

University of California, San Diego
Fall 2019

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POLI 245: INTERNATIONAL POLITICAL ECONOMY

We review research on how politics shapes both the individual foreign economic policies of nations and the collective policy choices of international organizations. Our substantive domain covers three cross-border flows and the government policies that regulate them: the flow of *goods* (national and international trade policies), the flow of *capital* (capital controls, financial regulations, exchange-rate policies, the IMF), and the flow of *labor* (migration policies). We also examine the relationship between the world economy and national elections, voting behavior, public opinion and populism.

This is a specialized graduate seminar with article-length readings that cover the substantive topics described above. We emphasize current theoretical debates so as to expose students to the chief methods by which today's scholars acquire knowledge of these subjects. We also position current articles within broader research traditions so that students will understand the trajectory of the field.

REQUIREMENTS

Participation (25%) Students will read all items on the list and come to seminar each week prepared to discuss them in detail. What is the variation that authors' seek to explain (i.e., the dependent variable)? Why should we care about this variation? What are authors' explanations for this variation (i.e., independent variables)? What are the strengths and weakness of each author's research design? How do authors' arguments and methods relate to one another?

Literature Review Essays (35%): Student will prepare **five** 3-5 page (double-spaced) literature review essays over the course of the quarter on five weekly topics (excluding week 1 and week 10). Background readings assigned for weeks 2-9 will help students place newer research in the context of older debates and research traditions in IPE. The goal of these review essays is to track the research trajectory on a particular topic and understand why certain arguments and debates became prominent while others faded away. **Due date:** 24 hours before the topic is discussed in seminar. These assignments cannot be co-authored.

Original Idea Paper (40%) Students will prepare a 12-15 page paper containing an original idea that could serve as the key insight for a publishable work. Your original idea may be a theoretical contribution, an improvement in research design, an empirical innovation or some combination. Regardless of the nature of your contribution, all papers need a clear motivation from a critique of the existing literature. You may co-author this particular paper assignment with one other student in the seminar. Co-authored papers will be graded jointly but will require a higher level of elaboration and quality. **Due Date:** A preliminary, one-page proposal is due the

fourth week of class at the beginning of class. The final paper is due Wednesday of finals week by 5:00 pm.

Late Policy: All late work will be penalized at the rate of 1/3 letter grade per day, including weekend days (e.g., one day late moves your grade to a B- from a B).

WEEK 1: GLOBALIZATION AND HISTORY

Irwin, Douglas A. 2001 ["A Brief History of International Trade Policy."](#) The Library of Economics and Liberty.

Williamson, Jeffrey G. 1996. ["Globalization, Convergence, and History."](#) *The Journal of Economic History* 56(2): 277-306.

Bordo, Michael D., Barry Eichengreen, Douglas A. Irwin, Jeffrey Frankel, and Alan M. Taylor. 1999. ["Is Globalization Today Really Different from Globalization a Hundred Years Ago?"](#) Brookings Trade Forum pp. 1-72.

Frieden, Jeffrey, and Lisa Martin. 2002. ["International Political Economy: The State of the Sub-Discipline."](#) In *Political Science: The State of the Discipline*. Edited by Ira Katznelson and Helen Milner. W. W. Norton & Company.

Eichengreen, Barry and Michael D. Bordo. 2002. ["Crises Now and Then: What Lessons from the Last Era of Financial Globalization."](#) *NBER Working Paper No. 8716*.

Autor, David H., David Dorn, and Gordon H. Hanson. 2016. ["The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade."](#) *Annual Review of Economics* 8: 205-240.

Irwin, Douglas A. 2017. ["The False Promise of Protectionism: Why Trump's Trade Policy Could Backfire."](#) *Foreign Affairs* 96 (May/June): 45-56.

WEEK 2: INDIVIDUALS, FIRMS, INDUSTRIES, AND FACTORS

Scheve, Kenneth F., and Matthew J. Slaughter. 2001. ["What Determines Individual Trade Policy Preferences?"](#) *Journal of International Economics* 54, 2: 267-92.

Mayda, Anna Maria and Dani Rodrik. 2005. ["Why Are Some People \(and Countries\) More Protectionist Than Others?"](#) *European Economic Review* 49:1393-1430.

Hays, Jude C., Sean 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.

