculus of Conflict. Chs. 1-3 (pp. 1-79).
- Scheve, Kenneth, and Matthew J. Slaughter. 2004. "Economic Insecurity and the Globalization of Production." *American Journal of Political Science* 48 (4):662-74.
- Pinto, Pablo M., and Santiago M. Pinto. 2008. "The Politics of Investment Partisanship: And the Sectoral Allocation of Foreign Direct Investment." *Economics & Politics* 20 (2):216-54.
- Jensen, Nathan M., and Guillermo Rosas. 2007. "Foreign Direct Investment and Income Inequality in Mexico, 1990-2000." *International Organization* 61 (3):467-87.

Desbordes, Rodolphe, and Julien Vauday. 2007. "The Political Influence of Foreign Firms in Developing Countries." *Economics & Politics* 19 (3):421-51.

Elkins, Zachary, Andrew T. Guzman, and Beth A. Simmons. 2006. "Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000." *International Organization* 60 (04):811-46.

Week 7: International Political Economy and National Security (Mar. 22)

Hirschman, Albert O. 1980 (1945). National Power and the Structure of Foreign Trade. Edited by S. D. Krasner. Expanded ed. Chs. 1-2 (pp. 3-52).

Buzan, Barry. 1984. "Economic Structure and International Security: The Limits of the Liberal Case." *International Organization* 38 (4):597-64.

Blanchard, Jean-Marc F., Edward D. Mansfield, and Norrin M. Ripsman. 2000. "The Political Economy of National Security: Economic Statecraft, Interdependence, and International Conflict." In Power and the Purse: Economic Statecraft, Interdependence, and National Security, ed. J.-M. F. Blanchard, E. D. Mansfield and N. M. Ripsman. Ch. 1 (pp. 1-14).

Copeland, Dale C. 2000. "Trade Expectations and the Outlook of Peace: Détente 1970-74 and the End of the Cold War 1985-91." In Power and the Purse: Economic Statecraft, Interdependence, and National Security. Ch. 2 (pp. 15-58).

Abdelal, Rawi, and Jonathan Kirshner. 2000. "Strategy, Economic Relations, and the Definition of National Interests " In Power and the Purse: Economic Statecraft, Interdependence, and National Security. Ch. 5 (pp. 119-156).

Drezner, Daniel W. 2003. "The Hidden Hand of Economic Coercion." *International Organization* 57 (3):643-59.

Gartzke, Erik. 2007. "The Capitalist Peace." *American Journal of Political Science* 51 (1):166-91.

Fordham, Benjamin O. 2008. "Power or Plenty? Economic Interests, Security Concerns, and American Intervention." *International Studies Quarterly* 52 (4):737-58.

Week 8: International Political Economy and Globalization (Mar. 29)

Frieden, Jeffry A., and Ronald Rogowski. 1996. "The Impact of the International Economy on National Policies: An Analytical Overview." In Internationalization

- and Domestic Politics, ed. R. O. Keohane and H. V. Milner, eds. Ch. 2 (pp. 25-47).
- Adsera, 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.
- Kaufman, Robert R. , and Alex Segura-Ubiergo. 2001. "Globalization, Domestic Politics, and Social Spending in Latin America: A Time-Series Cross-Section Analysis, 1973-97." *World Politics* 53 (4):553-87.
- Wibbels, Erik, and Moises Arce. 2003. "Globalization, Taxation and Burden Shifting in Latin America." *International Organization* 57 (1):111-36.
- Mosley, Layna. 2000. "Room to Move: International Financial Markets and National Welfare States." *International Organization* 54 (4):737-73.
- Mosley, Layna, and Saika Uno. 2007. "Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights." *Comparative Political Studies* 40 (8):923-48.

Week 9: International Political Economy of Globalization II. (Apr. 4)

- Rudra, Nita, and Stephan Haggard. 2005. "Globalization, Democracy, and Effective Welfare Spending in the Developing World." *Comparative Political Studies* 38 (9):1015-49.
- Rudra, Nita. 2005. "Globalization and the Strengthening of Democracy in the Developing World." *American Journal of Political Science* 49 (4):704-30.
- Thomas, Caroline. 2001. "Global Governance, Development and Human Security: Exploring the Links." *Third World Quarterly* 22 (2):159-75.
- Wibbels, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World." *International Organization* 60 (02):433-68.
- Burgoon, Brian. 2009. "Globalization and backlash: Polanyi's revenge?" *Review of International Political Economy* 16 (2):145 - 77.
- Gray, Mark M., Miki Caul Kittilson, and Wayne Sandholtz. 2006. "Women and Globalization: A Study of 180 Countries, 1975-2000." *International Organization* 60 (2):293-333.

Milner, Helen V., and Bumba Mukherjee. 2009. "Democratization and Economic Globalization." *Annual Review of Political Science* 12 (1):163-81.

Eichengreen, Barry, and David Leblang. 2008. "Democracy and Globalization." *Economics & Politics* 20 (3):289-334.

