

INTERNATIONAL POLITICAL ECONOMY
Political Science 693a
Fall 2013, Mondays 3:30-5:20PM, Location TBD

Instructor: Margaret Peters
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Office Hours: Friday 10-12 and by appointment

Course Description:

This course examines how domestic and international politics influence the economic relations between states. It will address the major theoretical debates in the field and introduce the chief methodological approaches used in contemporary analyses. We will focus attention on four types of cross-border flows and the policies and international institutions that regulate them: the flow of goods (trade policy), the flow of capital (financial and exchange rate policy), the flow and location of production (foreign investment policy), and the flow of people (immigration policy).

Requirements:

- All students are required to attend class regularly and to participate in classroom lectures and discussions.
- Students are also required to choose three weeks to write short critical reviews. The reviews, limited to five pages, summarize the theoretical and/or empirical results of two or three articles on a specific topic (articles should be from either the required or further reading list on the syllabus for a given topic), highlight the contribution, critically evaluate the work (e.g. highlight strengths and weaknesses of the theory or research design), and suggest research that would extend, further evaluate, and/or correct the summarized work. The reviews are to be sent by email to the instructor by 5pm the day preceding the class meeting on which the topic will be discussed. At the discretion of the instructor, the student may be asked to discuss some of his/her arguments in class.
- In week 2, students are to write a mock reviewer report for the Pevehouse and Vabulas piece. I will give you examples of reviewer reports I have gotten and you will write a mock reviewer piece. Felicity Vabulas will skype in for part of the class and we will discuss their article with her.
- In addition to regular participation, the topic reviews, and review, each student must select one of two options for fulfilling the remaining course requirements:
 - *Option 1 (highly recommended):* Take home final exam. The take home final will be in the format of the IR Field Exam, but shorter and only focused on IPE.
 - *Option 2:* Students selecting this option should write one 20-35 page

paper that presents original research. The paper should be completed by the end of the exam period in May. It is highly recommended that students meet with the instructor to discuss their topic by mid-October and submit a two to three-page outline by early November. One particularly effective strategy for this paper is a replication and extension of previously published research. This option is much more time consuming and difficult than Option 1 and is offered only for students who want or need to write research paper to fulfill requirements in their program (mostly PhD political science students). Unless you need to fulfill such a requirement, the exam is highly recommended.

The requirements for the course will have the following weights;

Participation: 20%

Critical Reviews: 30%

Mock Reviewer Report: 10%

Final Exam/ Paper: 40%

Readings and Schedule:

Suggested Background Materials (For those with limited familiarity with IPE)

- J. Lawrence Broz and Jeffrey Frieden, "The Political Economy of International Monetary Relations," *Annual Review of Political Science* 4 (2001):317-343.
- Christopher J. Neely, "An Introduction to Capital Controls," *Federal Reserve Bank of St. Louis Review* 81:6 (Nov/Dec 1999):13-30.
- Jeffrey A. Frieden, *Global Capitalism*

1. *Introduction – January 12*

Required:

- Frieden, Jeffrey A., & Lisa Martin. 2002. "International Political Economy: The State of the Sub- Discipline." In Katznelson, Ira, & Helen Milner. eds. *Political Science: The State of the Discipline III*. New York, NY: Norton, pp. 118–146.
- Lake, David. 2009. "Open Economy Politics: A Critical Review." *The Review of International Organizations* 4(3):219-44.
- Rogowski, Ronald. 2006. "Trade, Immigration, and Cross-Border Investment." In Weingast, Barry R., & Donald A. Wittman. eds. *The Oxford Handbook of Political Economy*. Oxford: Oxford University Press, pp. 814–828.
- Oatley, T. (2011). The reductionist gamble: Open economy politics in the global economy. *International Organization* 65(2), 311–341.