Hainmueller, Jens, and Michael J. Hiscox. 2006. ["Learning to Love Globalization: Education and Individual Attitudes toward International Trade."](#) *International Organization* 60: 469-498.

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.

Kim, In Song. 2017. "[Political Cleavages within Industry: Firm-level Lobbying for Trade Liberalization.](#)" *American Political Science Review* 111, (1): 1-20.

Osgood, Iain. 2018. "[Globalizing the Supply Chain: Firm and Industrial Support for US Trade Agreements](#)" *International Organization* 72(2): 455-484.

Background Readings:

Ruggie, John G. 1982. "[International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order.](#)" *International Organization* 36 (2): 195-231.

Rogowski, Ronald. 1987. "[Political Cleavages and Changing Exposure to Trade.](#)" *American Political Science Review* 81 (4): 1121-37.

Baldwin, Robert, and Christopher S. Magee. 2000. "[Is Trade Policy for Sale? Congressional Voting on Recent Trade Bills.](#)" *Public Choice* 105: 79-101.

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

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): 924-38.

Guisinger, Alexandra. 2009. "[Determining Trade Policy: Do Voters Hold Politicians Accountable?](#)" *International Organization* 63: 533-557.

WEEK 3: TRADE AND ELECTIONS

Margalit, Yotam. 2011. "[Costly Jobs: Trade-Related Layoffs, Government Compensation, and Voting in U.S. Elections.](#)" *American Political Science Review* 105 (1): 169-188.

Hicks, Raymond, Helen V. Milner, and Dustin Tingley. 2014. "[Trade Policy, Economic Interests, and Party Politics in a Developing Country: The Political Economy of CAFTA-DR.](#)" *International Studies Quarterly* 58 (1): 106-117.

Feigenbaum, James J., and Andrew B. Hall. 2015. "[How Legislators Respond to Localized Economic Shocks: Evidence from Chinese Import Competition.](#)" *The Journal of Politics* 77 (4): 1012-1030.

Campello, Daniela and Cesar Zucco Jr. 2016. "[Presidential Success and the World Economy.](#)" *The Journal of Politics* 78 (2): 589-602.

Yi Che, Yi Lu, Justin R. Pierce, Peter K. Schott, and Zhigang Tao. 2016. "[Does Trade Liberalization with China Influence U.S. Elections?](#)" *NBER Working Paper No. 22178*.

Autor, David, David Dorn, Gordon Hanson, and Kaveh Majlesi. 2017. "[Importing Political Polarization? The Electoral Consequences of Rising Trade Exposure.](#)" *NBER Working Paper No. 22637*.

Jensen, J. Bradford, Dennis P. Quinn, and Stephen Weymouth 2017. "[Winners and Losers in International Trade: The Effects on U.S. Presidential Voting.](#)" *International Organization* 71 (3): 423-457.

Background Readings:

Gourevitch, Peter. 1978. "[The Second Image Reversed: The International Sources of Domestic Politics.](#)" *International Organization* 32 (4): 881-912.

McKeown, Timothy. 1989. "[The Politics of Corn Law Repeal and Theories of Commercial Policy.](#)" *British Journal of Political Science* 19 (July): 353-80.

Conybeare, John. 1991. "[Voting for Protection: An Electoral Model of Tariff Policy.](#)" *International Organization* 45(1), 57-81.

Irwin, Douglas. 1994. "[The Political Economy of Free Trade: Voting in the British General Election of 1906.](#)" *Journal of Law and Economics* 37 (1): 75-108.

Kayser, Mark Andreas. 2007. "[How Domestic is Domestic Politics? Globalization and Elections.](#)" *Annual Review of Political Science* (10):341-62.

WEEK 4: TRADE AND POPULISM (one-page "Original Idea" proposal due)

Ballard-Rosa, Cameron, Mashail Malik, Stephanie Rickard, and Kenneth Scheve. 2017. "[The Economic Origins of Authoritarian Values: Evidence from Local Trade Shocks in the United Kingdom.](#)" Winner of the David A. Lake Award for the Best Paper at IPES.

Colantone, Italo and Piero Stanig. 2018. "[Global Competition and Brexit.](#)" *American Political Science Review* 112, 2 (May): 201-218.

Colantone, Italo and Piero Stanig. 2018. "[The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe.](#)" *American Journal of Political Science* First published: 18 April 2018.

