

Government 2755
International Political Economy
Professors Jeff Frieden and Beth Simmons
Fall 2007

Mondays, 2-4, 1730 Cambridge Street, S-040
Course web site: <http://isites.harvard.edu/icb/icb.do?keyword=k19582>

Professor Frieden: 617-496-2386
jfrieden@harvard.edu ;
office hours Tuesdays 10-11.30, 2-3.30

Professor Simmons: 617-495-1913
bsimmons@latte.harvard.edu;
office hours Tuesdays 2-4

This course is a research seminar in international political economy. It considers the major areas in the politics of foreign economic policy that are the subject of excellent research. It is not a general survey course, although the range of issues that we cover is quite broad. We do not spend a great deal of time considering “classics” in IPE or the historical development of the field. We hope that this course will generate ideas for your own research, leading to publishable papers and dissertation topics. The course is organized into four major sections, looking at the major topics in the current study of IPE.

Readings: Readings are posted on the course website. Those with asterisks are books that have been ordered at the Coop.

Course requirements: We require that all students come to class having done the readings and prepared to discuss them in depth each week. The written requirement for this course is an article-length research paper, due **January 11**. You should provide copies to both Professors Frieden and Simmons. We ask for a one-page outline of this paper due **November 12**.

We strongly encourage students to complete their paper in time to receive credit for the course (i.e., by January 11), to avoid getting an incomplete. Students who do not complete their paper by the beginning of the spring semester will have to provide a strong justification for further delay (for example, the need for field research or time to collect data). In order to help students meet these deadlines, and to give them the opportunity to get feedback on their research from other students in the class, we have scheduled two sessions for research presentations in December.

Class schedule and reading list

September 17: Introduction

Section 1: Trade

September 24: Overview

*Douglas Irwin, *Against the Tide: An Intellectual History of Free Trade* (Princeton, N.J.: Princeton University Press, 1997), chs. 2, 5, 8, 9, 12, 13, 14

John McCallum. 1995. "National Borders Matter: Canada-U.S. Regional Trade Patterns," *American Economic Review* 85:3 (June), pp. 615-23

James E. Alt, Jeffrey Frieden, Michael J. Gilligan, Dani Rodrik, and Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry." *Comparative Political Studies* 29:6 (December), pp. 689-717.

Helen Milner. 2002. "International Trade." *Handbook of International Relations*. Carlsnaes, Risse, and Simmons, eds., pp. 448-461.

October 1: Domestic

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

Gene Grossman and Elhanan Helpman. 1994. "Protection for Sale." *American Economic Review* 84:4 (September), pp. 833-50

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

Ken Scheve and Matthew Slaughter. 2001. "What Determines Individual Trade-Policy Preferences?" *Journal of International Economics* 54: 2 (August), pp. 267-92.

Cameron Thies and Schuyler Porche. (2007), 'The Political Economy of Agricultural Protection', *Journal of Politics*, 69 (1), 116-27.

Marc Busch and Eric Reinhardt. 1999. "Industrial Location and Protection: The Political and Economic Geography of U.S. Nontariff Barriers." *American Journal of Political Science* 43: 4 (October), pp. 1028-1050

October 8 – NO CLASS

October 15: International

Edward Mansfield, Helen V. Milner, and Eric Reinhardt. 2002. "Why Democracies Cooperate More: Electoral Control and International Trade Agreements." *International Organization* 56: 3 (Summer), pp. 477-514

Kerry Chase. 2003. "Economic Interests and Regional Trading Arrangements: The Case of NAFTA." *International Organization* 57: 1 (Winter), pp. 137-74

Christina Davis. 2004. "International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization." *American Political Science Review* 98:153-169.

Judith Goldstein, Doug Rivers, and Michael Tomz. (2007), 'Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade', *International Organization*, 61 (1), 37-67.

Ben Fordham. (2007), 'Revisionism Reconsidered: Exports and American Intervention in World War I', *International Organization*, 61 (2), 277-310.

Section 2: Money and Exchange Rates

October 22: Overview

J. Lawrence Broz and Jeffrey Frieden. 2001. "The Political Economy of International Monetary Relations." *Annual Review of Political Science* 4, pp. 317-43

*Barry Eichengreen. 1996. *Globalizing Capital: A History of the International Monetary System*, skim entire.