2. *Interest Group Models – January 16*

Required:

- Rogowski, Ronald. 1992. *Commerce and Coalitions*. Princeton University

- Press: Princeton, NJ. Chapters 1 and 2
- Hiscox, Michael J. 2002. "Commerce, Coalitions, and Factor Mobility: Evidence from Congressional Votes on Trade Legislation." *American Political Science Review* 96(3): 593–608.
 - Pevehouse, Jon and Felicity Vabulas. 2013. "Foreign Lobbies and Human Rights Ratings," *Working Paper*. University of Wisconsin-Madison and University of Chicago.
 - Grossman, Gene M., & Elhanan Helpman. 1994. "Protection for Sale." *American Economic Review* 84(4): 833–850.
 - Goldberg, Pinelopi K., & Giovanni Maggi. 1999. "Protection for Sale: An Empirical Investigation." *American Economic Review* 89(5): 1135–1155.
 - Frieden, Jeffrey A. 1991. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance." *International Organization* 45(4): 425–451.
 - Megumi Naoi and Ellis Krauss. 2009. "Who Lobbies Whom? Special Interest Politics under Alternative Electoral System" *American Journal of Political Science*, Vol.53, No.4. October 2009.

Selected Further Readings:

- Baldwin, Robert E., & Christopher Magee. 2000. "Is Trade Policy for Sale? Congressional Voting on Recent Trade Bills." *Public Choice* 105(1–2): 79–101.
- Gawande, Kishore, & Bandyopadhyay Usree. 2000. "Is Protection for Sale? Evidence on the Grossman- Helpman Theory of Endogenous Protection." *Review of Economics and Statistics* 82(1): 139–152.
- Mitra, Devashish. 1999. "Endogenous Lobby Formation and Endogenous Protection: A Long-Run Model of Trade Policy Determination." *American Economic Review* 89(5): 1116–1134. 3
- Trefler, Daniel. 1993. "Trade Liberalization and the Theory of Endogenous Protection: An Econometric Study of U.S. Import Policy." *Journal of Political Economy* 101(1): 138–160.
- Bailey, Michael. 2001. "Quiet Influence: The Representation of Diffuse Interests on Trade Policy, 1983–94." *Legislative Studies Quarterly* 26(1): 45–80.
- Ladewig, Jeffrey W. 2006. "Domestic Influences on International Trade Policy: Factor Mobility in the United States, 1963 to 1992." *International Organization* 60(1): 69–103.
- Hiscox. 2001. "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade." *International Organization*, 55(1): 1–46.
- Schnietz. 2003. "The Reaction of Private Interests to the 1934 Reciprocal Trade Agreements Act." *International Organization*, 57(Winter): 213–33.
- Douglas Nelson, "Endogenous Tariff Theory: A Critical Survey," *American Journal of Political Science*, August 1988.

- Goldin, Claudia. 1994. "The Political Economy of Immigration Restriction: The United States, 1890-1921," in C. Goldin and G. Libecap (eds.) *The Regulated Economy: An Historical Analysis of Government and the Economy*. Chicago: University of Chicago Press.
 - Yotam Margalit. 2011. "Costly Jobs: Trade-related Layoffs, Government Compensation, and Voting in U.S. Elections." *American Political Science Review* 105, 166-188.
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3. *Firm-Based Models/ Melitz Model of Trade – January 26*

Required:

- Melitz, M. J. (2003). The impact of trade on intra-industry reallocations and aggregate industry productivity. *Econometrica* 71(6), 1695-1725.
- Peters, Margaret E. 2014 "Trade, Foreign Direct Investment and Immigration Policy Making in the US." *International Organization*.
- Milner, H. V. (1988). Trading places: Industries for free trade. *World Politics* 40(3), 350– 376.
- Michael Giligan, "Lobbying as a Private Good with Intra-Industry Trade," *International Studies Quarterly*.
- Goodhart, Lucy. 2013 "Fixed Capital as a Location Device: why do Governments Protect Declining Industries" *Working Paper*. Columbia University.
- Hathaway, Oona A., "Positive Feedback: The Impact of Trade Liberalization on Industry Demands for Protection." *International Organization*
- Helpman, Elhanan. 2006. "Trade, FDI, and the Organization of Firms." *Journal of Economic Literature* 44(3): 589–630.

