

POLI 7946: Seminar in the Politics of International Economic Relations

Tuesdays 1:30-4:20 Fall 2017

210 Stubbs Hall

Instructor

Group work and unauthorized assistance:

All work must be completed without assistance unless explicit permission for group or partner work is given by the faculty member. This is critical so that the professor can assess your performance on each assignment. At the time a group/partner project is assigned, the student may still have individual work to complete. Read the syllabus and assignment directions carefully. You might have a project with group work and a follow up report that is independently written. When in doubt, email the faculty member or ask during a class session. Seeking clarification is your responsibility as a student. Assuming group/partner work is okay without permission constitutes a violation of the LSU Code of Student Conduct.

Students requiring special accommodation: Louisiana State University is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability needing academic adjustments is requested to speak with the Disability Services and the instructor, as early in the semester as possible. All discussions will remain confidential. This publication/material is available in alternative formats upon request. Please contact the Disability Services, 115 Johnston Hall, (225) 578-5919.

Course Expectations:

A few notes on participation:

1. All students are expected to participate in class discussions. Students are therefore expected to come to class prepared, having read all of the assigned material for that week.
2. Many of the issues and approaches utilized in international relations are subject to debate. Students are therefore encouraged to question the material in a thoughtful and respectful manner. No student will be penalized for presenting an argument which questions the material presented. All perspectives are welcome, although they are also fair game for class discussion and debate.
3. In order to facilitate class discussion and preserve an environment in which all students are encouraged to participate, please keep your class contributions directed at the material and arguments presented and not at fellow classmates. Comments of a personal nature directed against fellow students will not be tolerated.

Grading Policy: The grading breakdown is as follows:

Class participation: 5%
 Weekly reading questions 10%
 Leadership of class discussions: 25%
 Research paper proposal: 10%
 Research paper, final draft: 50%

A+: 97-100

B+: 87-89

C+: 77-79

D: 67-69

F: 59 or below

Course Outline & Reading Schedule**Week 1: August 22 – Course Introduction****Week 2: August 29 – What is IPE?**

Rodrik, Dani. 2015. *Economics Rules. The Rights and Wrongs of the Dismal Science*. W.W. Norton & Company: New York.

Polanyi, Karl. 1944. *The Great Transformation*. Beacon Press.

Part I: International Political Economy and Domestic Politics**Week 3: September 5 – Societal Preferences and Economic Policy Outcomes**

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Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81(4): 1121-1137.

Frieden, Jeffrey A. 1991. "Invested Interests and the Politics of National Economic Policies in a World of Global Finance." *International Organization* 45(4): 425-451.

Garrett, Geoffrey and Peter Lange. 1995. "Internationalization, Institutions, and Political Change." *International Organization* 49(4): 627-655.

Hiscox, Michael J. 2001. "Class Versus Industry Cleavages: International Industry Factor Mobility and the Politics of Trade." *International Organization* 55(1): 1-46

Frieden, Jeffrey A. 2002. "Real sources of European Currency Policy: Sectoral Interests and European Monetary Integration." *International Organization* 56(4): 831-860.

Bearce, David H. 2003. "Societal Preferences, Partisan Agents, and Monetary Policy Outcomes." *International Organization* 57: 373-410.

Week 4: September 12 – The State, Its Citizens, and Globalization

Ruggie, John Gerard. "International Regimes, Transnationalism, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36(2): 379-415.

Rodrik, Dani. 1998. "Why Do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106(5): 997-1032

Democracy and Trade

Kim, So Young. 2007. "Optimal

Rudra, Nita. 2007. "Welfare States in

Part II: International Trade and Foreign Investment

Week 5: September 19 - Trade and Conflict

- Oneal, John R. and Bruce M. Russett. 1997. "Classic Liberals Were Right: Democracy, Interdependence and Conflict, 1950-1985." *International Studies Quarterly* 41(2): 267-293.
- Mansfield, Edward D. and Brian M. Pollin. 2001. "The Study of Interdependence and Conflict: Recent Advances, Open Questions and Direction for Future Research" *Journal of Conflict Resolution* 45(6): 834-859.
- Gartzke, Erik and Quan Li. 2003. "Measure Measure: Concept Operationalization and the Trade Interdependence-Conflict Debate." *Journal of Peace Research* 40(5): 553-571.
- Maoz, Zeev. 9/2009. "The Effects of Strategic and Economic Interdependence on International Conflict Across Levels of Analysis." *American Journal of Political Science* 53(1): 223-240.
- Kinne, Brandon J. 2012. "Multilateral Trade and Militarized Conflict: Centrality, Openness, and Asymmetry in the Global Trade Network." *The Journal of Politics* 74(1): 308-322.