*Beth Simmons. 1994. *Who Adjusts? Domestic Sources of Foreign Economic Policy during the Interwar Years*, chps. 1, 2, 4, 8

October 29: Domestic

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

William Bernhard and David Leblang. 1999. "Democratic Institutions and Exchange Rate Commitments." *International Organization* 53:1, pp. 71-97

J. Lawrence Broz. 2002. "Political System Transparency and Monetary Commitment Regimes." *International Organization* 56:4 (Autumn), pp. 863-889.

David Bearce. 2003. "Societal Principals, Partisan Agents, and Monetary Policy Outcomes." *International Organization* 57: 2 (Spring), pp. 373-410

Ernesto Stein, et al. (2005), 'Real Exchange Rate Cycles Around Elections', *Economics and Politics*, 17 (3), 297-329.

Hector E. Schamis, H. E. and Christopher Way. (2003), 'Political Cycles and Exchange Rate-based Stabilization', *World Politics*, 56 (1), 43-78.

November 5: International

Rueven Glick and Andrew Rose. 1999. "Contagion and Trade: Why Are Currency Crises Regional?" *Journal of International Economics* 18:4 (August), pp. 603-617

Beth Simmons. (2000), 'International law and state behavior: Commitment and compliance in international monetary affairs', *American Political Science Review*, 94 (4), 819-35.

Section 3: Finance, Debt, and Investment

November 12: Foreign Direct Investment

*** *One-page outline of research paper due****

Jeffrey Frieden. 1994. "International Investment and Colonial Control: A New Interpretation." *International Organization* 48:4 (Autumn), pp. 559-593

Witold Henisz. 2000. "The Institutional Environment for Multinational Investment." *Journal of Law, Economics, and Organization* 16:2, pp. 334-364

Quan Li and A. Resnick. 2003. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* 57:1 (Winter), pp. 175-211

Nathan Jensen. 2003. "Democratic Governance and Multinational Corporations: The Political Economy of Foreign Direct Investment." *International Organization* 57: 3 (Summer).

Zachary Elkins et al. (2006), 'Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960-2000', *International Organization*, 60 (4), 811-46.

Shannon Blanton and Robert Blanton. (2007), 'What Attracts Foreign Investors? An Examination of Human Rights and Foreign Direct investment', *Journal of Politics*, 69 (1), 143-55.

November 19: Portfolio investment

Juan Carlo Hatchondo, et al. (2007), 'The Economics of Sovereign Defaults', *Economic Quarterly*, 93 (2), 163-87.

Allan Drazen. 2002. Conditionality and Ownership in IMF Lending: A Political Economy Approach. *IMF Staff Papers* 49 (November), pp. 36-67

Stasavage, D. (2007), 'Cities, Constitutions and Sovereign Borrowing in Europe, 1274-1785', *International Organization*, 61 (3), 489-525.

Broz, J. L. (2005), 'Congressional Politics of International Financial Rescues', *American Journal of Political Science*, 49 (3), 479-96.

Beth Simmons. (1993) "Why Innovate? Founding the Bank for International Settlements." *World Politics* 45:3 (April), pp. 361-405

Beth Simmons and Elkins, Z. (2004), 'The Globalization of Liberalization: Policy Diffusion in the International Political Economy.' *American Political Science Review*, 98 (1), 171-89.

Section 4: Special topics

November 28: Globalization

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

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

Gordon Hanson, et al. (2007), 'Public Finance and Individual Preferences Over Globalization Strategies', *Economic and Politics*, 19 (1), 1-33.

Nita Rudra (2005), 'Globalization and the Strengthening of democracy in the Developing World', *American Journal of Political Science*, 49 (4), 704-30.

George Avelino, et al. (2005), 'The Effects of Capital Mobility, Trade Openness, and Democracy on Social Spending in Latin America, 1980-1999', *American Journal of Political Science*, 49 (3), 625-41.

David Singer (2004), 'Capital rules: The domestic politics of international regulatory harmonization', *International Organization*, 58 (3), 531-65.

Layna Mosley. 2000. "International Financial Markets and National Welfare States." *International Organization* 54: 4 (Autumn), pp. 737-74

December 3: Sovereign Debt and Reputation

Tomz, M. 2007. *Reputation and international cooperation : sovereign debt across three centuries*. Princeton: Princeton University Press.

December 10 and 17: Research Presentations