Selected Further Readings:

- Peters, Margaret E. 2015. "Open Trade, Closed Borders: Immigration in the Era of Globalization." *World Politics*.
 - Osgood, Iain. 2013. "Differentiated Products, Divided Industries: A Theory of Firm Preferences over Trade Liberalization" *Working Paper*. Harvard University
 - Kim, In Song. 2013 " Political Cleavages within Industry: Firm Level Lobbying for Trade Liberalization" *Working Paper*. Princeton University
 - Rajan, R. G., and L. Zingales. 2003. "The great reversals: the politics of financial development in the twentieth century." *Journal of Financial Economics* 69 (1):5-50.
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4. *Institutions 1: Democracy & Autocracy – February 2*

Required:

- Polany, Karl. 1944. *The Great Transformation*. Boston: Beacon Press. 2001 Edition. Forward by Joseph Stiglitz; Introduction by Fred Block and Chapters 1& 2
- Eichengreen, Barry. 1992. *Golden Fetters*. Oxford: Oxford University Press. Chapter 1.
- Mansfield, Edward D., Helen V. Milner, & B. Peter Rosendorff. 2000. "Free to Trade: Democracies, Autocracies, and International Trade." *American Political Science Review* 94(2): 305–321.
- Timmer, A. S. and J. G. Williamson (1998). Immigration policy prior to the 1930s: Labor markets, policy interactions, and globalization backlash. *Population and Development Review* 24(4), 739–771.
- Li, Quan, & Adam Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57(1): 175–211.
- Jensen, Nathan. 2003. "Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment." *International Organization* 57(3): 587–616.
- Steinberg, David and Krishan Malhotra. 2014. "The Effect of Authoritarian Regime Type on Exchange Rate Policy." *World Politics* (2014).

Selected Further Readings:

- Milner, Helen and Keiko Kubota. 2005. "Why the Move to Free Trade? Democracy and Trade in Developing Countries." *International Organization* 59(1):107-143.
- Daniel Y. Kono, "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100, 3 (August 2006):369-384.
- Bearce, David H. and Hallerberg, Mark. 2011. "Democracy and De Facto Exchange Rate Regimes" *Economics and Politics*. 23(2):172-194.
- Eichengreen, Barry and David Leblang. 2008. "Democracy and Globalization." *Economics and Globalization*. 20(3):289-334.

5. *Institutions 2: Other institutions – February 9*

Required:

- Alt, James E., & Michael Gilligan. 1994. "The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions." *Journal of Political Philosophy* 2(2): 165–192.
- Bailey, Michael, Judith Goldstein, & Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." *World Politics* 49(3): 309–338.
- Pinto, Pablo, and Santiago M. Pinto. 2008. "The Politics of Investment. Partisanship and the Sectoral Allocation of Foreign Direct Investment." *Economics & Politics* 20(2):216–254.
- Henisz, Witold J. 2000. "The Institutional Environment for Multinational

- Investment." *Journal of Law, Economics, & Organization* 16(2): 334–364.
- J. Lawrence Broz, "Political System Transparency and Monetary Commitment Regimes." *International Organization* 56, 4 (Autumn 2002):863-889.
 - Money, Jeanette. 1997. No Vacancy. The Political Geography of Immigration Control in Advanced, Market Economy Countries." *International Organization* 51:4 (Fall 1997).
 - Leblang, D., & Satyanath, S. (2006). Institutions, expectations, and currency crises. *International Organization*, 60(1), 245.

