International Political Economy

Chaudoin, Fall 2016

DKH 414

Office Hours: Wednesday 3-5

**What is IPE?**

When I was a prospective graduate student, I was in a one-on-one meeting with the chair of a department. He asked me what I wanted to study. I said “IPE.” He said, “So basically, you don’t have any idea what you want to study.” His point was that IPE is an enormous subfield, which makes this a challenging course to put into one semester.

Start with the “I” and the “E.” International economics is the study of the movement of goods and services, capital and money and investment, and people across borders. The “P” really describes two things: the policies that affect the flow of goods et al across borders and the political institutions, interests, and interactions which produce those policies. Throughout, we will study the underlying economic models of how and why goods, money and people move across borders and will use this as a foundation for understanding how policies affect those movements, how the relationship between policies and outcomes shapes actors’ preferences over policies, and how institutions translate those preferences into policies.

**Overarching Class Objectives:**

*Knowledge:* You just have to know the arguments. I don’t put a lot of emphasis on memorization, e.g. “Smith (2013) says…” but you need to know the lay of the land of IPE.

*Critique:* Assess the argument’s strengths and weaknesses. The readings on the syllabus are there because they are prominent arguments, not because they are The Truth. We will critically evaluate the choices authors made as they executed their research agendas.

*Construction:* Where could we go from here? Undergraduate students are well-trained to memorize knowledge. Graduate students are often well-trained to critique. But criticism is useless without a plan for improvement. When we criticize, we will put more emphasis on how we could improve existing arguments and push research forward.

**A Note on Methods:**

This course assigns the appropriate papers regardless of their methodological sophistication. There’s not really any way around this. Modern IPE heavily uses formal and quantitative methods and it wouldn’t do much good to only teach old things for which I could find “non-tech’ed up” versions. That said, some students may not have had game theory and/or quantitative methods. Try to read as much as you can and spend time trying to work through mathematical concepts, even if they are hard or unfamiliar. The questions below will help you be a smart consumer of material even if it is methodologically over your head.

**Critical Reading Questions**

These are questions you should ask of everything you read or write, in this class and beyond. The writing of all papers involves making choices. This is a guide to how you can critically evaluate the author’s choices.

Research Question:

* **What is the underlying research question?**
  + “What is the effect of this on that?”
  + “What explains variation in this?”
* **What is the underlying variation being explained?**
  + Why is that variation inherently important?

Theory:

* **What are the assumptions?** All theories are a collection of simplifying assumptions. Our assumptions usually pertain to: Who are the actors in the model, what do they want, and what choices are they making to try and get what they want? What information do they have available as they make these decisions?
* **What is the key result(s) of the theoretical model?** These are usually in one of two forms:
  + “There exists”: A model might demonstrate the existence of an equilibrium with certain features.
  + “Comparative statics”: These are predictions about the relationship between two variables that are derived from the model. They relate an exogenous (explanatory, independent, etc.) variable to an endogenous choice (outcome, dependent variable, decision, action, etc.).
* **How might alternative assumptions lead to different results?**
  + In reading models, it is never a useful criticism to say “The model made this assumption, which clearly isn’t right.” It’s a model. By definition, it “isn’t right.”
  + It is a useful criticism to say “The model assumed this, but if we assumed that then result [x] might be different.”

Empirics:

* **What is the laboratory** – i.e. the collection of real world phenomena – in which the author has chosen to test their argument?
  + You could also call this the population from which the sample will be drawn.
  + Good laboratories are (a) big: if you can test your argument in a more important real-world setting, that’s better than testing it on something obscure (b) fit: the real-world phenomenon match closely the assumptions made in your theory and (c) defend: against potential threats to inference. More on threats to inference later.
* **Who are the subjects** in the lab (or what is the sample)? What are the units of observation, over what time period, etc.
* **How does the paper measure the key independent and dependent variables?**
  + Are these good measurements? Do they map well onto the theoretical concept they purport to measure?
* **What is the key relationship in the data that the paper finds (or doesn’t find)?**
  + Quantitative and qualitative data analysis and everything in between are, at their core, *the exact same thing*. They are the search for relationships in data. The only differences are that one approach writes down models of these relationships mathematically and uses numerical data.
  + Does the relationship predicted by the theory find support?
  + How large, substantively, is the relationship? E.g. “A 1% increase in the number of unionized workers is associated with a 30% increase in tariffs.”
* **Threats to inference:**
  + Omitted stuff: Things the author should have included but did not *and which affect the relationship between the independent and dependent variable.* Note, this argument is useless without the second part, in italics.
  + Endogeneity: “There is something else that affects the independent and dependent variable which creates the illusion of a relationship between the two but really it’s this other thing that’s doing the work.”
  + If you looked at a different sample, you’d find something else.
  + Something about what you’ve done has made you overconfident about the relationship you’ve found and your result may really be spurious.
  + And many, many more.