Mutz, Diana C. 2018. "[Status Threat, Not Economic Hardship, Explains the 2016 Presidential Vote.](#)" *Proceedings of the National Academy of Sciences* 15, 19 (May): E4330-E4339.

Morgan, Stephen L. 2018. [“Status Threat, Material Interests, and the 2016 Presidential Vote.”](#) *Socius: Sociological Research for a Dynamic World* 4:1-17.

Fetzer, Thiemo. 2018. [“Did Austerity cause Brexit?”](#) Forthcoming, *American Economic Review*.

Frey, Carl Benedikt, Thor Berger, and Chinchih Chen. 2018. [“Political Machinery: Did Robots Swing the 2016 US Presidential Election?”](#) *Oxford Review of Economic Policy* 34, 3 (Autumn): 418-442.

Background Readings

Gourevitch, Peter. 1977. [“International Trade, Domestic Coalitions, and Liberty: Comparative Responses to the Crisis of 1873–1896.”](#) *Journal of Interdisciplinary History* 8: 281–300.

Autor, David H., Lawrence F. Katz, and Alan B. Krueger. 1998. [“Computing Inequality: Have Computers Changed the Labor Market?”](#) *The Quarterly Journal of Economics*, 113, 4, (Nov): 1169-1213.

Voigtländer Nico, Hans-Joachim Voth. 2012. [“Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany.”](#) *The Quarterly Journal of Economics* 127, 3 (August): 1339-1392.

De Bromhead, Alan, Barry Eichengreen, and Kevin O'Rourke. 2013. [“Political Extremism in the 1920s and 1930s: Do German Lessons Generalize?”](#) *The Journal of Economic History*, 73(2): 371-406.

WEEK 5: INSTITUTIONAL AND STRUCTURAL ARGUMENTS

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.

Goldstein, Judy and Robert Gulotty. 2014. [“America and Trade Liberalization: The Limits of Institutional Reform.”](#) *International Organization* 68 (2):263-295.

Karol, David. 2000. [“Divided Government and U.S. Trade Policy: Much Ado about Nothing?”](#) *International Organization* 54, 4 (Autumn): 825-844.

Conconi, Paola, Giovanni Facchini and Maurizio Zanardi. 2014. [“Policymakers’ Horizon and Trade Reforms: the Protectionist Effect of Elections.”](#) *Journal of International Economics* 94: 102-118.

Gowa, Joanne. 2015. [“Explaining the GATT/WTO: Origins and Effects.”](#) In *The Oxford Handbook of the Political Economy of International Trade*. Edited by Lisa Martin. Oxford University Press.

Rosendorff, B. Peter, and Helen V. Milner. 2001. ["The Optimal Design of International Institutions: Uncertainty and Escape."](#) *International Organization* 55: 829- 857.

Kucik, Jeffrey, and Eric Reinhardt. 2008. ["Does Flexibility Promote Cooperation? An Application to the Global Trade Regime."](#) *International Organization* 62: 477-505.

Background Readings

Krasner, Stephen D. 1976. ["State Power and the Structure of International Trade."](#) *World Politics* 28: 317-47.

Snidal, Duncan. 1985. ["The Limits of Hegemonic Stability Theory."](#) *International Organization* 39(4): 579-614.

Rogowski, Ronald. 1987. ["Trade and the Variety of Democratic Institutions."](#) *International Organization* 41, 2 (Spring): 203-223.

Goldstein, Judith. 1988. ["Ideas, Institutions, and American Trade Policy."](#) *International Organization* 42, (1): 179-217.

Putnam, Robert D. 1988. ["Diplomacy and Domestic Politics: The Logic of Two-Level Games."](#) *International Organization* 42 (3): 427-60.

Gowa, Joanne, and Edward D. Mansfield. 1993. ["Power Politics and International Trade."](#) *American Political Science Review* 87 (2): 408-20.

Lake, David A. 1993. ["Leadership, Hegemony, and the International Economy: Naked Emperor or Tattered Monarch with Potential?"](#) *International Studies Quarterly* 37: 459–89.

WEEK 6: MIGRATION

Scheve, Kenneth F. and Matthew J. Slaughter. 2001. ["Labor Market Competition and Individual Preferences over Immigration Policy."](#) *The Review of Economics and Statistics* 83 (1): 133-145.

Mayda, Anna M. 2006. ["Who is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants."](#) *The Review of Economics and Statistics* 88 (3): 510–530.