Selected Further Readings:

- William Bernhard and David Leblang, "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53, 1 (1999):71-97.
- Clark and Hallerberg, "Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy". *The American Political Science Review*, Vol. 94, No. 2 (Jun., 2000), pp. 323-346
- Hiscox, Michael J. 1999. "The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization." *International Organization* 53(4): 669–698.
- Irwin, Douglas A., & Randall S. Kroszner. 1999. "Interests, Institutions, and Ideology in Securing Policy Change: The Republican Conversion to Trade Liberalization after Smoot-Hawley." *Journal of Law and Economics* 42(2): 643–673.
- Alt, James E., Jeffrey Frieden, Michael Gilligan, Dani Rodrik, & Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry." *Comparative Political Studies* 29(6): 689–717.
- Rogowski, Ronald. 1987. "Trade and the Variety of Democratic Institutions." *International Organization* 41(2): 203–223.
- Mansfield, Edward D., & Marc L. Busch. 1995. "The Political Economy of Nontariff Barriers: A Cross-National Analysis." *International Organization* 49(4): 723–749.
- Park, Jong Hee, and Nathan Jensen. 2007. "Electoral Competition and Agricultural Support in OECD Countries." *American Journal of Political Science* 51(2):314-329.
- Keefer, Philip, & David Stasavage. 2003. "The Limits of Delegation: Veto Players, Central Bank Independence, and the Credibility of Monetary Policy." *American Political Science Review* 97(3): 407–423.
- Acemoglu, D., Johnson, S., Robinson, J., & Thaicharoen, Y. (2003). Institutional causes, macroeconomic symptoms: volatility, crises and growth. *Journal of monetary economics*, 50(1), 49-123.

6. Ideas – February 16

Required:

- Goldstein, Judith and Robert O. Keohane. 1993. "Ideas and Foreign Policy: An Analytical Framework." In *Ideas and Foreign Policy*. Ithaca, NY: Cornell University Press.
- Ikenberry, G. John. 1993. "Creating Yesterday's New World Order: Keynesian 'New Thinking' and the Anglo-American Postwar Settlement." In *Ideas and Foreign Policy*. Ithaca, NY: Cornell University Press.
- Peter Haas, "Banning CFCS: Epistemic Community Efforts to Protect Stratospheric Ozone Coordination," *International Organization* 46(1):187-36.
- Michael Barnett and Marty Finnemore, "The Politics, Power and Pathologies of International Organizations," *IO*, 1999, 53:4
- Keith A. Darden, *Economic Liberalism and Its Rivals: The Formation of International Institutions Among the Post-Soviet States*, (New York: Cambridge University Press, 2009). Chapter 1.
- Morrison, James. "Before Hegemony: Adam Smith, American Independence, and the Origins of the First Era of Globalization." *International Organization* 66(3): 395-428
- Chwieroth, Jeffrey. 2007. "Neoliberal Economists and Capital Account Liberalization in Emerging Markets." *International Organization*. 61(2): 443-463.

Selected Further Readings:

- Schonhardt-Bailey, Cheryl. From the Corn Laws to Free Trade: Ideas, Interests, and Institutions in Historical Perspective. Cambridge, MA: MIT Press, 2006.
- Farrell, Henry and Martha Finnemore. 2009. "Ontology and Methodology in the American School of IPE" *Review of International Political Economy* 61, 1: 58-71.
- Finnemore, Martha and Kathryn Sikkink. 2001. Taking Stock: The Constructivist Research Program in International Relations and Comparative Politics. *Annual Review of Political Science*. 4: 391-416
- Finnemore and Sikkink, International Norm Dynamics and Political Change, *IO*, 1998, 52:4.
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7. *International Constraints/ Power – February 23*

Required:

- Kindleberger, Charles P. 1986. *The World in Depression 1929–1939*. Revised and enlarged edition. Berkeley, CA: University of California Press, Chapter 14.
- Krasner, Stephen. 1976. "State Power and the Structure of International Trade." *World Politics* 28(3): 317–347.
- Gowa, Joanne, & Edward Mansfield. 1993. "Power Politics and International Trade." *American Political Science Review* 87(2): 408–420.
- Hirschman, Albert. *National Power and the Structure of Trade*. Chapters 1-3.
- Mosley, Layna. 2000. "Room to Move: International Financial Markets and