Impact:

* **Why should I care about this paper?**
  + How much better do I understand a particular real-world phenomenon after reading this than before?
  + How important is that phenomenon in the first place?
  + If this paper is right, then who is wrong? Was the literature headed in one particular direction and this paper changed the literature’s course?
  + Are there other real-world phenomena that this argument could help us understand?

**Grading**

Your grades will be comprised of the following:

Weekly Assignments 30%

Critical Review Essay 30%

Original Idea Essay 40%

Bonus 5%

* Weekly Assignments
  + Each week, one student will be randomly chosen to briefly present each of the readings. The presentation will be short, no more than 3-4 minutes per paper.
  + The presentation consists of concisely answering the most important and relevant **bolded** questions from the critical reading section of the syllabus above. I will demonstrate for the first class.
  + Random selection will be through weighted card-drawing, so you may have to go two weeks in a row or twice in one day, although the deck is (literally) stacked against that.
  + We will not necessarily present every paper, every class.
  + This component of the grade is pass/fail for each assignment. If it’s clear that you have prepared the answers to the questions, then you will get full credit.
  + *The purposes of these assignments* are (a) to ensure reading (b) to put everyone on a common footing for discussion and (c) to help with speaking skills.
  + Absences: I will deal cards to you if you are absent and have not cleared the absence with me beforehand. I don’t like doing this, but for the system to work, this is the only way that I can see to prevent someone from saying “I didn’t do the readings, so I’m skipping today.”
* Critical Review Essay
  + Select one week’s topic and write a 5-7 page paper critically evaluate the arguments made on the subject. This paper should *briefly* summarize existing literature (approximately 1 – 1.5 pages). The paper’s main focus should be an original criticism of that set of literature. What is a large hole in this body of work? How would you go about fixing it?
  + This will be due on the date indicated below, approximately 2/3 through the semester.
  + *The purpose of this assignment* is to give you more in depth practice at the critical assessments that we’re emphasizing in the course.
* Original Idea Essay
  + Select any IPE topic of your choice. Then select a research question related to this topic and write a 12-14 page paper describing how you would execute an original research agenda to answer that question. By research agenda, I mean, describe what choices you’d make as outlined in the critical reading section. Your new idea could focus on a theoretical contribution, an empirical contribution, or both.
  + You will need to turn in a preliminary proposal for this project at the date specified on the syllabus.
    - The proposal should outline your research question (e.g. “What is the effect of [this] on [that]?” or “What explains variation in [this]?”). It should also say why this question is important. It should describe your answer and how you plan on getting to that answer.
    - Feel free to read ahead if you’re more interested in a topic that comes up later in the semester.
  + Formatting: I don’t care about formatting. Just be reasonable.
  + Note that this is not a particularly long paper. The length of the assignment is to encourage concise, direct writing.
  + *The purpose of this assignment is* for you to produce something that could become a publishable paper in the future.
  + If it were me, I would put sincere effort into this assignment and treat this like a research proposal. Sometime after the semester, I’d sit down with a classmate, compare our two research ideas, and pick the better of the two to actually work on as a coauthored working paper.
  + For the two essays, late work will be penalized by a letter grade per day.
* Bonus
  + Up to five times per semester, and no more than once per week, you can turn in a bonus assignment. The bonus assignment consists of finding a good journal article that wasn’t on the syllabus for that week’s readings *but should have been*. You will cite the article and write a paragraph explaining why it should have been included, its relationship to the articles on the syllabus and the hole that it fills.
  + *The purpose of this* is to give you a chance for extra credit and extra control over your grade and also to make the syllabus better for future generations.

**Readings**

A few notes on the readings:

* I have not assigned very many required readings (trust me, or look at the other syllabi which I have uploaded online). In exchange, I ask a lot of you regarding each reading.
* The required readings are the ones that are fair game for weekly assignments.
* The suggested readings serve two purposes. They (a) provide additional material for you to engage with for your two assigned essays and (b) will help you study for comprehensive exams. The suggested readings are stronger and more comprehensive on subjects I’m more familiar with. For other subjects, I would consult other professors’ syllabi in addition to following the citation trails from the articles I mentioned.
* I chose each week’s readings with the goal of getting you exposure to “the classics” which are generally one generation removed from the frontier of research on a particular subject and also to expose you to one or more very recent, sometimes unpublished, papers on the subject.