Week 6: September 26 – PTAs and Trade Organizations

- Lipson, Charles. 1982. "The Transformation of Trade: The Sources and Effects of Regime Change." *International Organization* 36(2): 417-455.
- Goldstein, Judith and Lisa L. Martin. 2000. "Legalization, Trade Liberalization and Domestic Politics: A Cautionary Note." *International Organization* 54(3): 603-632.
- Mansfield, Edward D and Eric Reinhardt. 2003. "Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Agreements." *International Organization* 57: 829-62.
- Rose, Andrew K. 2004. "Do We Really Know that the WTO Increases Trade?" *American Economic Review* 94: 98-114.
- Davis, Christina L. and Sarah Blodgett Deo. 2009. "Who Files? Developing Country Participation in GATT/WTO Adjudication." *The Journal of Politics* 71(3): 1033-1049.

Week 7: October 3 – Foreign Investment

- Ahlquist, John S. 2006. "Economic Policy, Institutions, and Capital Flows: Portfolio and Direct Investment Flows in Developing Countries." *International Studies Quarterly* 50: 687-710.
- Kosack, Stephen and Jennifer Tobin. 2006. "Curtailing Self-Sustaining Development: The Role of Aid, FDI and Government in Economic Success" *International Organization* 60: 205-243.
- Blanton, Shannon Lindsey and Robert Blanton. 2007. "What Attracts Foreign Investors? An Examination of Human Rights and Foreign Direct Investment". *Journal of Politics* 69(1): 143-155.
- Büthe, Tim and Helen V. Milner. 2008. "The Effects of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science* 52(4): 741-762.
- Malesky, Edmund J. 2008. "Straight Ahead Road: How Foreign Direct Investment Empowers Subnational Leaders" *The Journal of Politics* 70(1): 97-119
- Gray, Julia. 2009. "International Organizations as a Seal of Approval: European Union Accession and Investor Risk" *American Journal of Political Science* 53(4): 931-949.

Part III: Foreign Aid**Week 8: October 10 – Who, Why, and Does it Work?**

- Rodrik, Dani. 1995. Why is there Multilateral Lending? NBER Working Paper No. 5160.
- Alesina, Alberto and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5: 33-63.
- Burnside, Craig, and David Dollar. 2000. "Aid, Policies, and Growth" *American Economic Review* 90: 847-68.
- Clemens, Michael A., Steven Radelet, Rikhil R. Bhavnani, and Samuel Bazzi. 2004. "Counting Chickens When They Hatch: Timing and the Effects of Aid on Growth". Center for Global Development Working Paper 44.
- Svensson, Jakob. 2003. "Why Conditional Aid Does Not Work and What Can Be Done About It." *Journal of Economic Development* 7: 381-402.
- Bueno de Mesquita, Bruce and Alastair Smith. 2009. "A Political Economy of Aid" *International Organization* 63: 309-40.

Week 12: November 7 - International Monetary Fund

- Thacker, Strom C. 1999. "The Political Politics of IMF Lending." *World Politics* 51(1): 38-75.
- Gould, Erica R. 2003. "Money Talks: Supplementing Financial and International Monetary Fund Conditionality." *International Organization* 57: 551-586.
- Vreeland, James R. 2003. Chapters 1, 4-7 from IMF and Economic Development
- Oatley, Thomas and Jason Yackee. 2004. "American Interests and IMF Lending." *International Politics* 41: 415-429.
- Nooruddin, Irfan and Joel W. Simmons. 2006. "The Politics of Hard Choices: IMF Programs and Government Spending." *International Organization* 60: 1001-1033
- Mukherjee, Bumba and David Andrew Singer. 2010. "International Institutions and Domestic Compensation: The IMF and the Politics of Capital Account Liberalization." *American Journal of Political Science* 54(1): 45-60.

Part V: Capital, Money and Exchange Rates**Week 13: November 14 - International Capital Mobility and the Impossible Trinity**

- Quinn, Dennis P. and Carla Inclan. 1997. "Origins of Financial Openness: A Study of Current Account Liberalization." *American Journal of Political Science* 41(1): 1-20.

Week 14: November 21 – Exchange Rate Regimes

- Bernhard, William T. and David Leblang. 1999. "Democratic Institutions and Exchange-Rate Commitments." *International Organization* 53(1): 71-97.
- Simmons, Beth and Jens Hainmueller. "Can Domestic Institutions Explain Exchange rate Regime Choice? The Political Economy of Monetary Institutions Reconsidered." Working Paper.
- Alesina, Alberto and Alexander Wacziarg. "Choosing (and Reneging on) Exchange Rate Regimes". Working paper.
- Reinhart, Carmen M, and Kenneth S. Rogoff. 2004. "The Modern History of Exchange Rate Arrangements: A Reinterpretation." *Quarterly Review of Economics and Finance* 49(1): 1-48.
- Levy-Yeyati, Eduardo, and Federico Sturzenegger. 2005. "Classifying Exchange Rate Regimes: Deeds vs. Words." *European Economic Review* 49: 1603-35.
- Plümper, Thomas and Vera E. Troeger. 2008. "A Half of Floating and the External Effects of Currency Unions." *American Journal of Political Science* 52(3): 656-676.