- National Welfare States." *International Organization*. 54:4. 737-773.
- Obstfeld, Maurice, Jay C. Shambaugh, & Alan M. Taylor. 2005. "The Trilemma in History: Tradeoffs Among Exchange Rates, Monetary Policies, and Capital Mobility." *Review of Economics and Statistics* 87(3): 423-438.
 - John Goodman and Louis Pauly (1993) *The Obsolescence of Capital Controls? Economic Management in an Age of Global Markets* *World Politics* 46(1):50-82.

Selected Further Readings:

- Davis, Christina, and Sophie Meunier. Forthcoming. "Business as Usual? Economic Responses to Political Tensions." *American Journal of Political Science*.
 - Scott J. Basinger and Mark Hallerberg, "Remodeling the Competition for Capital: How Domestic Politics Erases the Race to the Bottom," *American Political Science Review* 98:2 (May 2004), 261-276.
 - Beth Simmons, *Who Adjusts: Domestic Sources of Foreign Economic Policy During the Interwar Years* (Princeton, NJ: Princeton University Press, 1994): 174-218.
 - Duncan Snidal, "The Limits of Hegemonic Stability Theory," *International Organization* 39 (Autumn 1985), 579-614.
 - Kindleberger, Charles P. 1975. "The Rise of Free Trade in Western Europe, 1820-1875." *Journal of Economic History* 35(1): 20-55.
 - Gowa, Joanne. 1989. "Rational Hegemons, Excludable Goods, and Small Groups: An Epitaph for Hegemonic Stability Theory?" *World Politics* 41(3): 307-324.
 - Gowa, Joanne. 1989. "Bipolarity, Multipolarity and Free Trade." *American Political Science Review* 83(4): 1245-1256.
 - Lake, David. 1988. *Power, Protection, and Free Trade: International Sources of U.S. Commercial Strategy, 1887-1939*. Ithaca, NY: Cornell University Press.
 - Mansfield, Edward. 1994. *Power, Trade, and War*. Princeton, NJ: Princeton University Press.
 - J. Goldstein and J. Gowa, "Building the GATT/WTO Regime: The Hegemon's Dilemma" *World Trade Review*, 2004.
 - Lloyd Gruber, *Ruling the World*, pp. 15-57.
 - Keohane, Robert. 1997. "Problematic Lucidity" *World Politics*. October.
 - Krasner. 1991. "Global Communications and National Power: Life on the Pareto Frontier." *World Politics*, 43(3): 336-66.
 - Mosely, Layna. *Global Capital and National Governments*.
 - Berger, Daniel, William Easterly, Nathan Nunn, & Shanker Satyanath. Forthcoming. "Commercial Imperialism? Political Influence and Trade During the Cold War." *American Economic Review*.
 - Andrew, David M. 1994. *Capital Mobility and State Autonomy*. *International Studies Quarterly* 38(3): 193-218.
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8. *Individual Preferences – March 2*

Required:

- Scheve, Kenneth, & Matthew Slaughter. 2001. "What Determines Individual Trade-Policy Preferences?" *Journal of International Economics* 54(2): 267–292.
- Hainmueller, Jens, & Michael Hiscox. 2006. "Learning to Love Globalization: Education and Individual Attitudes Toward International Trade." *International Organization* 60(2): 469–498.
- Hays, Jude S., Sean D. Ehrlich, & Clint Peinhardt. 2005. "Government Spending and Public Support for Trade in the OECD: An Empirical Test of the Embedded Liberalism Thesis." *International Organization* 59(2): 473–494.
- 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.
- Hanson, Gordon, Kenneth F. Scheve, & Matthew J. Slaughter. 2007. "Public Finance and Individual Preferences over Globalization Strategies." *Economics and Politics* 19(1): 1–33.
- Hainmueller, Jens, and Michael Hiscox. 2010. "Attitudes toward Highly-Skilled and Low-Skilled Immigration: Evidence from a Survey Experiment." *American Political Science Review* 104 (1):61-84.
- Goldstein, Judith L., and Margaret E. Peters. 2014. "Nativism or Economic Threat: Attitudes Toward Immigrants During the Great Recession." *International Interactions*.
- Broz, J. Lawrence, Jeffrey Frieden, & Stephen Weymouth. 2008. "Exchange Rate Policy Attitudes: Direct Evidence from Survey Data." *IMF Staff Papers* 55(3): 417-444.