* You’ll notice that there are no books on the syllabus. They are expensive and often water-downed versions of journal articles. If you want books on these topics, then check out the other syllabi that I’ve uploaded.
* I tried to include a mix of economics and political science work. This is to show you how different disciplines have approached similar questions. We’ll compare and contrast each. For example, for trade policy preferences, political science has done more on individual attitudes while economics has focused on the firm. On international trade institutions, economists have focused on efficiency conditional on an enforceable agreement, while political scientists have focused on how you get an enforceable agreement in the first place.
  + It is also my general impression (admittedly without systematic data) that the more successful IPE graduate students are increasingly taking graduate level economics and political economy courses. This is, in part, due to the increasing methodological sophistication of political science.

**WEEK 1: Intro and Syllabus**

* Oatley, Thomas. 2010. “The Reductionist Gamble.” *International Organization*.
* Chaudoin, Milner, and Pang. 2015. “International Systems and Domestic Politics.” *International Organization.* 69(2): 275-309.
* Ronald Rogowski, “Political Cleavages and Changing Exposure to Trade,” American Political Science Review 81:4 (December 1987), 1121-1137
  + This is “a classic” and we’ll use it to demonstrate the readings presentations.

**WEEK 2: Baseline Trade Models and Individual-level Trade Policy Preferences**

* Michael J. Hiscox. 2001. “Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade.” International Organization 55:1 (Winter), 1-46.
* Anna Maria Mayda and Dani Rodrik, “Why Are Some People (and Countries) More Protectionist Than Others?”, European Economic Review 49 (2005), 1393-1430
* Margalit, Yotam. 2011. “Costly Jobs: Trade-Related Layoffs, Government Compensation, and Voting in U.S. Elections” *American Political Science Review* 105(1): 169-188.
* [This is a lighter reading week- I’d read ahead one or more article(s) so that you have it in the bank for future weeks when the workload is higher].

Recommended Readings:

* On individual level trade policy preferences
  + Kenneth F. Scheve and Matthew J. Slaughter, “What Determines Individual Trade-Policy Preferences?” Journal of International Economics 54 (2001), 267-292
  + 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.
  + Jens Hainmueller and Michael J. Hiscox, “Learning to Love Globalization: Education and Individual Attitudes Toward International Trade,” *International Organization* 60 (Spring 2006), 469-498.
  + Kevin H. O’Rourke and Richard Sinnott, “The Determinants of Individual Trade Policy Preferences: International Survey Evidence,” *Brookings Trade Forum 2001*, 157-206
  + Baker, Andy. "Who wants to globalize? Consumer tastes and labor markets in a theory of trade policy beliefs." American Journal of Political Science 49.4 (2005): 924-938.
  + Mansfield, Ed and Diana Mutz. 2009. “Suport for Free Trade: Self Interest, Sociotropic Politics, and Out-Group Anxiety.” *International Organization*.
  + Rho, Sungmin and Michael Tomz. “Industry, Self-Interest, and Individual Preferences over Trade Policy.” Working Paper. <http://www.sungminrho.com/uploads/3/7/0/0/37006927/rhotomz-2015-04-01.pdf>
  + Rho, Sungmin and Michael Tomz. “Why Don’t Trade Preferences Reflect Economic Self-Interest?” Working Paper. http://www.sungminrho.com/uploads/3/7/0/0/37006927/rhotomz-2016-01-24b.pdf
* On whether individual preferences matter (preferences -> policy?):
  + Alexandra Guisinger, “Determining Trade Policy: Do Voters Hold Politicians Accountable?”, *International Organization* 63 (2009), 533-57
  + Gyung-Ho Jeong, “Constituent Influence on International Trade Policy in the United States, 1987 to 2006,” *International Studies Quarterly* 53 (2009), 519-540.
  + Jeffrey W. Ladewig, “Domestic Influences on International Trade Policy: Factor Mobility in the United States, 1963 to 1992,” *International Organization* 60 (Winter 2006), 69-103
* On embedded liberalism (policy -> preferences?):
  + Hays, Jude S., Sean D. Ehrlich, and 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.
* On parties:
  + Milner, Helen V., and Benjamin Judkins. "Partisanship, trade policy, and globalization: Is there a left–right divide on trade policy?." International Studies Quarterly 48.1 (2004): 95-120.
* On New Trade Theory:
  + Arkolakis, Costas, Arnaud Costinot, and Andres Rodriguez-Clare. New trade models, same old gains?. No. w15628. National Bureau of Economic Research, 2009.

