

International Political Economy

Spring 2016

Meeting room: B6, 23-25 room A 103
Meeting time: Friday 15:30 to 18:45
ECTS Points 6.0

Professor: Nicole Rae Baerg
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Office hours: Friday 13:30 to 15:30, 326.

Course Description and Objectives

This is a graduate course on international political economy. The course assumes familiarity with the contents of the international relations and with economics. The twin goals of the course are to (a) introduce students to contemporary scholarly research on International Political Economy topics and (b) stimulate students to form original ideas for promising research projects in the area of international relations and political economy.

The course examines how domestic and international politics drive trade, investment, financial, and immigration policies and outcomes. It emphasizes the theoretical core, and some current debates, in the field but also aims to expose students to some nuts and bolts of each policy area and the chief methods by which scholars acquire knowledge of the subject. We pick up some knowledge of historical and contemporary examples wherever possible, but presenting historical material systematically is not the focus of the course.

Requirements:

Semester grades are composed of three components.

(20 %) Class participation

1. Students are required to attend class, do the readings for each week, give a brief summary of the readings, and participate in class discussion. Read each item on the required list closely each week and come to class prepared to pick the readings apart in excruciating detail.
2. At the start of the course, students will also choose a number of class readings that they are responsible for and will give a brief (3 to 5 min) summary of the article to the class the week that we are discussing that particular reading.

(30 %) Response papers. Students will write *three* short papers (10 % each) over the 7 weeks we meet. Each week, a student may submit a 4 to 5 page paper, 12 font, double-spaced, which summarizes and evaluates all of the readings assigned for that week. I want you to work hard and figuring out what the articles have in common and how they refute and/or support the other readings. A student can only submit one paper per week and the student must submit the paper to me **in class** when we meet. Late papers will not be accepted nor will I accept papers by email.

(50 %) Final Paper Process. Students will write a final paper **(40 %)** and make comments on another student's paper **(10 %)**. You are responsible for a 12 to 13 page scholarly research paper, double-spaced, 12 font. You must specify a research question, present a logically coherent and insightful theory, derive testable implications from your theory, operationalize your theory with measures, and write down a statistical test of your theory. You **DO NOT** need to run the statistical analysis. Make this read like a scholarly article we have read but with the results section chopped off.

A **complete draft** of your paper is due on **April 29, 2016**, two weeks before it is due, **in class and in person. We will exchange papers for comments between students.** Students are expected to give one other student comments on his or her paper draft (usually around one or two pages). The author must receive your comments by email by **May 5, 2016 at 23:59**. I must be cc:d in the email exchange in or for you to get credit for completing this task.

Papers are due on the last day of class, **May 13, 2016, in class and in person.**

Please ensure that your name and course title appear on your response papers and final paper, that the pages are numbered, that the pages are double-spaced and readable, and that the font size is sufficient for easy reading. If using LaTeX, please do not use headings or if necessary, use only small headings. Do not submit the paper in a plastic folder or binder, as a single staple will suffice. The response papers and the final paper should be delivered to me in person in class on the day it is due. I will not accept papers by email.

Laptop Computer and Tablet Policy:

While in seminar, your laptop and/or tablet should only be used for note taking and retrieving and reviewing articles. Please do not access the internet during class. This includes facebook, email, gchat, and other social media websites. Recent research suggests that multitasking is associated with weaker self-control and poorer performance (Ophir, Nass, and Wagner, 2009). Anyone "caught" chatting, facebooking, or emailing during class time will receive 0 on their entire participation grade. I use StayFocus, which is a google chrome add-in to block websites like facebook during the day to help me stay focused.

Please make sure that your mobile phones are switched off.

Late work policy:

Your response papers are due to me in person the week that we are scheduled to read and discuss those papers. Failure to give me your response paper in class means that I will not grade it and you will have to write a response paper for another week.

Your research paper is due the last day of class. Each subsequent day, there is a 5 percent reduction in your research paper grade. I will not accept any papers one week (7 days) after the deadline.

Response Papers:

You are expected to turn in 3 response papers throughout the semester. While you will submit a response paper to me only three times, I highly recommend that you do a response paper each week even though you will only hand in three. Your response papers should answer the following questions. What are the readings' chief arguments? What is the logic behind the authors' argument? Is this logic explained well and is the research question interesting and solves a theoretical or empirical puzzle? Where does this research fit into the literature and where does it make a contribution? What empirical results do the authors find and what is their research design? What contributions does the empirical work provide and what are possible extensions one could make in light of their findings? Finally, work hard at thinking about what remains puzzling or unexplored by the authors. Use these notes to tie the readings together, within and across the weekly topics, to synthesize for the purpose of discussion and, more important, generate your own original ideas! If you do the response papers on a weekly basis, I am sure that your class participation (and thus your grade in the class) will be better for it.

Peer Review Comments:

You are expected to give one of your fellow students feedback on his or her final paper approximately two weeks before the final paper is due. As in the response papers, you want to examine how the author answers the following questions. What are the readings' chief arguments? What is the logic behind the authors' argument? Is this logic explained well and is the research question interesting and solves a theoretical or empirical puzzle? Where does this research fit into the literature and where does it make a contribution? In addition, you are expected to not only point out areas of weakness but also make helpful suggestions and tell the author where he or she is doing a good job.

Course Outline:

NOTE: Only the readings in the "*required*" sections below are mandatory. The other entries are for further reading and to help get you started with your papers.