Giovanni Facchini and Anna Maria Mayda. 2009. ["Does the Welfare State Affect Individual Attitudes toward Immigrants? Evidence across Countries."](#) *The Review of Economics and Statistics* 91 (2): 295-314.

Facchini, Giovanni, Anna Maria Mayda, and Prachi Mishra. 2011. ["Do Interest Groups affect US Immigration Policy?"](#) *Journal of International Economics* 85, 1 (September): 114-128.

Hainmueller, Jens and Dominik Hangartner. 2013. ["Who Gets a Swiss Passport? A Natural Experiment in Immigrant Discrimination."](#) *American Political Science Review* 107, 1 (February): 159-187.

Hainmueller, Jens, Michael J. Hiscox, and Yotam Margalit. 2015. ["Do Concerns about Labor Market Competition Shape Attitudes toward Immigration? New Evidence."](#) *Journal of International Economics* 97 (1):193-207.

Mayda, Anna Maria, Giovanni Peri, and Walter Steingress. 2018. ["The Political Impact of Immigration: Evidence from the United States."](#) *NBER Working Paper No. 24510*.

Background readings

Borjas, George J. 1999. ["Heaven's Door: Immigration Policy and the American Economy."](#) Princeton University Press. [Read Chapters 1 and 4 carefully; skim the others].

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*.

Hanson, Gordon, Kenneth F. Scheve, and Matthew J. Slaughter. 2007. ["Public Finance and Individual Preferences over Globalization Strategies."](#) *Economics & Politics* 19(1): 1-33.

Hainmueller, Jens and Daniel J. Hopkins. 2014. ["Public Attitudes toward Immigration."](#) *Annual Review of Political Science* 17 (1): 225-249.

WEEK 7: FOREIGN DIRECT INVESTMENT

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

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

Pandya, Sonal. 2010. ["Labor Markets and Demand for Foreign Direct Investment."](#) *International Organization* 64, 3 (Summer): 389-409.

Allee, Todd, and Clint Peinhardt. 2011. ["Contingent Credibility: The Impact of Investment Treaty Violations on Foreign Direct Investment."](#) *International Organization* 65(3): 401-432.

Jensen, Nathen M., Edward J. Malesky, and Michael Walsh. 2015. ["Competing for Global Capital or Local Voters? The Politics of Business Location Incentives."](#) *Public Choice* 164: 331.

Simmons, Beth A. 2014. ["Bargaining over BITs, Arbitrating Awards: The Regime for Protection and Promotion of International Investment."](#) *World Politics* 66 (1): 12-46.

Zucman, Gabriel. 2014. ["Taxing across Borders: Tracking Personal Wealth and Corporate Profits."](#) *Journal of Economic Perspectives* 28, 4 (Fall):121-148.

Owen, Erica. 2019. ["Foreign Direct Investment and Elections: The Impact of Greenfield FDI on Incumbent Party Reelection in Brazil."](#) *Comparative Political Studies* 52, 4 (March): 613-45.

Background Reading

Caves, Richard E. 1971. ["International Corporations: The Industrial Economics of Foreign Investment."](#) *Economica* 38 (149):1-27.

Kobrin, Stephen J. 1984. ["Expropriation as an Attempt to Control Foreign Firms in LDCs: Trends from 1960 to 1979."](#) *International Studies Quarterly* 28 (3): 329-48.

Vernon, Raymond. 1991. ["Sovereignty at Bay: Twenty Years After."](#) *Millennium* 20, 2 (Dec): 191-95.

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

Jensen, Nathan. 2003. ["Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment."](#) *International Organization* 57 (3): 587-616.

WEEK 8: CAPITAL MOBILITY AND EXCHANGE RATES

Broz, J. Lawrence and Jeffrey A. Frieden. 2001. ["The Political Economy of International Monetary Relations."](#) *Annual Review of Political Science* (4): 317 -343.

Simmons, Beth A. and Zachary Elkins. 2004. ["The Globalization of Liberalization: Policy Diffusion in the International Political Economy."](#) *American Political Science Review* 98 (1):171-189.

Jensen, J. Bradford, Dennis P. Quinn, and Stephen Weymouth. 2015. ["The Influence of Firm Global Supply Chains and Foreign Currency Undervaluations on US Trade Disputes."](#) *International Organization* 69, 4 (Fall): 913-947.