**WEEK 3: Firm-level Trade Policy Preferences**

* A. Dixit and J. Londregan, “The determinants of the success of special interests in redistributive politics,” Journal of Politics, 1996, 1132-1155.
* Gawande, Kishore and Usree Bandyopadhyay. 2000. “Is Protection for Sale? Evidence on the Grossman-Helpman Theory of Endogenous Protection.” *Review of Economics and Statistics.*
* Blonigen, Bruce and Chad Bown. 2003. “Antidumping and Retaliation Threats.” *Journal of International Economics*.
* Bombardini, Matilde. "Firm heterogeneity and lobby participation." Journal of International Economics 75.2 (2008): 329-348.
* Kim, In Song. 2014. Working Paper. Political Cleavages within Industry.
* Baccinni, Dur and Elsig. “Intra-Industry Trade, Global Value Chains, and the Political Economy of Preferential Trade Liberalization.” 2016. https://859bc79b-a-62cb3a1a-s-sites.googlegroups.com/site/leonardobaccini/working-papers/the-formation-of-trade-agreements/BADUEL\_Tariffs.pdf?attachauth=ANoY7crGlVKSt9kAU626do3H22h4Mm\_4h6\_gTY7AelRNLsSZMsgZ4pPheXerTBfX-q9KZjDrV67DXD\_69Drh9cXtgcnmGobnej8HP0CUpw87r1LRHoTTLfx82rF3jBwW0HcNTUxVG-lscoAEkMPdaVHq-Qz8KR5dtOGK1PcCTbWNQdxI1M\_0CzAebofbsyqjKSdMsHUQesATrRWmx-ay3DbxskDiOwY7lcI1NIS7musFLkSJnlZ4gSXHic4rKeEdwkexrX8XqmFwxIKU2h5E\_NhSWiEjflWTCD4fdcSEP9HPm6m5OBuvLmU%3D&attredirects=0

Recommended Readings

* On political economy more generally:
  + Gene M. Grossman and Elhanan Helpman. 1994. Protection for Sale. *American Economic Review* 84(4): 833-850.
    - This is a technically challenging formal model. It is often cited (almost 4K citations) and you should read it even if you don’t want to go through the math.
  + Dal Bó, Ernesto. "Regulatory capture: a review." *Oxford Review of Economic Policy* 22.2 (2006): 203-225.
* On firm level preferences for trade policy:
  + Helen Milner. 1987. Resisting the Protectionist Temptation: Industry and the Making of Trade Policy in France and the United States during the 1970s. *International Organization* 41(4): 639-665.
  + Kishore Gawande, Pravin Krishna, and Marcelo Olarreaga, “What Governments Maximize and Why: The View from Trade,” *International Organization* 63 (2009), 491-532
  + Gawande, Kishore, and Pravin Krishna. "The political economy of trade policy: Empirical approaches." Handbook of international trade 1 (2003): 139-152. (A great survey—you can get this entire handbook for free online. If it isn’t still available when you check, email me.)
  + P. Goldberg and G. Maggi, “Protection for sale: An empirical investigation,” AER 1999, 1135-1155.
  + Gawande et al. 2012. “Capital Account Liberalization: What Do Cross-Country Studies Tell Us?” *International Economic Review* 53(1).
* There is a lot of literature on antidumping and other non-tariff barriers to trade. See Chad Bown’s body of work, solo and with coauthors. Reynolds, Prusa, and Blonigen, among others have been involved with this.

**WEEK 4: Trade Policy and Domestic Institutions**

* Mitra, Devashish, Dimitrios D. Thomakos, and Mehmet A. Ulubaşoğlu. "“Protection for sale” in a developing country: democracy vs. dictatorship." Review of Economics and Statistics 84.3 (2002): 497-508.
* Milner, Helen V., and Keiko Kubota. "Why the move to free trade? Democracy and trade policy in the developing countries." International organization (2005): 107-143.
* Kono, Daniel Y. "Optimal obfuscation: Democracy and trade policy transparency." American Political Science Review 100.03 (2006): 369-384.
* Eichengreen, Barry, and David Leblang. "Democracy and globalization." Economics & Politics 20.3 (2008): 289-334.
* Mansfield, Edward D., Helen V. Milner, and Jon C. Pevehouse. "Democracy, veto players and the depth of regional integration." The World Economy 31.1 (2008): 67-96.
* Kim, Londregan and Ratkovic. “Politics, Institutions, and Trade.” Working Paper. 2016. http://web.mit.edu/insong/www/pdf/democracyTrade.pdf

Recommended:

* Ehrlich, Sean D. "Access to protection: Domestic institutions and trade policy in democracies." International Organization (2007): 571-605.
* Henisz, Witold J., and Edward D. Mansfield. "Votes and vetoes: the political determinants of commercial openness." International Studies Quarterly 50.1 (2006): 189-212.
* Chaudoin, Milner, Pang. 2014. “International Systems and Domestic Politics: Linking Complex Theories with Empirical Models in International Relations.” *International Organization.*
  + See also the Oatley paper in the Navel-Gazing section.
* Slightly older, but pretty influential.
  + Michael J. Hiscox. 1999. The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization. International Organization 53(4): 669-698.
  + Bailey, Michael, Judith Goldstein, and Barry R. Weingast. 1997. "The Institutional Roots of American Trade Policy: Politics, Coalitions, and International Trade." World Politics 49 (3): 309-338.
  + Lohmann, Susanne and Sharyn O'Halloran. 1994. "Divided Government and U.S. Trade Policy: Theory and Evidence." International Organization 48 (4):595-632.

**WEEK 5: Trade and International Institutions**

* Bagwell, Kyle, and Robert W. Staiger. An economic theory of GATT. American Economic Review. 1999.
* Maggi, Giovanni. "The role of multilateral institutions in international trade cooperation." American Economic Review (1999): 190-214.
* Baier, Scott L., and Jeffrey H. Bergstrand. "Do free trade agreements actually increase members' international trade?." Journal of international Economics 71.1 (2007): 72-95.
* Rosendorff, B. Peter, and Helen V. Milner. "The optimal design of international trade institutions: Uncertainty and escape." International Organization 55.4 (2001): 829-857.
* Hicks, Raymond. 2014. “Methodological Issues” Oxford. Online.

This is a difficult week to schedule, because a lot of the work on international institutions in general also applies to institutions designed to govern international trade. Here, I’ve included some of the seminal theoretical articles on what trade institutions do and some work on their actual effects. In the following (large) suggested section, I’ve tried to break down some of the other parts of this literature.

Recommended Readings:

* There is a tremendous body of work on WTO disputes. I have not included it here. If interested, see research by (alphabetical): Bernauer, Chaudoin, Dai, Davis, Fang, Johns, Kucik, Pelc, Rosendorff and many others.
* There is also a lot of research on the overall effect of the WTO on trade, as well as the effects of PTA’s on trade. For the former, start with the debate between Andrew Rose and Goldstein, Tomz, and Rivers in the AER. There are also important contributions by Subramanian and Wei, and more recently, Helpman et al in the QJE.
* There is also a lot of literature on the proper estimation of gravity models. The Hicks summary is designed to point you in those directions.
* Also, in no particular order:
  + Freund, Caroline, and Emanuel Ornelas. "Regional trade agreements." Annu. Rev. Econ. 2.1 (2010): 139-166.
  + Panagariya, Arvind. "Preferential trade liberalization: the traditional theory and new developments." Journal of Economic literature (2000): 287-331.
  + Gowa, Joanne, and Soo Yeon Kim. "An Exclusive Country Club." World Politics 57 (2005): 453-478.
  + Bechtel and Sattler. “What is litigation at the WTO worth?” Forthcoming/2014 *International Organziation*.
  + Chaudoin, Kucik, and Pelc. “Do We Really Know that WTO Disputes Increase Trade?” *International Studies Quarterly*.
  + Kucik, Jeffrey, and Eric Reinhardt. "Does flexibility promote cooperation? An application to the global trade regime." International Organization 62.3 (2008): 477-505.
  + Mansfield, Edward D., and Eric Reinhardt. "Multilateral determinants of regionalism: The effects of GATT/WTO on the formation of preferential trading arrangements." International organization 57.4 (2003): 829-862.
  + Rose, Andrew K. "Do WTO members have more liberal trade policy?." Journal of international Economics 63.2 (2004): 209-235.
  + Pelc, Krzysztof J. "why Do Some countries Get better wto accession terms than others?." International Organization 65.4 (2011).
  + Mansfield, Edward D., and Eric Reinhardt. "International Institutions and the Volatility of International Trade." International Organization 62.4 (2008).

**WEEK 6: Foreign Direct Investment I**

* Greenaway, David, and Richard Kneller. "Firm heterogeneity, exporting and foreign direct investment." The Economic Journal 117.517 (2007): F134-F161.
* Li, Quan, and Adam Resnick. "Reversal of fortunes: Democratic institutions and foreign direct investment inflows to developing countries." International organization 57.1 (2003): 175-212.
* Jensen, Nathan M. "Democratic governance and multinational corporations: Political regimes and inflows of foreign direct investment." International Organization 57.3 (2003): 587-616.
* Busse, Matthias, and Carsten Hefeker. "Political risk, institutions and foreign direct investment." European journal of political economy 23.2 (2007): 397-415.
* Li, Quan. "Democracy, autocracy, and expropriation of foreign direct investment." Comparative Political Studies 42.8 (2009): 1098-1127.

