

POLI 7946: Seminar in the Politics of International Economic Relations  
Mondays 1:30-4:20 Spring 2019  
210 Stubbs Hall

Instructor

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Office Hours: Tuesdays 30-3:30, or by appointment

Course Description: This course is a seminar in the international political economy subfield of international relations. The goal of the course is to familiarize students with prominent scholarship in many of the subjects within IPE, including issues relating to the politics of monetary systems, trade, foreign aid. There are no prerequisites for the course, but students who have taken the graduate proseminar in international relations or who have studied economics at the undergraduate level will find themselves utilizing material they have studied in these courses. Students who have not taken these courses will still be able to access the material, as each of the major economic and theoretical concepts will be discussed in-class.

General Statement on Academic Integrity:

Louisiana State University adopted the Commitment to Community in 1995 to set forth guidelines for student behavior both inside and outside of the classroom. The Commitment to Community charges students to maintain high standards of academic and personal integrity. All students are expected to read and be familiar with the LSU Code of Student

#### 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. When 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 a

A+: 97-100	B+: 87-89	C+: 77-79	D: 67-69	F: 59 or below
A: 93-96	B: 83-86	C: 73-76	D: 63-66	
A-: 90-92	B-: 80-82	C-: 70-72	D-: 60-62	

One student each week (depending on enrollment some weeks may have two students) will be responsible for leading the class discussion of the assigned materials. This student should prepare notes including summaries of the research question under analysis; the main argument of each reading; the empirical approach, including methods and measures (if applicable); and finally, the author's primary finding and conclusion. The student must email these notes to all other class members by 10pm the day preceding class, and will be responsible for presenting these notes and leading the class discussion during that day's seminar. Submissions will be evaluated on the timeliness of submission, thoroughness and accuracy of the material covered, and oral presentation (including basic editing and grammatical style). Each student will serve as a discussant leader twice during the semester.

Students who are not leading the discussion at week must themselves prepare a brief series of reading questions and responses to the assigned readings. These questions and responses can be potential research topics drawn from the readings, methodological or theoretical questions which particularly struck the student as he or she read the article, or criticisms of the theory and/or research methods. Each student must submit these questions to Moodle by no later than 9pm on the day preceding class. Assignments will be evaluated on timeliness of submission, thoughtfulness and creativity, and general execution.

Class participation will be evaluated on a combination of the frequency and quality of a student's contribution to the in-class discussion, promptness (points may be deducted for arriving late or leaving early) and ability to answer instructor questions.

Each student will turn in a research paper by the end of the semester at the time noted on the syllabus. The paper must focus on an issue related to international political economy, including but not limited to the topics included in class. I highly recommend that you meet with me prior to submitting your paper proposal by the time and date noted in the syllabus. The proposal need only be one or two pages, should focus on identifying the research question under analysis; which subfield of international political economy the question relates to; the theory and hypotheses to be examined; and how these relate to the current literature on the topic. The proposals will be largely evaluated for grading purposes on whether the assignment meets the guidelines and was submitted on time. However, I will provide feedback encouraging you to proceed as planned, or suggesting that we meet to discuss how the project could be improved. The final project should follow the general journal format, meaning the paper must include the following elements: Introduction; Literature Review; Theory (including hypotheses to be tested); Research Design and Results; and Conclusion. If you have any questions at all about the assignment please do not hesitate to see me.

Course Outline & Reading Schedule

Week 1: No Class, Semester Begins Wednesday 1/9

Week 2: January 14 – Course Introduction - What is IPE?

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

Week 3 – January 21 – No Class due to Martin Luther King Day

Part I: International Political Economy and Domestic Politics

Week 4: January 28 – The State, Its Citizens, and Globalization

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

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

Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency" *American Political Science Review* 100(3): 369-384.

Kim, So Young. 2007. "Openness, External Risk, and Volatility: Implications for the Compensation Hypothesis." *International Organization* 61(1): 181-216

Rudra, Nita. 2007. "Welfare States in Developing Countries: Unique or Universal?" *The Journal of Politics* 69(2): 378-396.

Week 5: February 4 – Societal Preferences and Economic Policy Outcomes

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 Wars: 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.

Part II: International Trade and Foreign Investment

## Week 6: February 11 - Trade and Conflict

- Oneal, John R. and Bruce M. Russett. 1997. "Classic Liberals Were Right: Democracy, Interdependence and Conflict, 1950-1995." *International Studies Quarterly* 41(2): 267-293.
- Mansfield, Edward D. and Brian M. Pollins. 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 7: February 18 – 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 8: February 25 – 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. "Curbing 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.