Week 15: November 28 - Central Bank Independence

- Cukierman, Alex, Steven B. Webb and Binyamin Yeyati. 1992. "Measuring the Independence of Central Banks and Its Effect on Policy Outcomes." *World Bank Economic Review*
- Simmons, Beth A. 1996. "Rules of the Game: Central Bank Independence during the Interwar Years." *International Organization* 50(3): 407-443.
- Bernhard, William T. 1998. "A Political Explanation of Variations in Central Bank Independence." *American Political Science Review* 92: 311-28.
- Hallerberg, Mark. 2002. "Veto Players and the Choice of Monetary Institutions." *International Organization* 56(4): 775-802.
- Broz, J. Lawrence. 2002. "Political System Transparency .0008p11 0 TD .0003 Tc -.00Tj -2231Bill

“Balancing Demands: The World economy and composition of policy preferences” by Timothy Hellwig, *Journal of Politics* vol. 76, issue 1(1-14).

“Economic inequality and democratic support” by Krieckhaus et al, *Journal of Politics*, vol. 76, issue 1 (139-151).

“What democracy does (and doesn’t) do for basic services: school fees, school inputs, and African elections” by Harding and Stasavage, *Journal of Politics* Issue 76, issue 1 (229-245).

“Market inequality and redistribution in Latin America and the Caribbean” by Morgan and Kelly, *Journal of Politics* Vol. 75, issue 3 (672-685).

“Do markets punish left governments?” by Thomas Satterthwaite, *Journal of Politics*, vol. 75, issue 2, (343-356).

“The foreign policy consequences of trade: China’s Commercial relations with Africa and Latin America, 1992-2006” by Flores-Macias and Kreps, *Journal of Politics*, vol. 75, issue 2, (357-371).

“When is foreign aid selfish? When is it selfless?” by Tobias Heinrich, *Journal of Politics*

"Thinking ahead: Government time horizons and the legalization of international investment agreements" by Daniel Blanton, International Organization, Oct. 2013, Vol. 67, issue 4 (829-861).

"Provoking preferences: unionization, trade policy, and the HLWU puzzle," by Alquist and Clayton, International Organization, Jan. 2014, Vol. 68, issue 1 (33-75).

"America and Trade liberalization: The limits of institutional reform" by Goldstein and Gulotty, International Organization, Apr. 2014, vol. 68, issue 2 (263-295).

"Uncertainty, risk, and the financial crisis of 2008," by Nelson and Katzenstein, International Organization, Apr. 2014, vol. 68, issue 2 (329-359).

"Exchange rates and industry demands for trade protection" by Broz and Werfel, International Organization, Apr. 2014, vol. 68, issue 2 (393-416).

"The emperor has no clothes: The limits of OPEC in the global oil market" by Jeff Colgan, International Organization, Jul. 2014, vol. 68, issue 3 (599-632).

"Who gets to be in the room? Manipulating participation in WTO disputes" by Johns and Pelc, International Organization, Jul. 2014, vol. 68, issue 3 (663-699).

"Trade, foreign direct investment, and immigration policy making in the United States" by Margaret Peters, International Organization, Oct. 2014, Vol. 68, issue 4 (811-844).

"Audience features and the strategic timing of trade disputes" by Stephen Chaudoin, Oct. 2014, vol. 68, issue 4 (877-911).

"Price stability and central bank independence: Discipline, credibility, and democratic institutions" by Bodea and Hicks, International Organization, Jan. 2015, -1.1apTse UkdI76C8 393-416).

“Profiting from sanctions: Economic Coercion and US Foreign Direct Investment in third-party states” by Barry and Kleinberg, *International Organization*, Oct. 2015, Vol. 69, issue 4 (847-879).

APSR

“Empowering Women through development Evidence from a field experiment in Afghanistan” by Beath et al., *American Political Science Review*, vol. 107, issue 3, Aug. 2013 (540-557).

“Different paths to the modern state Europe: The interaction between warfare, economic structure, and political regime” by Karaman and Papanicolaou, *American Political Science Review*, vol. 107, issue 3, Aug. 2013 (603-626).

“Trade, institutions, and ethnic tolerance: Evidence from South Asia” by Saumitra Jha, *American Political Science Review*, vol. 107, issue 4, Nov. 2013, (806-832).