Recommended:

* Elhanan Helpman, Marc J. Melitz and Stephen R. Yeaple. 2004. “Export versus FDI with Heterogeneous Firms.” American Economic Review 94(1).
* There is a large literature on whether FDI causes growth and whether it affects domestic firms in particular ways (e.g raising their productivity). For some recent examples, see:
  + Bekaert, Geert, Campbell R. Harvey, and Christian Lundblad. "Financial openness and productivity." World Development 39.1 (2011): 1-19.
  + Eichengreen, Barry, Rachita Gullapalli, and Ugo Panizza. "Capital account liberalization, financial development and industry growth: A synthetic view." Journal of International Money and Finance 30.6 (2011): 1090-1106.
* Rodrik, Dani. "Why we learn nothing from regressing economic growth on policies." Seoul Journal of Economics 25.2 (2012): 137.
* Political Economy of FDI:
  + Branstetter, Lee G., and Robert C. Feenstra. "Trade and foreign direct investment in China: a political economy approach." Journal of International Economics 58.2 (2002): 335-358.

**WEEK 7: Foreign Direct Investment II**

* Haftel, Y. and Alexander Thompson. Forthcoming. “Delayed Ratification: The Domestic Fate of Bilateral Investment Treaties.” *International Organization*.
* Guzman, Andrew T. "Competing for capital: the diffusion of bilateral investment treaties, 1960-2000." International Organization 60 (2006): 811-846.
* Büthe, Tim, and Helen V. Milner. "The politics of foreign direct investment into developing countries: increasing FDI through international trade agreements?." American Journal of Political Science 52.4 (2008): 741-762.
* Wellhausen, Rachel. 2014. “Investor−State Disputes: When Can Governments Break Contracts?” *Journal of Conflict Resolution*. Forthcoming/online.
* Kerner, Andrew. "Why should I believe you? The costs and consequences of bilateral investment treaties." International Studies Quarterly 53.1 (2009): 73-102.

Recommended:

* There is a large literature on BITs. For some recent entries, see:
  + Allee, Todd, and Clint Peinhardt. "Delegating differences: Bilateral investment treaties and bargaining over dispute resolution provisions." International Studies Quarterly 54.1 (2010): 1-26.
  + Tobin, Jennifer L., and Susan Rose-Ackerman. "When BITs have some bite: The political-economic environment for bilateral investment treaties." The Review of International Organizations 6.1 (2011): 1-32.
  + Haftel, Yoram Z. "Ratification counts: US investment treaties and FDI flows into developing countries." Review of International Political Economy 17.2 (2010): 348-377.
  + Allee, Todd, and Clint Peinhardt. "Contingent credibility: The impact of investment treaty violations on foreign direct investment." International Organization 65.3 (2011): 401-432.

**WEEK 8: Exchange Rate Regimes and CBI**

* Broz, J. Lawrence. "Political system transparency and monetary commitment regimes." International Organization 56.4 (2002): 861-887.
* Broz, J. Lawrence and Jeffry Frieden. 2006. "The Political Economy of Exchange Rates." In The Oxford Handbook of Political Economy. Edited by Barry R. Weingast and Donald Wittman. Oxford University Press. Available online at: <http://pages.ucsd.edu/~jlbroz/weingast-chap32.pdf>
* Bernhard, William, and David Leblang. "Democratic institutions and exchange-rate commitments." International Organization 53.1 (1999): 71-97.
* Scheve, Kenneth. "Public inflation aversion and the political economy of macroeconomic policymaking." International Organization 58.1 (2004): 1-34.
* Blomberg, S. Brock, Jeffry Frieden, and Ernesto Stein. "SUSTAINING FIXED RATES: THE POLITICAL ECONOMY OF CURRENCY PEGS IN LATIN AMERICA." Journal of Applied Economics 8.2 (2005).

Recommended:

* There is literature on “the fear of floating,” e.g.: Plümper, Thomas, and Vera E. Troeger. "Fear of floating and the external effects of currency unions." American Journal of Political Science 52.3 (2008): 656-676.
* There is also a lot of literature on exchange rates and political business cycles, e.g.: Baxter, Marianne, and Alan C. Stockman. "Business cycles and the exchange-rate regime: some international evidence." Journal of monetary Economics 23.3 (1989): 377-400. (and its subsequent citations).
* I would also check out the work of Cristina Bodea.