Selected Further Reading:

- Baker, Andy. 2005. "Who Wants to Globalize? Consumer Tastes and Labor Markets in a Theory of Trade Policy Beliefs." *American Journal of Political Science* 49(4): 924–938. 2
- Mayda, Anna, & Dani Rodrik. 2005. "Why Are Some People (and Countries) More Protectionist Than Others?" *European Economic Review* 49(6): 1393–1430.
- Dutt, Pushan, & Devashish Mitra. 2005. "Political Ideology and Endogenous Trade Policy: An Empirical Investigation." *Review of Economics and Statistics* 87(1): 59–72.
- O'Rourke, Kevin H., & Richard Sinnott. 2001. "The Determinants of Individual Trade-Policy Preferences: International Survey Evidence." *Brookings Trade Forum* 2001: 157–196.
- Scheve, Kenneth, & Matthew J. Slaughter. 2001. *Globalization and the Perceptions of American Workers*. Washington, DC: Institute for International Economics.
- Tavares, José. 2008. "Trade, Factor Proportions, and Political Rights." *Review of Economics and Statistics* 90(1): 163–168.

- Verdier, Daniel. 1994 *Democracy and International Trade: Britain, France, and the United States, 1860–1990*. Princeton, NJ: Princeton University Press.
 - Malhotra, Neil, Yotam Margalit, and Cecilia Mo. 2013. “Economic Explanations for Opposition to Immigration: Distinguishing between Prevalence and Conditional Impact.” *American Journal of Political Science*.
 - Hainmueller, Jens and Michael J. Hiscox. 2007. “Educated Preferences: Explaining Attitudes Toward Immigration in Europe.” *International Organization* 61: 399–442
 - Mayda, Anna Maria. 2008. “Why are people more pro-trade than pro-migration?” *Economic Letters* 101: 160–163.
 - Peters, Margaret E., and Alexander M. Tahk. 2011. “Are policy makers out of touch with their constituencies when it comes to immigration?” Madison, WI.
 - Walter, Stefanie. 2008. “A New Approach for Determining Exchange-Rate Level Preferences,” *International Organization* 62:405-38.
 - Jupille, Joseph and David Leblang. 2007. “Voting for Change: Calculation, Community and Euro Referendums,” *International Organization* 61:763-82.
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9. *International Organizations and IPE – March 23*

Required:

- Bagwell, Kyle, & Robert W. Staiger. 1999. “An Economic Theory of GATT.” *American Economic Review* 89(1): 215–248.
- Maggi, Giovanni, & Andres Rodriguez-Clare. 1998. “The Value of Trade Agreements in the Presence of Political Pressures.” *Journal of Political Economy* 106(3): 574–601.
- Rosendorff, Peter. 2005. “Stability and Rigidity: Politics and the Design of the WTO’s Dispute Resolution Procedure.” *American Political Science Review* 99(3):389-400.
- Davis, Christina. 2004. “International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization.” *American Political Science Review*. 98:1. 153-69.
- Elkins, Zachary, Andrew T. Guzman, & Beth A. Simmons. 2006. “Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960–2000.” *International Organization* 60(4): 811–846..
- Peters, Margaret E. 2013. “Immigration, Delegation and International Law.” *Working Paper*. Yale University.
- David Andrew Singer. 2004. “Capital Rules: The Domestic Politics of International Regulatory Harmonization,” *International Organization* 58:3 (August), pp. 531-565.