Class Schedule

February 19,2016: Week (1) Introduction to International Political Economy

Definition of and stylized facts about "globalization" and "international political economy." Positive and normative aspects of the study of globalization. The three main policy domains studied in IPE: trade, investment, & financial policies and outcomes. Organizing the approaches to the study of IPE: levels of analysis & paradigms. Trends in the study of IPE. Relationship of the study of IPE to other topics/subfields in political science and economics. The dominant contemporary theoretical template for studying IPE, what Lake calls the "open economic politics" model. Examination of the political economy of the 2007-08 global financial crisis: origins and political responses to it. What did IPE theories help us understand and predict about this

crisis and the reaction to it, and what did IPE theories miss? Directions for future development of IPE in the wake of the crisis.

Required:

- David A. Lake, "Open Economy Politics: A Critical Review," *Review of International Organizations* 4 (2009), 219-244
- Layna Mosley and David Andrew Singer, "The Global Financial Crisis: Lessons and Opportunities for International Political Economy," *International Interactions* 35 (2009), 420-429
- Daniel Maliniak and Michael J. Tierney, "The American School of IPE," *Review of International Political Economy* 16 (2009), 6-33

Further Reading:

- Ben S. Bernanke, "Global Economic Integration: What's New and What's Not," Federal Reserve Bank of Kansas City's Thirtieth Annual Economic Symposium, Jackson Hole, Wyoming, August 25, 2006
- Daniel Maliniak and Michael J. Tierney, "The American School of IPE," *Review of International Political Economy* 16 (2009), 6-33
- Jeffrey Frieden and Lisa L. Martin, "International Political Economy: Global and Domestic Interactions," in Katznelson and Milner, eds., *Political Science: The State of the Discipline* (2002), 118-146
- Menzie Chinn and Jeffrey Frieden, "Reflections on the Causes and Consequences of the Debt Crisis of 2008," La Follette Policy Report 19 (Fall 2009), 1-5
- Jeffrey Frankel. 2000. "Globalization of the Economy." In *Governance in a Globalizing World*, edited by Joseph S. Nye and John D. Donahue, pp. 45-71 (Brookings Institution Press)
- Michael D. Bordo, Barry Eichengreen, and Douglas A. Irwin, "Is Globalization Today Really Different Than Globalization a Hundred Years Ago?," NBER 1999
- David Leblang and Sonal Pandya, "The Financial Crisis of 2007: Our Waterloo or Take a Chance on IPE?," *International Interactions* 35 (2009), 430-435

March 4, 2016: Week (2) International Trade

Who gains and loses from free trade? How do these interests get articulated into pressures exerted upon governments over economic policy choices? Collective action theory, plus the two leading economic theories of preferences over trade: "factors" and "sectors" models. Tying the factors and sectors models together, using the concept of asset specificity. Are preferences (of firms or of individuals) over globalization shaped by elements besides these, e.g., concerns about risk, uncertainty, cultural values? How do education and ideas affect attitudes about globalization, as apart from economic/material influences, and how would we determine that?

Required:

- Ronald Rogowski, "Political Cleavages and Changing Exposure to Trade," *American Political Science Review* 81:4 (December 1987), 1121-1137
- Michael J. Hiscox, "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade," *International Organization* 55 (Winter 2001): 1-46

- Daniel Y. Kono, "Optimal Obfuscation: Democracy and Trade Policy Transparency," *American Political Science Review* 100:3 (August 2006), 369-384
- Brandice Canes-Wrone and Jee-Kwang Park, "Electoral Business Cycles in OECD Countries," *American Political Science Review* 106 (Feb 2012), 103-122

Further Reading:

- Daniel L. Nielson, "Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies," *American Journal of Political Science* 47:3 (July 2003), 470-491
- Judith Goldstein, "Ideas, Institutions, and American Trade Policy," *International Organization* 42:1 (Winter 1988), 179-217
- Gene M. Grossman and Elhanan Helpman, "Protection for Sale," *American Economic Review* 84:4 (Sep 1994), 833-850
- Kishore Gawande, Pravin Krishna, and Marcelo Olarreaga, "What Governments Maximize and Why: The View from Trade," *International Organization* 63 (2009), 491-532
- Megumi Naoi and Ellis Krauss, "Who Lobbies Whom? Special Interest Politics under Alternative Electoral Systems," *American Journal of Political Science* 53 (2009), 874-892
- Megumi Naoi, "Decentralization, Industrial Geography, and the Politics of Export Regulation: The Case of Sino-Japanese Trade Disputes," in Ka Zeng, ed., *China's Foreign Trade Policy: The New Constituencies* (Routledge, 2007), 40-58
- David M. Primo and James M. Snyder, Jr., "Party Strength, the Personal Vote, and Government Spending," *American Journal of Political Science* 54 (2010), 354-370
- Daniel Yuichi Kono, "Market Structure, Electoral Institutions, and Trade Policy," *International Studies Quarterly* 53 (2009), 885-906
- David Karol, "Does Constituency Size Affect Elected Officials' Trade Policy Preferences," *Journal of Politics* 69:2 (May 2007), 483-494
- Edward D. Mansfield, Helen V. Milner, and Jon C. Pevehouse, "Vetoing Co-operation: The Impact of Veto Players on Preferential Trading Arrangements," *British Journal of Political Science* 37 (2007), 403-432
- Pushan Dutt and Devashish Mitra, "Political Ideology and Endogenous Trade Policy: An Empirical Investigation," *Review of Economics and Statistics* 87:1 (2005), 59-72
- Gregory C. Shaffer, *Defending Interests: Public-Private Partnerships in WTO Litigation* (Washington, DC: Brookings, 2003), 1-64
- Marc L. Busch, *Trade Warriors: States, Firms, and Strategic Policy in High Technology Competition* (New York: Cambridge University Press, 1999), chs. 1-2
- Mark Brawley, "Tariff Reform, Taxes and Land: Trade-based Cleavages in pre-World War I Britain," *Review of International Political Economy* 16 (5), (December 2009), 827-853
- Susanne Lohmann and Sharyn O'Halloran, "Divided Government and US Trade Policy: Theory and Evidence," *International Organization* 48:4 (Autumn 1994), 595-632
- Fiona McGillivray, "Party Discipline as a Determinant of the Endogenous Formation of Tariffs," *American Journal of Political Science* 41:2 (April 1997), 584-607
- Stephan Haggard, "The Institutional Foundations of Hegemony: Explaining the Reciprocal Trade Agreements Act of 1934," *International Organization* 42:1 (Winter 1988), 91-119