**WEEK 9: Capital Accounts and Financial Openness**

* Quinn, Dennis, Martin Schindler, and A. Maria Toyoda. "Assessing measures of financial openness and integration." IMF Economic Review 59.3 (2011): 488-522.
* Quinn, Dennis P., and A. Maria Toyoda. "Ideology and voter preferences as determinants of financial globalization." American Journal of Political Science 51.2 (2007): 344-363.
* Chinn, Menzie D., and Hiro Ito. "What matters for financial development? Capital controls, institutions, and interactions." Journal of Development Economics 81.1 (2006): 163-192.
* Mosley, Layna, and David Andrew Singer. "The global financial crisis: lessons and opportunities for international political economy." (2009): 420-429.
* Add wilf?

Recommended:

* Kose, M. Ayhan, et al. Financial globalization: a reappraisal. No. w12484. National Bureau of Economic Research, 2006.
* Quinn, Dennis P., and Carla Inclan. "The origins of financial openness: A study of current and capital account liberalization." American Journal of Political Science (1997): 771-813.
* Chinn, Menzie D., and Hiro Ito. "A new measure of financial openness." Journal of Comparative Policy Analysis 10.3 (2008): 309-322.
* Quinn, Dennis P., and A. Maria Toyoda. "Does capital account liberalization lead to growth?." Review of Financial Studies 21.3 (2008): 1403-1449.
* Leblang, David, and William Bernhard. "The politics of speculative attacks in industrial democracies." International Organization 54.2 (2000): 291-324.
* Eichengreen, Barry. 2001. “Capital Account Liberalization: What Do Cross-Country Studies Tell Us?” *World Bank Economic Review 15(3).*

**WEEK 10: IMF and World Bank**

* Barro, Robert J., and Jong-Wha Lee. "IMF programs: Who is chosen and what are the effects?." Journal of Monetary Economics 52.7 (2005): 1245-1269.
* Dreher, Axel, and Nathan M. Jensen. "Independent actor or agent? An empirical analysis of the impact of US interests on International Monetary Fund conditions." Journal of Law and Economics 50.1 (2007): 105-124.
* Stone, Randall W. "The scope of IMF conditionality." International Organization (2008): 589-620.
* Fleck, Robert K., and Christopher Kilby. "World Bank independence: A model and statistical analysis of US influence." Review of Development Economics 10.2 (2006): 224-240.
* Chapman, Fang and Stone. Working Paper. “Mixed Signals: Crisis Lending and Capital Markets.” Available online.

**WEEK 11: Foreign Aid**

* De Mesquita, Bruce Bueno, and Alastair Smith. "A political economy of aid." International Organization 63.2 (2009): 309-340.
* Alesina, Alberto, and David Dollar. "Who gives foreign aid to whom and why?." Journal of economic growth 5.1 (2000): 33-63.
* Morrison, Kevin M. "Oil, nontax revenue, and the redistributional foundations of regime stability." International Organization (2009): 107-138.
* Milner, Helen V., and Dustin H. Tingley. "The political economy of US foreign aid: American legislators and the domestic politics of aid." Economics & Politics 22.2 (2010): 200-232.
* Wright, Joseph. "How foreign aid can foster democratization in authoritarian regimes." American Journal of Political Science 53.3 (2009): 552-571.

Recommended:

Foreign aid is a large and important topic—for recommended readings, check out Prof. Winters’ syllabus for his foreign aid topics class. You will find a much more useful reading list than any I could provide in this small space.

**WEEK 12: Crossovers and Immigration**

Required readings:

* Hainmueller, J., and M. J. Hiscox. 2010. “Attitudes toward Highly Skilled and Low-skilled Immigration: Evidence from a Survey Experiment.” American Political Science Review 104 (1): 61-84.
* Peters, Margaret. Forthcoming. “Trade, Foreign Direct Investment and Immigration Policy Making in the United States.” *International Organization.* Available at: <http://margaretpeters.commons.yale.edu/files/senate_voting_forthcoming1.pdf>
* Hanson, Gordon H., Kenneth Scheve, and Matthew J. Slaughter. "Public finance and individual preferences over globalization strategies." Economics & Politics 19.1 (2007): 1-33.
* Obstfeld, Maurice, 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 87.3 (2005): 423-438.
* Copelovitch, Mark and Jon Pevehouse. “CURRENCY WARS” BY OTHER MEANS? EXCHANGE RATES AND GATT/WTO DISPUTE INITIATION” Working Paper. Available Online.
* [Potential Bonus Reading TBA]

Suggested Readings on Immigration:

* Borjas, George J. 1994. “The Economics of Immigration.” Journal of Economic Literature 32(4): 1667-1717 (December). [Over 2500 citations].
* Hanson, Gordon, Kenneth F. Scheve, and Matthew J. Slaughter. 2007. “Public Finance and Individual Preferences over Globalization Strategies.” Economics and Politics 19(1): 1–33.
* Hatton, Timothy J. and Williamson, Jeffrey G. 2006. "A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labor-Scarce Economies?" IZA Discussion Paper No. 2146.
* Facchini, Giovanni and Steinhardt, Max Friedrich. 2011. “What Drives US Immigration Policy? Evidence from Congressional Roll Call Votes.” IZA Discussion Paper No. 5561.
* Mayda, Anna M. 2006. “Who is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants.” Review of Economics and Statistics 88 (3): 510–530.
* Scheve, Kenneth F., and Matthew J. Slaughter. 2001. “Labor Market Competition and Individual Preferences over Immigration Policy.” Review of Economics and Statistics 83 (1): 133-145.

**WEEK 13: IPE and Security + Remittances**

* Joanne Gowa and Edward D. Mansfield, 1993. “Power Politics and International Trade,” American Political Science Review 87(2): 408-420.
* Martin, Mayer, and Thoenig. 2008. “Make Trade Not War?” *Review of Economics and Statistics* 75(3).
* Hegre, Oneal, and Russett. 2010. “Trade Does Promote Peace.” *Journal of Peace Research* 47.
  + There are approximately 4,764 articles on whether trade promotes peace and vice versa. These are two recent, well-cited examples.
* Abdih et al. 2008. “Remittances and Institutions: Are Remittances a Curse?” IMF Working Paper, available at: <http://cid.bcrp.gob.pe/biblio/Papers/IMF/2008/febrero/wp0829.pdf>
* Ahmed, Faisal Z. 2012. “The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival.” American Political Science Review 106(1): 146-165 (February).

Recommended Readings:

* Barbieri and Levy have a lengthy debate in a 2001 *JPR* with Anderton and Carter.
* Glick and Taylor, *Review of Economics and Statistics* 2010. “Collateral Damage.”
* Goenner and Keshk have a debate in CMPS, as well.

**WEEK 14: Diffusion and Network Arguments**

* Ward et al. 2013. “Gravity’s Rainbow: A Dynamic Latent Space Model for the World Trade Network.” *Network Sciences*.
* Franzese, R. and J. Hays. 2008. “Interdependence in comparative politics.” Comparative Political Studies 41(4-5): 742—780.
* Cao, Xun. 2009. “Networks of Intergovernmental Organizations and Convergence in Domestic Economic Policies.” International Studies Quarterly 53(4):1468-2478.
* Elkins, Zachary, and Beth Simmons. "The globalization of liberalization: Policy diffusion in the international political economy." American political science review 98 (2004): 171-190.
* Oatley, Thomas, et al. "The political economy of global finance: A network model." Perspectives on Politics 11.01 (2013): 133-153.

Suggested Readings

* Simmons, BA, Elkins Z. 2005. On Waves, Clusters and Diffusion: A Conceptual Framework.. Annals of the American Academy of Political and Social Science. 598:33-51.
* Quinn, D. and A. Toyoda. 2007. “Ideology and voter preferences as determinants of financial globalization.” American Journal of Political Science 51(2): 344-363.
* Jensen, Nathan and René Lindstädt. 2012. “Leaning Right and Learning From the Left: Diffusion of Corporate Tax Policy Across Borders.” Comparative Political Studies 45(3):283-311.

For more methodological looks:

* Cranmer et al. 2016. “Navigating the Range of Statistical Tools for Inferential Network Analysis.” *American Journal of Political Science*.

**WEEK 15: Naval Gazing**

(For non-native-English speakers, “naval gazing” is a term that describes obsessive self-examination. It usually has a negative connotation. For some reason, IPE scholars are prone to navel gazing.)

* McNamara, Kathleen. 2009. “Of intellectual monocultures and the study of IPE” *Review of International Political Economy*
* Keohane, Robert. 2009. “The Old IPE and the New” *Review of International Political Economy*.
* Cohen, Benjamin. 2009. “Striking a Nerve” *Review of International Political Economy.*
* Cohen, Benjamin. 2016. “The IPE of Money Revisited.” Working Paper. Online.
* Chaudoin, Stephen and Helen Milner. TBD.

Recommended:

* The rest of that *RIPE* special issue.
* Jordan, Richard, et al. "One discipline or many? TRIP survey of international relations faculty in ten countries." The College of William and Mary, February (2009).