Suggested Further Readings:

- Koremenos, Barbara. 2007. "If Only Half of International Agreements Have Dispute Resolutions Provisions, Which Half Needs Explaining?" *Journal of Legal Studies*. 16. 189-212
 - Jeffrey Kucik and Eric Reinhardt. 2008. "Does Flexibility Promote Cooperation? An Application to the Global Trade Regime." *International Organization* 62 (Summer): 477–505.
 - Maggi, Giovanni. 1999. "The Role of Multilateral Institutions in International Trade Cooperation." *American Economic Review* 89(1): 190–214.
 - Mansfield, Edward D., Helen V. Milner, & B. Peter Rosendorff. 2002. "Why Democracies Cooperate More: Electoral Control and International Trade Agreements." *International Organization* 56(3): 477– 513.
 - Maggi, Giovanni, & Andres Rodriguez-Clare. 2007. "A Political-Economy Theory of Trade Agreements." *American Economic Review* 97(4): 1374-1406.
 - Staiger, Robert W. 1995. "International Rules and Institutions for Trade Policy." In Grossman, Gene M., & Kenneth Rogoff. eds. *Handbook of International Economics*. Vol. 3. New York, NY: Elsevier, pp. 1495–1551.
 - Rosendorff, B. Peter, & Helen V. Milner. 2001. "The Optimal Design of International Trade Institutions: Uncertainty and Escape." *International Organization* 55(4): 829–857.
 - Grossman, Gene M., & Elhanan Helpman. 1995. "Trade Wars and Trade Talks." *Journal of Political Economy* 103(4): 675–708.
 - Jandhyala, Srividya, Witold J. Henisz, and Edward D. Mansfield. 2011. "Three Waves of BITs: The Global Diffusion of Foreign Investment Policy." *Journal of Conflict Resolution*. 55(6):1047-1073.
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10. Reputation/ Credible Commitments – March 30

Required:

- North, Douglass, C., & Barry Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *Journal of Economic History* 49(4): 803–832.
- Tomz, Michael. 2007. *Reputation and International Cooperation: Sovereign Debt across Three Centuries*. Princeton, NJ: Princeton University Press, chapters 1-2.
- Stasavage, David. 2007. "Cities, Constitutions, and Sovereign Borrowing in Europe, 1274–1785." *International Organization* 61(3): 489–525.
- Schultz, Kenneth A., & Barry R. Weingast. 2003. "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition." *International Organization* 57(1): 3–42.
- Simmons, B. A. (2000). "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs" *American Political Science Review* 94 (4): 819-35.
- von Stein, J. (2005). Do treaties constrain or screen? selection bias and treaty compliance. *American Political Science Review* 99(4), 611–622.

- Nunn, Nathan (2007). "Relationship-Specificity, Incomplete Contracts, and the Pattern of Trade". *The Quarterly Journal of Economics*. 122(2):569-600.

Selected Further Readings:

- Eaton, Jonathan, & Mark Gersovitz. 1981. "Debt with Potential Repudiation: Theoretical and Empirical Analysis." *Review of Economic Studies* 48(2): 289-309.
- Panizza, Ugo, Federico Sturzenegger, & Jeromin Zettelmeyer. 2009. "The Economics and Law of Sovereign Debt and Default." *Journal of Economic Literature* 47(3): 651-698.
- Aggarwal, Vinod K. 1996. *Debt Games: Strategic Interaction in International Debt Rescheduling*. Cambridge: Cambridge University Press.
- Stasavage, David. 2003. *Public Debt and the Birth of the Democratic State*. Cambridge: Cambridge University Press.
- Simmons, Beth A., & Zachary Elkins. 2004. "The Globalization of Liberalization: Policy Diffusion in the International Political Economy." *American Political Science Review* 98(1): 171-189.