[A revisionist approach focusing on the delegation of negotiating authority to the executive branch after 1934.]

- Michael J. Hiscox, "The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization," *International Organization* 53:4 (Autumn 1999), 669-698
- Timothy Frye and Edward D. Mansfield, "Fragmenting Protection: The Political Economy of Trade Policy in the Post-Communist World," *British Journal of Political Science* 33 (2003), 635-657
- Beth Simmons, *Who Adjusts? Domestic Sources of Foreign Economic Policy During the Interwar Years* (Princeton: Princeton University Press, 1994), 3-51, 174-218
- Gene M. Grossman and Elhanan Helpman, *Interest Groups and Trade Policy* (Princeton: Princeton University Press, 2002)
- Scott Ashworth, "Electoral Accountability: Recent Theoretical and Empirical Work," *Annual Review of Political Science* 15 (2012), 183-201
- Alexandra Guisinger, "Determining Trade Policy: Do Voters Hold Politicians Accountable?," *International Organization* 63 (2009), 533-57
- Alan S. Gerber and Gregory A. Huber, "Partisanship, Political Control, and Economic Assessments," *American Journal of Political Science* 54 (Jan 2010), 153-173
- Helen V. Milner and Bumba Mukherjee, "Democratization and Economic Globalization," *Annual Review of Political Science* 12 (2009), 163-181
- Matthew M. Singer, "Who Says 'It's the Economy'? Cross-National and Cross-Individual Variation in the Salience of Economic Performance," *Comparative Political Studies* 2010, 1-29
- Stephen Ansolabehere and Philip Edward Jones, "Constituents' Responses to Congressional Roll-Call Voting," *American Journal of Political Science* 54 (2010), 583-597
- Daniel Y. Kono, "Does Public Opinion Affect Trade Policy?," *Business and Politics* 10 (2008), 1-19
- Helen V. Milner and B. Peter Rosendorff, "Democratic Politics and International Trade Negotiations: Elections and Divided Government As Constraints on Trade Liberalization," *Journal of Conflict Resolution* 41 (Feb 1997), 117-146
- Helen V. Milner with Keiko Kubota, "Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries," *International Organization* 59 (2005), 157-193
- C. P. Kindleberger, "The Rise of Free Trade in Western Europe," *Journal of Economic History* 35:1 (March 1975), 20-55
- Barry Eichengreen and David Leblang, "Democracy and Globalization," *Economics and Politics* 20 (2008), 289-334
- Harry Bliss and Bruce Russett, "Democratic Trading Partners: The Liberal Connection, 1962-1989," *Journal of Politics* 60:4 (1998), 1126-47
- Edward D. Mansfield, Helen V. Milner, and B. Peter Rosendorff, "Free to Trade: Democracies, Autocracies, and International Trade," *American Political Science Review* 94:2 (June 2000), 305-321
- David Stasavage, "Open-Door or Closed-Door? Transparency in Domestic and International Bargaining," *International Organization* 58 (Fall 2004), 667-703

March 18, 2016: Week (3) International Institutions

Theories of international institutions. What functions do they serve? What cause them to take

shape and evolve the way they do? How are they structured and how do they actually work? How and under what conditions do they affect states' foreign economic policies or other IPE outcomes? Institutions as information providers and as commitment devices.

Required:

- Michael J. Gilligan and Leslie Johns, "Formal Models of International Institutions," *Annual Review of Political Science* 15 (2012), 221-243
- Songying Fang and Randall W. Stone, "International Organizations as Policy Advisors." *International Organization* 66 (2012), 537-569
- Beth A. Simmons and Zachary Elkins, "The Globalization of Liberalization: Policy Diffusion in the International Political Economy," *American Political Science Review* 98:1 (February 2004), 171-189
- Stephen Chaudoin (2014). "Audience Features and the Strategic Timing of Trade Disputes." *International Organization*, 68, 877-911.

Further Reading:

- Andrew K. Rose, "Do We Really Know That the WTO Increases Trade?", *American Economic Review* 94:1 (March 2004), 98-114.
- Judith L. Goldstein, Douglas Rivers, and Michael Tomz, "Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade," *International Organization* 61 (Winter 2007), 37-67.
- Michael Tomz, "The Effects of International Agreements on Foreign Policy Preferences," Working Paper, November 2006.
- Marc L. Busch, Rafal Raciborski, and Eric Reinhardt, "Does the Rule of Law Matter? The WTO and US Antidumping Investigations," 2008 Edward D. Mansfield and Etel Solingen, "Regionalism," *Annual Review of Political Science* 13 (2010), 145-163
- Jock A. Finlayson and Mark W. Zacher, "The GATT and the Regulation of Trade Barriers: Regime Dynamics and Functions," *International Organization* 35:4 (Autumn 1981), 561-602
- Douglas A. Irwin, Petros C. Mavroidis, and Alan O. Sykes, *The Genesis of the GATT* (New York: Cambridge Univ. Press, 2008), ch. 1
- Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984), 85-109, 182-216.
- Robert O. Keohane, Andrew Moravcsik, and Anne-Marie Slaughter, "Legalized Dispute Resolution: Interstate and Transnational," *International Organization* 54:3 (Summer 2000), 457-488.
- Barbara Koremenos, Charles Lipson, and Duncan Snidal, "The Rational Design of International Institutions," *International Organization* 55 (2001), 761-799
- Barbara Koremenos, "Contracting Around International Uncertainty," *American Political Science Review* 99:4 (November 2005), 549-565
- Krzysztof J. Pelc, "Seeking Escape: The Use of Escape Clauses in International Trade Agreements," *International Studies Quarterly* 53 (2009), 349-368
- Kenneth W. Abbott and Duncan Snidal, "Why States Act through Formal International Organizations," *Journal of Conflict Resolution* 42 (1998), 3-32

- Darren G. Hawkins, David A. Lake, Daniel L. Nielson, and Michael J. Tierney, eds., *Delegation and Agency in International Organizations* (New York: Cambridge Univ. Press, 2006)
- George W. Downs, David M. Roche, and Peter N. Barsoom, "Is the Good News about Compliance Good News about Cooperation?", *International Organization* 50 (1996), 379-406
- Helen V. Milner, "Why Multilateralism? Foreign Aid and Domestic Principal-Agent Problems," in Darren Hawkins et al., eds., *Delegation and Agency in International Organizations* (New York: Cambridge Univ. Press, 2006), 107-139
- Alexander Thompson, "Screening Power: International Organizations as Informative Agents," in Darren Hawkins et al., eds., *Delegation and Agency in International Organizations* (New York: Cambridge Univ. Press, 2006), 229-254
- Beth A. Simmons and Allison Danner, "Credible Commitments and the International Criminal Court," *International Organization* 64 (2010), 225-256
- Edward D. Mansfield and Jon C. Pevehouse, "Democratization and International Organizations," *International Organization* 60 (2006), 137-167
- Karen J. Alter, "Private Litigants and the New International Courts," *Comparative Political Studies* 39:1 (February 2006), 22-49
- Clifford J. Carrubba, Matthew Gabel, and Charles Hankla, "Judicial Behavior under Political Constraints: Evidence from the European Court of Justice," *American Political Science Review* 102 (2008), 435-452
- James D. Fearon, "Bargaining, Enforcement, and International Cooperation," *International Organization* 52:2 (Spring 1998), 269-305
- B. Peter Rosendorff, "Stability and Rigidity: Politics and Design of the WTO's Dispute Settlement Procedure," *American Political Science Review* 99:3 (August 2005), 389-400
- Marc L. Busch, Eric Reinhardt, and Gregory Shaffer, "Does Legal Capacity Matter? Explaining Patterns of Protectionism in the Shadow of WTO Litigation," August 2008
- Abram Chayes and Antonia Handler Chayes, *The New Sovereignty: Compliance with International Regulatory Agreements* (Cambridge: Harvard University Press, 1995), 1-17, 22-28, 63-67, 271-285
- Raquel Fernandez and Jonathan Portes, "Returns to Regionalism: An Analysis of Nontraditional Gains from Regional Trade Agreements," *World Bank Economic Review* 12 (2): 197-220
- Edward D. Mansfield and Eric Reinhardt, "Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Arrangements," *International Organization* 57:4 (Fall 2003), 829-862
- Giovanni Maggi and Robert W. Staiger, "The Role of Dispute Settlement Procedures in International Trade Agreements," *Quarterly Journal of Economics* 126 (2011), 475-515
- Leslie Johns and Krzysztof Pelc, "On the Strategic Manipulation of Audiences in WTO Dispute Settlement," (June 2011) Working Paper.
- Krzysztof Pelc, "The Cost of Wiggle-Room: Looking at the Welfare Effects of Flexibility in Tariff Rates at the WTO," *International Studies Quarterly* 57:1 (March 2013), 91-102
- Krzysztof Pelc, "Why Do Some Countries Get Better WTO Accession Terms Than Others?", *International Organization* 65 (2011), 639-672
- Bernard Hoekman and Michael Kostecki, *The Political Economy of the World Trading System: From GATT to WTO, 2nd edition* (New York: Oxford University Press, 2001), 1-142

- Christina L. Davis, "Overlapping Institutions in Trade Policy," *Perspectives on Politics* 7 (2009), 25-31
- Richard H. Steinberg, "In the Shadow of Law or Power? Consensus-Based Bargaining and Outcomes in the GATT/WTO," *International Organization* 56 (2002), 339-374
- Krzysztof J. Pelc, "Constraining Coercion? Legitimacy and Its Role in US Trade Policy, 1975-2000," *International Organization* 64 (2010), 65-96
- Caroline Freund, "Reciprocity in Free Trade Agreements," World Bank *Working Paper* 3061, 2003
- J. Michael Finger, Ulrich Reincke, and Adriana Castro, "Market Access Bargaining in the Uruguay Round: Rigid or Relaxed Reciprocity?" World Bank *Working Paper* 2258, 1989
- Robert E. Hudec, "'Transcending the Ostensible': Some Reflections on the Nature of Litigation Between Governments," *Minnesota Law Review* 71 (December 1987), 211-226
- Laurence R. Helfer and Anne-Marie Slaughter, "Toward a Theory of Effective Supranational Adjudication," *Yale Law Journal* 273 (1997-1998), 273-391
- Daniel Y. Kono, "Making Anarchy Work: International Legal Institutions and Trade Cooperation," *Journal of Politics* 69:3 (August 2007), 746-759
- Christina L. Davis, "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization," *American Political Science Review* 98:1 (February 2004), 153-169
- Christina L. Davis and Yuki Shirato, "Firms, Governments, and WTO Adjudication: Japan's Selection of WTO Disputes," *World Politics* 59 (January 2007), 274-313
- James H. Lebovic and Erik Voeten, "The Politics of Shame: The Condemnation of Country Human Rights Practices in the UNCHR," *International Studies Quarterly* 50 (2006), 861-888
- Caglar Ozden and Eric Reinhardt, "The Perversity of Preferences: GSP and Developing Country Trade Policies, 1976-2000," *Journal of Development Economics* 78:1 (2005), 1-21