Week 10: International Institutions and Global Governance (Apr.11)

Nielson, Daniel, and Michael Tierney. 2003. "Delegation to International Organizations: Agency Theory and World Bank Environmental Reform." *International Organization* 57 (2):241-76.

See also the response by Tamar Guttner in IO July 2005 and their reply to her in the same issue:

Gutner, Tamar. 2005. "World Bank Environmental Reform: Revisiting Lessons from Agency Theory." *International Organization* 59 (03):773-83.

Nielson, Daniel L., and Michael J. Tierney. 2005. "Theory, Data, and Hypothesis Testing: World Bank Environmental Reform Redux." *International Organization* 59 (3):785-800.

Stone, Randall W. 2004. "The Political Economy of IMF Lending in Africa." *American Political Science Review* 98 (4):577-91.

Kelley, Judith. 2004. "International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions." *International Organization* 58 (3):425-57.

Dai, Xinyuan. 2005. "Why Comply? The Domestic Constituency Mechanism." *International Organization* 59 (2):363-98.

Bearce, David H., and Stacy Bondanella. 2007. "Intergovernmental Organizations, Socialization, and Member-State Interest Convergence." *International Organization* 61 (4):703-33.

Kuziemko, Ilyana, and Eric Werker. 2006. "How Much Is a Seat on the Security Council Worth? Foreign Aid and Bribery at the United Nations." *Journal of Political Economy* 114 (5):905-30.

Dreher, Axel, Jan-Egbert Sturm, and James Raymond Vreeland. 2009. "Global Horse Trading: IMF Loans for Votes in the United Nations Security Council." *European Economic Review* 53 (7):742-57.

Dreher, Axel, Jan-Egbert Sturm, and James Raymond Vreeland. 2009. "Development Aid and International Politics: Does Membership on the UN Security Council

- influence World Bank decisions?" *Journal of Development Economics* 88 (1):1-18.
- Blaydes, Lisa. 2004. "Rewarding Impatience: A Bargaining and Enforcement Model of OPEC." *International Organization* 58 (02):213-37.
- Milner, Helen V. 2005. "Globalization, Development, and International Institutions: Normative and Positive Perspectives." *Perspectives on Politics* 3 (4):833-54.
- Week 11: The International Political Economy of Development: The Role of Foreign Aid (Apr. 18)**
- Alesina, Alberto, and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5 (1):33-63.
- Burnside, Craig, and David Dollar. 2000. "Aid, Policies and Growth." *American Economic Review* 90 (4):847-68.
- Easterly, William. 2003. "Can Foreign Aid Buy Growth?" *Journal of Economic Perspectives* 17 (3):23-48.
- Bueno de Mesquita, Bruce , and Alastair Smith. 2009. "A Political Economy of Aid." *International Organization* 63 (2):309-40.
- Kono, Daniel Y., and Gabriella R. Montinola. 2009. "Does Foreign Aid Support Autocrats, Democrats, or Both?" *The Journal of Politics* 71 (2):704-18.
- Milner, Helen V. and Dustin H. Tingley. 2010 (forthcoming). "The Political Economy of U.S. Foreign Aid: American Legislators and the Domestic Politics of Aid." *Economics & Politics*.
- Dunning, Thad. 2004. "Conditioning the Effects of Aid: Cold War Politics, Donor Credibility, and Democracy in Africa." *International Organization* 58 (2):409-23.

Week 12: The International Political Economy of Development: Resource Curse and the Developing Countries in the World Economy. (Apr. 25)

- Ross, Michael L. 1999. "Review: The Political Economy of the Resource Curse." *World Politics* 51 (2):297-322.

- Jensen, Nathan, and Leonard Wantchekon. 2004. "Resource Wealth and Political Regimes in Africa." *Comparative Political Studies* 37 (7):816-41.
- Dunning, Thad. 2005. "Resource Dependence, Economic Performance, and Political Stability." *Journal of Conflict Resolution* 49 (4):451-82.
- Haber, Stephen, and Victor Menaldo. 2009. "Do Natural Resources Fuel Authoritarianism? A Reappraisal of the Resource Curse." *Working Paper*. https://iriss.stanford.edu/sites/all/files/sshp/docs/Haber%20and%20Menaldo_May%204%202009.pdf
- Morrison, Kevin M. 2009. "Oil, Nontax Revenue, and the Redistributive Foundations of Regime Stability." *International Organization* 63 (1):107-38.
- Risse, Mathias. 2005. "How Does the Global Order Harm the Poor?" *Philosophy & Public Affairs* 33 (4):349-76.
- Wenar, Leif. 2008. "Property Rights and the Resource Curse." *Philosophy & Public Affairs* 36 (1):2-32.
- Ross, Michael L. 2006. "A Closer Look at Oil, Diamonds, and Civil War." *Annual Review of Political Science* 9 (1):265-300.