11. *Effectiveness of Treaties/ International Organizations – April 6*

Required:

- Marc L. Busch. 2007. "Overlapping Institutions, Forum Shopping, and Dispute Settlement in International Trade." *International Organization* 61 (Fall): 735-61.
- Rose, Andrew K. 2004. "Do We Really Know That the WTO Increases Trade?" *American Economic Review* 94(1): 98-114.
- Tomz, Michael, Judith L. Goldstein, & Douglas Rivers. 2007. "Do We Really Know That the WTO Increases Trade? Comment." *American Economic Review* 97(5): 2005-2018.
- Rose, Andrew K. 2007. "Do We Really Know That the WTO Increases Trade? Reply." *American Economic Review* 97(5): 2019-2025.
- Colgan, Jeff. 2014. "The Emperor Has No Clothes: The Limits of OPEC in the Global Oil Market." *International Organization*.
- Rose-Ackerman, Susan and Tobin, Jennifer. 2009. "Do BITs Benefit Developing Countries?" In *The Future of Investment Arbitration*, R.P. Alford & C. A. Rogers eds.
- Kerner, Andrew and Jane Lawrence. 2012. *What's The Risk? Bilateral Investment Treaties, Political Risk and Fixed Capital Accumulation* British Journal of Political Science.
- Allee, Todd, & Clint Peinhardt. 2011. "Contingent Credibility: The Impact of Investment Treaty Violations on Foreign Direct Investment." *International Organization* 65(3): 401-432.
- Gray, Julia. *Governance Against the Odds: States, Bureaucracies, and Vitality in International Economic Organizations* Chapter 5.

Suggested Further Readings:

- Staiger, Robert W., & Guido Tabellini. 1999. "Do GATT Rules Help Governments Make Domestic Commitments?" *Economics and Politics* 11(2): 109–44.
 - Bagwell, Kyle, & Robert Staiger. 2002. *The Economics of the World Trading System*. Cambridge, MA: MIT Press.
 - Gowa, Joanne, & Soo Yeon Kim. 2005. "An Exclusive Country Club: The Effects of the GATT on Trade, 1950–94." *World Politics* 57(4): 453–478.
 - Limão, Nuno 2006. "Preferential Trade Agreements as Stumbling Blocks for Multilateral Trade Liberalization: Evidence for the United States." *American Economic Review* 96(3): 896–914.
 - Limão, Nuno 2007. "Are Preferential Trade Agreements with Non-Trade Objectives a Stumbling Block for Multilateral Liberalization?" *Review of Economic Studies* 74(3): 821–855.
 - Estevadeordal, Antoni, Caroline Freund, & Emanuel Ornelas. 2008. "Does Regionalism Affect Trade Liberalization Toward Nonmembers?" *Quarterly Journal of Economics* 123(4): 1531–1575.
 - Jackson, John. 2000. "The Role and Effectiveness of the WTO Dispute Settlement Mechanism." *Brookings Trade Forum* 2000: 179–219.
 - Mearsheimer, John J. 1994. "The False Promise of International Institutions." *International Security* 19(3): 5–49.
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12. *Overlap between areas of IPE – April 13*

Required:

- Tobin, Jennifer L. & Marc L. Busch. 2010. "A BIT is Better Than a Lot: Bilateral Investment Treaties and Preferential Trade Agreements." *World Politics* 62(1): 1–42.
- Broz, J. Lawrence, & Seth H. Werfel. Forthcoming. "Exchange Rates and Industry Demands for Trade Protection." *International Organization*.
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13. IPE and War/ Aid – April 20

Required:

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- John Oneal and Bruce Russett, "The Kantian Peace: Assessing the Pacific Benefits of Democracy, Interdependence, and International Organizations, 1885-1992." *World Politics* 52, 1 (October 1999).
- Stephen Brooks, "The Globalization of Production and the Changing Benefits of Conquest." *Journal of Conflict Resolution* 43, 5 (October 1999).
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