April 1, 2016: Week (4) International Finance

Introduction to international financial policy, its various instruments, and tradeoffs among them: the "impossible trinity." Domestic demand-side explanations of monetary policy, capital controls, exchange rate policies, and financial market outcomes. Domestic supply-side and international political factors driving monetary and exchange rate policies. Structural, institutional, and legal constraints. The evolution and impact of global monetary regimes, e.g., Bretton Woods. Transparency and commitment device views of exchange rate regimes. Diffusion and competitive liberalization.

Required:

- Maurice Obstfeld, Jay C. Shambaugh, and Alan M. Taylor, "The Trilemma in History: Tradeoffs Among Exchange Rates, Monetary Policies, and Capital Mobility," *Review of Economics and Statistics* 87 (Aug 2005), 423-438
- David H. Bearce, "Societal Preferences, Partisan Agents, and Monetary Policy Outcomes," *International Organization* 57 (Spring 2003), 373-410
- Ellen Meade and David Stasavage. "Publicity of Debate and the Incentive to Dissent: Evidence from the US Federal Reserve," *The Economic Journal* 118, (2008), 695-717.

- Alexandra Guisinger and David Andrew Singer, "Exchange Rate Proclamations and Inflation-Fighting Credibility," *International Organization* 64 (2010), 313-337
- Cristina Bodea and Raymond Hicks. "Price Stability and Central Bank Independence: Discipline, Credibility, and Democratic Institutions." *International Organization*, 69, (2015), 35-61.

Further Reading:

- Beth A. Simmons, "The Legalization of International Monetary Affairs," *International Organization* 54:3 (Summer 2000), 573-602
- Jeffrey A. Frieden and J. Lawrence Broz, "The Political Economy of International Monetary Policy Coordination," in *Encyclopedia of Financial Globalization*, 2011 forthcoming
- David H. Bearce and Mark Hallerberg, "Democracy and De Facto Exchange Rate Regimes," *Economics and Politics* 23 (2011), 172-194.
- Christopher J. Neely, "An Introduction to Capital Controls," *Review Federal Reserve Bank of St. Louis* 81:6 (Nov/Dec 1999), 13-30
- Martin Schindler, "Measuring Financial Integration: A New Data Set," *IMF Staff Papers* 56 (2009), 222-238
- J. Lawrence Broz and Jeffrey A. Frieden, "The Political Economy of International Monetary Relations," *Annual Reviews of Political Science* 4 (2001): 317-343
- S. Brock Blomberg, Jeffrey Frieden, and Ernesto Stein, "Sustaining Fixed Rates: The Political Economy of Currency Pegs in Latin America," *Journal of Applied Economics* 8 (2005), 203-225
- Jeffrey A. Frieden, "Real Sources of European Currency Policy: Sectoral Interests and European Monetary Integration," *International Organization* 56:4 (Autumn 2002), 831-860
- Sarah M. Brooks and Marcus J. Kurtz, "Capital, Trade, and the Political Economies of Reform," *American Journal of Political Science* 51 (2007), 703-720
- Alessandro Prati, Martin Schindler, and Patricio Valenzuela, "Who Benefits from Capital Account Liberalization? Evidence from Firm-Level Credit Ratings Data," IMF Working Paper WP/09/210, 2009
- Michael D. Bordo, "Exchange Rate Regime Choice in Historical Perspective," IMF Working Paper WP/03/160, 2003
- Michael W. Klein and Jay C. Shambaugh, "The Dynamics of Exchange Rate Regimes: Fixes, Floats, and Flips," *Journal of International Economics* 75 (2008), 70-92
- Helen Callaghan, "Insiders, Outsiders, and the Politics of Corporate Governance," *Comparative Political Studies* 42 (2009), 733-762
- Stefanie Walter, "A New Approach for Determining Exchange-Rate Level Preferences," *International Organization* 62 (Summer 2008), 405-438
- Ari Aisen and Francisco Jose Veiga, "The Political Economy of Seignorage," *Journal of Development Economics* 87 (2008), 29-50
- Kristin J. Forbes, "How Do Large Depreciations Affect Firm Performance?," IMF Staff Papers 49 (2002), 214-238
- William Bernhard and David Leblang, "Democratic Institutions and Exchange-Rate Commitments," *International Organization* 53:1 (Winter 1999), 71-97