## Week 9 – March 4 – No Class Due to Mardi Gras Break

Part III: Foreign Aid

## Week 10: March 11 – Who, Why, and Does it Work?

Research paper proposal must be uploaded in .pdf format to Moodle by 1:30pm

- 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 11 – March 18 – How Can Aid be Improved – And Should It?

- Sachs, Jeffrey. 2005. *The End of Poverty: Economic Possibilities for Our Time*
- Easterly, William. 2006. *The White Man's Burden: why the West's efforts to aid the rest have so much ill and so little good*
- Easterly, William. 2014. *The Tyranny of Experts: Economics, Dictators and the Forgotten Rights of the Poor*
- Moyo, Dambisa. 2009. *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa*

Week 12: March 25 - Aid Externalities: What Else Does Aid Do Besides Promote Economic Growth?

- Finkel, Steven E., Aníbal Pérez-Liñán, and Mitchell A. Seligson. 2007. "The Effects of U.S. Foreign Assistance on Democracy Building, 1990-2000." *World Politics* 59(3): 404-439.
- Kono, Daniel Yuichi and Gabriella R. Martinola. 2009. "Does Foreign Aid Support Autocrats, Democrats, or Both?" *The Journal of Politics*

Part V: Capital, Exchange Rates and Central Bank Independence

Week 14: April 8 - International Capital Mobility and the Impossible Trinity

Quinn, Dennis P. and Carla Inclan. 1997. "Origins of Financial Openness: A Study of Current and Capital Account Liberalization." *American Journal of Economics and Finance* 19.4: 355-375.



## Additional Topics Of Interest

## 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. "Out of Floating and the External Effects of Currency Unions." *American Journal of Political Science* 52(3): 656-676.

## 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: Supplementary Financiers and International Monetary Fund Conditionality." *International Organization* 57: 551-586.
- Vreeland, James R. 2003. Chapters 1, 4-7 from *The 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.

## Additional Readings, 2013-2015

## JOP

“Environmental reform, negative duties, and Petrocrats: A strategic green energy argument” by Shmuel Nili, Journal of Politics, vol. 77, issue 4 (914-927).

“Doing harm by doing good? The negative externalities of humanitarian aid provision during civil conflict” by Wood and Sullivan, Journal of Politics Vol. 77, issue 3 (736-748).

“English bacon: Copartisan bias in intergovernmental grant allocation in England” by Fournaies and Mutlu-Erdem, Journal of Politics, Vol. 77, issue 3 (805-817).

“How does leadership affect violence? The case of drug trafficking organizations in Mexico”, by Brian Phillips, Journal of Politics, vol. 77, issue 2 (324-336).

“The political consequences of special po



"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, vol. 69, issue 1 (35-61).

"Central Banks at War" by Paul Poast, International Organization, Jan. 2015, vol. 69, issue 1 (97-130).

"Multilateral aid and domestic economic interests" by Elena McLean, International Organization, Jan. 2015, vol. 69, issue 1 (97-130).

"When are sanctions effective? A Bargaining and Enforcement framework" by Bapat and Kwon, International Organization, Jan. 2015, vol. 69, issue 1 (131-162).

"What is litigation in the WTO worth?" by Bechtel and Sattler, International Organization, Apr. 2015, vol. 69, issue 2 (375-403).

"Migration and Foreign Aid" by Bermeo and Leblang, International Organization, vol. 69, issue 3 (627-657).

“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 Pappa, *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 among 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 commodity 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 borrowing: Evidence from Eastern European Economies” by Brada et al., vol. 51, Nov. 2013, (32-46).

“Oil exporters dilemma: How much to save and how much to invest” by Cherif and Hasanov, vol. 52, Dec. 2013, (120-131).

“Correlates of Maize and Land and livelihood change among maize farming households in Mexico” by Eakin et al., vol. 70, June 2015, (78-91).

“Second generation fiscal federalism: Political aspects of decentralization and economic development” by Barry Weingast, vol. 53, Jan. 2014, (26-45).

“Are remittances and foreign aid a hedge against food price shocks in developing countries?” vol. 54, Feb. 2014, (81-98).

“The political economy of slums: theory and evidence from sub-Saharan Africa” by Caglayan and Demir, vol. 54, Feb. 2014, (204-219).

“Inequality and factionalization” by Casey and Owen, vol. 56, Apr. 2014, (32-50).