“The political economy of ownership: Housing markets and the welfare state” by Ben Ansell, *American Political Science Review*, vol. 108, issue 2, May 2014, (383-402).

“Race, Paternalism, and foreign aid: Evidence from U.S. Public Opinion” by Andy Baker, *American Political Science Review*, vol. 109, issue 1, Feb. 2015, (93-109).

“How does development assistance affect collective action capacity? Results from a field experiment in Post-Conflict Liberia” by Fearon et al., *American Political Science Review*, Vol. 109, issue 3, Aug. 2015 (450-469).

AJPS

“Do Cash transfers affect electoral behavior? Evidence from a randomized experiment in Mexico” by Ana De La O, *American Journal of Political Science*, Jan. 2013, vol. 57, issue 1, (1-14).

“Size, democracy, and the economic costs of running the political system” by Blom-Hansen et al., *American Journal of Political Science*, Oct. 2014, vol. 58, issue 4, (790-803).

“Political reinforcement: How rising inequality curbs manifested welfare generosity” by Barth et al., *American Journal of Political Science*, July 2015, vol. 59, issue 3, (565-577).

World Development

“Remittances and Portfolio Values: An Inquiry into Immigrants from Africa, Europe, and the Americas,” by Amuedo-Dorantes and Pozo, *World Development*, Vol. 41, Jan. 2013, (83-95).

“Export liberalization, job creation, and the skill premium: Evidence from the US-Vietnam Bilateral Trade Agreement (BTA)” by Emiko Fukase, vol. 41, Jan. 2013, (317-337).

“Market Imperfections and child labor” by Christelle Dumas, vol. 42, Feb. 2013, (127-142).

“How do mineral-rich states learn? Path-dependence, networks and policy change in the development of economic institutions” by Carlos Orihuela, Vol. 43, Mar. 2013, (138-148).

“Effects of global liquidity on commodities and food prices” by Belke et al., World Development, vol. 44, Apr. 2013, (31-43).

“Should countries engage in a race to the bottom? The Effect of social spending on FDI” by Hecock and Jepsen, vol. 44, Apr. 2013, (156-164).

“Reversing urban bias in African rice markets: Evidence from Senegal” by Demont et al. vol. 45, May 2013, (63-74).

“Institutions, infrastructure, and trade” by Francois and Manchin, vol. 46, Jun. 2013, (165-175).

“The political dynamics of economic growth” by Kunal Sen, vol. 47, July 2013, (71-86).

“Market prices and food aid: local and regional procurement and distribution: A multi-country analysis” by Garg et al., vol. 48, Aug. 2013, (19-29).

“Capital flight in the presence of domestic

"FDI spillovers and time since foreign entry" by Merlevede et al., vol. 56, Apr. 2014, (108-126).

"Labor market discrimination in Lima, Peru: Evidence from a field experiment" by Galarza and Yamada, vol. 58, June 2014, (83-94).

"Land-use dynamics, climate change, and food security in Vietnam: A global-to-local modeling approach" by Rutten et al., vol. 59, July 2014, (29-46).

International Interactions

"The IMF, domestic public sector banks, and currency crises in developing states," by Bumba and Bagozzi, International Interactions, Jan.-Mar. 2013, Vol. 39, Issue 1, (1-29).

"Economic sanctions, poverty, and international terrorism: An empirical analysis" by Choi and Luo, International Interaction, Apr.-Jun. 2013, Vol. 39, Issue 2, (217-245).

"Global market credits, political violence, and politically sustainable risk premia" by Chapman and Reinhardt, International Interactions, Jul.-Aug. 2013, Vol. 39, Issue 3, (316-342).

"Unionization and restrictions on foreign direct investment" by Erica Owen, International Interactions, Nov.-Dec. 2013, Vol. 39, Issue 5, (723-747).

"Introduction: Survey and Experimental Research in International Political Economy" by Jensen et al., International Interactions, Jul-Aug. 2014, Vol. 40, Issue 3, (287-304).

"Trade and welfare compensation: The missing links" by Ha et al., International Interactions, Nov.-Dec. 2014, Vol. 40, Issue 5, (631-656).

"The effects of political risk on different entry modes of foreign direct investment" by Lee et al., International Interactions, Nov.-Dec. 2014, Vol. 40, Issue 5, (683-710).

"Coercion and the global spread of securities regulation" by Johannes Kleibl, International Interactions, Jan.-Mar. 2015, Vol. 41, Issue 1, (1-25).

"The influence of aid changes on African election outcomes" by Ryan Briggs, International Interactions, Apr.-Jun. 2015, Vol. 41, Issue 2, (201-225).

"International signaling and economic sanctions" by Whang and Jun, International Interactions, Jul.-Aug., 2015, Vol. 41, Issue 3, (427-452).