- William Bernhard and David Leblang, "Political Parties and Monetary Commitments," *International Organization* 56:4 (Autumn 2002), 803-830
- David Leblang and Bumba Mukherjee, "Government Partisanship, Elections, and the Stock Market: Examining American and British Stock Returns, 1930-2000," *American Journal of Political Science* 49:4 (Oct 2005), 780-802
- Hector E. Schamis and Christopher R. Way, "Political Cycles and Exchange Rate-Based Stabilization," *World Politics* 56 (October 2003), 43-78
- Beth Simmons, *Who Adjusts? Domestic Sources of Foreign Economic Policy During the Interwar Years* (Princeton: Princeton University Press, 1994), 52-105
- Dennis P. Quinn and Carla Incln, "The Origins of Financial Openness: A Study of Current and Capital Account Liberalization," *American Journal of Political Science* 41:3 (July 1997), 771-813
- Sebastian Edwards, "Exchange Rates and the Political Economy of Macroeconomic Discipline," *American Economic Review* 86:2 (May 1996), 159-163
- Eduardo Levy-Yeyati and Federico Sturzenegger, "Fear of Floating in Reverse: Exchange Rate Policy in the 2000s," Working Paper, 2008
- B. Peter Rosendorff and James Raymond Vreeland, "Democracy and Data Dissemination: The Effect of Political Regime on Transparency," IPES November 2006
- J. Lawrence Broz and Michael Plouffe, "The Effectiveness of Monetary Policy Anchors: Firm-Level Evidence," *International Organization* 64 (2010), 695-717
- Cameron G. Thies and Moises Arce, "The Politics of Exchange Rate-Based Stabilization Versus Structural Reforms in Latin America," *Comparative Political Studies* 42 (2009), 1193-1216
- David H. Bearce, "Not Complements, But Substitutes: Fixed Exchange Rate Commitments, Central Bank Independence, and External Currency Stability," *International Studies Quarterly* 52 (2008), 807-824
- Adolfo Barajas, Lennart Erickson, and Roberto Steiner, "Fear of Declaring: Do Markets Care What Countries Say About Their Exchange Rate Policies?", IMF Staff Papers 55 (2008), 445-480
- David Stasavage, "Transparency, Democratic Accountability, and the Economic Consequences of Monetary Institutions," *American Journal of Political Science* 47:3 (July 2003), 389-402
- Philip Keefer and David Stasavage, "Checks and Balances, Private Information, and the Credibility of Monetary Commitments," *International Organization* 56:4 (Autumn 2002), 751-774
- Mark Hallerberg, "Veto Players and the Choice of Monetary Institutions," *International Organization* 56:4 (Autumn 2002), 775-802
- Stephen Weymouth, "Political Institutions and Property Rights: Veto Players and Foreign Exchange Commitments in 127 Countries," *Comparative Political Studies* 44 (Dec 2010), 211-240
- David Stasavage and Dominique Guillaume, "When Are Monetary Commitments Credible? Parallel Agreements and the Sustainability of Currency Unions," *British Journal of Political Science* 32 (2002), 119-146
- William Bernhard and David Leblang, "Political Parties and Monetary Commitments," *International Organization* 56:4 (Autumn 2002), 803-830

- Christopher M. Meissner, "A New World Order: Explaining the International Diffusion of the Gold Standard, 1870-1913," *Journal of International Economics* 66 (2005), 385-406
- David Andrew Singer, "Capital Rules: The Domestic Politics of International Regulatory Harmonization," *International Organization* 58 (2004), 531-565
- Bumba Mukherjee and David Andrew Singer, "Monetary Institutions, Partisanship, and Inflation Targeting," *International Organization* 62 (Spring 2008), 323-358
- John Gerald Ruggie, "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization* 36:2 (Spring 1982), 195-231
- Eric Helleiner, *States and the Reemergence of Global Finance: From Bretton Woods to the 1990s* (Ithaca: Cornell University Press, 1994), 1-17, 21-50, 146-168, 195-209
- Dennis P. Quinn and A. Maria Toyoda, "Ideology and Voter Preferences as Determinants of Financial Globalization," *American Journal of Political Science* 51 (April 2007), 344-363
- Scott L. Kastner and Chad Rector, "Partisanship and the Path to Financial Openness," *Comparative Political Studies* 38 (June 2005), 484-506
- Barry Eichengreen and Andrew K. Rose, "Flexing Your Muscles: Abandoning a Fixed Exchange Rate Regime for Greater Flexibility," Working Paper, Jul 2011

April 15, 2016: Week (5) Sovereign Borrowing, Debt, and Financial Crises

The politics of sovereign borrowing, debt, and default. Why do private investors lend to governments, and under what terms? Why do governments repay their debts? How do domestic and international factors condition a country's access to international capital? What is a financial crisis? What causes one?

Required:

- Nicole Rae Baerg and Mark Hallerberg, "Explaining Instability in the Stability and Growth Pact: The Contribution of Member State Power and Euroskepticism to the Euro Crisis," *Comparative Political Studies* forthcoming.
- Thomas Sattler and Stefanie Walter, "Monetary Credibility vs. Voter Approval: Political Institutions and Exchange-Rate Stabilization During Crises," *Economics & Politics* 22 (2010), 392-418.
- Will H. Moore and Bumba Mukherjee, "Coalition Government Formation and Foreign Exchange Markets: Theory and Evidence from Europe," *International Studies Quarterly* 50 (2006), 93-118.
- Michael M. Bechtel, Jens Hainmueller and, Yotam Margalit, "Preferences for International Redistribution: The Divide over the Eurozone Bailouts," *American Journal of Political Science*, Vol 58(4), (October 2014), 835-856.

Further Reading:

- Thomas Oatley, "Political Institutions and Foreign Debt in the Developing World," *International Studies Quarterly* 54 (2010), 175-195 *American Political Science Review* 106 (Feb 2012), 103-122
- Michael Tomz, *Sovereign Debt and International Cooperation: Reputational Reasons for Lending and Repayment* (Princeton: Princeton Univ. Press, 2007), ch. 1

- Andrew K. Rose and Mark M. Spiegel, "A Gravity Model of Sovereign Lending: Trade, Default, and Credit," *IMF Staff Papers* 51 (2004), 50-63
- Kenneth A. Schultz and Barry R. Weingast, "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition," *International Organization* 57 (Winter 2003), 3-42
- Guillermo A. Calvo and Carmen M. Reinhart, "Fixing for Your Life," *Brookings Trade Forum 2000* (Washington, DC: Brookings, 2001), 1-57
- Guillermo A. Calvo and Frederic S. Mishkin, "The Mirage of Exchange Rate Regimes for Emerging Market Countries," *Journal of Economic Perspectives* 17:4 (Fall 2003), 99-118
- Barry Eichengreen, "Historical Perspectives on International Lending and Debt," *Journal of Economic Perspectives* 5:2 (Spring 1991), 149-169
- Carmen M. Reinhart and Kenneth S. Rogoff, *This Time Is Different: Eight Centuries of Financial Folly*, Princeton: Princeton Univ. Press, 2009
- David Leblang and Shanker Satyanath, "Institutions, Expectations, and Currency Crises," *International Organization* 60 (Winter 2006), 245-262
- Philip Keefer, "Elections, Special Interests, and Financial Crisis," *International Organization* 61 (Summer 2007), 607-641
- Andrew MacIntyre, "Institutions and Investors: The Politics of the Economic Crisis in Southeast Asia," *International Organization* 55:1 (Winter 2001), 81-122
- David Leblang and William Bernhard, "The Politics of Speculative Attacks in Industrial Democracies," *International Organization* 54:2 (Spring 2000), 291-324
- Will H. Moore and Bumba Mukherjee, "Coalition Government Formation and Foreign Exchange Markets: Theory and Evidence from Europe," *International Studies Quarterly* 50 (2006), 93-118
- David Leblang, "To Devalue or Defend? The Political Economy of Exchange Rate Policy," *International Studies Quarterly* 47 (2003), 533-559
- Candace C. Archer, Glen Biglaiser, and Karl deRouen, Jr., "Does Regime Type Affect Credit Rating Agency Ratings in the Developing World?", *International Organization* 61 (Spring 2007), 341-365
- Abigail J. Chiodo and Michael T. Owyang, "A Case Study of a Currency Crisis: The Russian Default of 1998," *Federal Reserve Bank of St. Louis Review* (November/December 2002), 7-18
- Charles Lipson, "Bankers Dilemmas: Private Cooperation in Rescheduling Sovereign Debts," *World Politics* 38:1 (October 1985), 200-225
- Irfan Nooruddin and Joel W. Simmons, "Openness, Uncertainty, and Social Spending: Implications for the Globalization-Welfare State Debate," *International Studies Quarterly* 53 (2009), 841-866
- Anna Maria Mayda, Kevin H. O'Rourke, and Richard Sinnott, "Risk, Government, and Globalization: International Survey Evidence," NBER Working Paper 13037, April 2007

April 29, 2016: Week (6) Immigration and Emigration

Humans move around the globe all the time. Sometimes they stay in their new host country, sometimes they return home. What is the relationship between immigration and emigration, wages, public opinion, and voting? How does immigration influence some of the other things that we have talked about, such international financial flows or remittances, exchange rates,

and investments, or development?

Required:

- Jens Hainmueller and Dominik Hangartner. "Who gets a Swiss passport? A natural experiment in immigrant discrimination." *American Political Science Review*, 107(01) 2013, 159-187.
- Neil Malhotra, Yotam Margalit, and Cecilia Hyunjung Mo. "Economic Explanations for Opposition to Immigration: Distinguishing Between Prevalence and Conditional Impact." *American Journal of Political Science* 57(2) 2013, 391-410.
- David Singer. "Migrant Remittances and Exchange Rate Regimes in the Developing World." *American Political Science Review* 104(2) 2010, 307-323.
- Ran Abramitzky, Leah Platt Boustan, and Katherine Eriksson. "Europe's Tired, Poor, Huddled Masses: Self-Selection and Economic Outcomes in the Age of Mass Migration," *American Economic Review* 102(5) 2012, 1832-56.

Further Reading:

- Faisal Ahmed. "The perils of unearned foreign income: Aid, remittances, and government survival." *American Political Science Review* 106:1 (2012), 146-165.
- Diego Aycinena, Claudia Martinez, and Dean Yang. "The Impact of Remittance Fees on Remittance Flows: Evidence from a Field Experiment Among Salvadoran Migrants." (2010), Working Paper.
- Nicole Rae Baerg, Julie Hotchkiss, and Myqriam Quispe-Agnoli. "Documenting the Unauthorized: Political Responses to Unauthorized Immigration." (2015), Working Paper.
- George Borjas, Richard B. Freeman, and Lawrence F. Katz. "Searching for the Effect of Immigration on the Labor Market." *American Economic Review* 86:2 (1996), 246-251.
- George Borjas. "The Labor Demand Curve is Downward Sloping: Reexamining the Impact of Immigration on the Labor Market." *Quarterly Journal of Economics*, 118:4 (2003), 1335-1374.
- David Card. "How Immigrants Affect Cities." In *Making Cities Work*. Ed. By Robert P. Inman. Princeton University Press (2009).
- Michael Clemens and Erwin Tiongson. "Split decisions: Family Finance when a Policy Discontinuity Allocates Overseas Work." (2012), Working Paper.
- Rafaela Dancygier and Elizabeth Saunders. "A New Electorate? Comparing Preferences and Partisanship between Immigrants and Natives." *American Journal of Political Science* 50:4 (2006), 962-981.
- Rafaela Dancygier. "Electoral Rules or Electoral Leverage? Explaining Muslim representation in England." *World Politics* 66:2 (April 2014), 229-263
- John Gibson and David McKenzie. "The microeconomic determinants of emigration and return migration of the best and brightest: Evidence from the Pacific." *Journal of Development Economics* 95:1 (2011), 18-29.
- John Gibson, David McKenzie, and Steven Stillman. "Accounting for selectivity and duration-dependent heterogeneity when estimating the impact of emigration on incomes and poverty in sending areas." *Economic Development and Cultural Change* 61:2 (2013), 247-280.

- Gordon Hanson and Antonio Spilimburgo. "Illegal immigration, border enforcement, and relative wages: Evidence from apprehensions at the U.S.-Mexico border." *American Economic Review*, 89(5) (1999), 1337-1357.
- Gordon Hanson, Kenneth Scheve and Matthew J. Slaughter. "Public Finance and Individual Preferences Over Globalization Strategies." *Economics and Politics*. 19:1 (2007), 1-33.
- Jens Hainmueller and Michael J. Hiscox. "Attitudes toward highly skilled and low-skilled immigration: evidence from a survey experiment." *American Political Science Review* 104:1 (2010), 61-84.
- Neeraj Kaushal. "New immigrants location choices: magnets without welfare." *Journal of Labor Economics* 23:1 (2005), 59-80.
- David Leblang. "Familiarity breeds investment: Diaspora networks and international investment." *American Political Science Review* 104:3 (2010), 584-600.
- David Leblang and Sarah Blodgett Bermeo. "Foreign Interests: Immigration and the Political Economy of Foreign Aid." *International Organization*. (2015).
- Anna Maria Mayda. "Who is against immigration? A cross-country investigation of individual attitudes toward immigrants." *The Review of Economics and Statistics* 88:3 (2006), 510-530.
- Aaditya Mattoo, Ileana Cristina Neagu, and Çağlar Özden. "Brain waste? Educated immigrants in the US labor market." *Journal of Development Economics* 87:2 (2008), 255-269.
- Federico Mandelman and Andrei Zlate. "Immigration, remittances and business cycles." *Journal of Monetary Economics* 59:2 (2012), 196-213.
- Federico Mandelman, Emmanuel Lartey, and Pablo Acosta. "Remittances, Exchange Rate Regimes, and the Dutch Disease: A Panel Data Analysis." *Review of International Economics*, 20:2 (May 2012), 377-395
- David McKenzie. "Paper walls are easier to tear down: Passport costs and legal barriers to emigration." World Bank Policy Research Working Paper 3783 (2005).
- Helen Milner and Dustin Tingley. "The Economic and Political Influences on Different Dimensions of United States Immigration Policy." Available at SSRN 2182086 (2011), Working Paper.
- Jeannette Money. "No vacancy: The political geography of immigration control in advanced industrial countries." *International Organization* 51, no. 04 (1997), 685-720.
- Christophen Parsons. "Do migrants really foster trade? the trade-migration nexus, a panel approach 1960-2000." *The Trade-Migration Nexus, a Panel Approach 2000* (1960).
- Margaret Peters. "Open Trade, Closed Borders: Immigration Policy in the Era of Globalization." PhD diss., Stanford University, 2011 (Paper version via IPES)
- Brenton Peterson, Sonal Paynda and David Leblang. "Doctors without Borders: Occupational Licensing as an Implicit Barrier to High Skill Migration." (2013), Working Paper.
- David Singer. "Migrant Remittances and Exchange Rate Regimes in the Developing World." *American Political Science Review*, 104:2, (2010), 307-323.
- Dean Yang. "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks." *The Economic Journal*, 118, (2008), 591-630.

May 13, 2016: Week (7) Globalization and its Opponents

Anecdotal evidence suggests that some people oppose open market policies even when the prevailing theories of economic interests suggest they could expect to benefit from such policies.

Why? What role do ideas and learning play in shaping their attitudes? Are there sources of economic interests that the dominant perspectives have missed?

Required:

Yotam Margalit, "Lost in Globalization: International Economic Integration and the Sources of Popular Discontent," *International Studies Quarterly* 56 (2012), 484-500

Megumi Naoi and Ikuo Kume, "Explaining Mass Support for Agricultural Protectionism: Evidence from a Survey Experiment During the Global Recession," *International Organization* 65 (Fall 2011), 771-795

Erling Barth, Henning Finseraas and Karl O. Moene, "Political Reinforcement: How Rising Inequality Curbs Manifested Welfare Generosity." *American Journal of Political Science*, 59 (2015), 565-577.

Hollyer, James R., B. Peter Rosendorff, and James Raymond Vreeland. "Measuring Transparency." *Political Analysis* (Autumn 2014) 22:4, 413-434.

Further Reading:

Kenneth Scheve and Matthew J. Slaughter, "Economic Insecurity and the Globalization of Production," *American Journal of Political Science* 48:4 (October 2004), 662-674

Edward D. Mansfield and Diana C. Mutz, "Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety," *International Organization* 63 (2009), 425-457

Stefanie Walter, "Globalization and the Welfare State: Testing the Microfoundations of the Compensation Hypothesis," *International Studies Quarterly* 52 (2010), 403-426

Jude C. Hays, Sean D. Ehrlich, and Clint Peinhardt, "Government Spending and Public Support for Trade in the OECD: An Empirical Test of the Embedded Liberalism Thesis," *International Organization* 59 (2005), 473-494