Broz, J. Lawrence, Maya J. Duru, and Jeffrey A. Frieden. 2016. ["Policy Responses to Balance-of-Payments Crises: The Role of Elections."](#) *Open Economies Review* 27, 2 (April): 204-227.

Walter, Stefanie. 2016. ["Crisis Politics in Europe: Why Austerity Is Easier to Implement in Some Countries Than in Others."](#) *Comparative Political Studies* 49, 7 (June): 841-73.

Frieden, Jeffrey and Stefanie Walter. 2017. ["Understanding the Political Economy of the Eurozone Crisis."](#) *Annual Review of Political Science* 20:371-390.

Ansell, Ben W., J. Lawrence Broz, and Thomas Flaherty. 2018. ["Global Capital Markets, Housing Prices, and Partisan Fiscal Policies."](#) *Economics & Politics* 30 (3): 307-339.

Background Readings:

Gowa, Joanne. 1988. ["Public Goods and Political Institutions: Trade and Monetary Policy Processes in the United States."](#) *International Organization* 42 (1): 15-32.

Frieden, Jeffrey A. 1991. ["Invested Interests: The Politics of National Economic Policies in a World of Global Finance."](#) *International Organization* 45: 425-51.

Goodman, John B., and Louis W. Pauly. 1993. ["The Obsolescence of Capital Controls?: Economic Management in an Age of Global Markets."](#) *World Politics* 46 (1): 50-82.

Frieden, Jeffrey. 1997. ["Monetary Populism in Nineteenth-Century America: An Open Economy Interpretation."](#) *Journal of Economic History* 57, 2 (June): 367-395.

Bernhard, William and David Leblang. 1999. ["Democratic Institutions and Exchange Rate Commitments."](#) *International Organization* 53 (1):71-97.

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

Aizenman, Joshua. 2013. ["The Impossible Trinity \(aka The Policy Trilemma\)."](#) In *The Evidence and Impact of Financial Globalization*, edited by Gerard Caprio, Thorsten Beck, Stijn Claessens and Sergio L. Schmukler, Academic Press, San Diego, 2013, pp. 381-390.

WEEK 9: INTERNATIONAL FINANCIAL INSTITUTIONS

Rickard, Stephanie J., and Teri L. Caraway. 2014. ["International Negotiations in the Shadow of National Elections."](#) *International Organization* 68 (3): 701-20.

Kilby, Christopher. 2009. ["The Political Economy of Conditionality: An Empirical Analysis of World Bank Loan Disbursements."](#) *Journal of Development Economics* 89 (1): 51-61.

Dreher, Axel, Sturm, Jan-Egbert, and Vreeland, James Raymond. 2009. ["Global Horse Trading: IMF Loans for Votes in the United Nations Security Council."](#) *European Economic Review* 53 (7): 742-757.

Broz, J. Lawrence. 2011. [“The United States Congress and IMF Financing, 1944-2009.”](#) *The Review of International Organizations* 6, 3 (September): 341-368.

Lipsy, Phillip Y. 2017. [“Explaining Institutional Change: Policy Areas, Outside Options, and the Bretton Woods Institutions.”](#) *American Journal of Political Science* 59, 2 (April): 341-356.

Lipsy, Phillip Y., and Haillie Na-Kyung Lee. 2019. [“The IMF as a Biased Global Insurance Mechanism: Asymmetrical Moral Hazard, Reserve Accumulation, and Financial Crises.”](#) *International Organization* 73 (1): 35-64.

Background Reading

Roland Vaubel, 1983. [“The Moral Hazard of IMF Lending.”](#) *The World Economy* 6, 3 (Sep): 291-304.

Thacker, Strom. 1999. [“The High Politics of IMF Lending.”](#) *World Politics* 52 (1): 38-75.

Stone, Randall W. 2004. [“The Political Economy of IMF Lending in Africa.”](#) *American Political Science Review* 98: 577-591.

Barro, Robert J., and Lee, Jong-Wha. 2005. [“IMF Programs: Who Is Chosen and What Are the Effects?”](#) *Journal of Monetary Economics* 52, 7 (Oct): 1245-1269.

Broz, J. Lawrence, and Hawes, Michael. 2006. [“Congressional Politics of Financing the International Monetary Fund.”](#) *International Organization* 60 (2):367-99.

WEEK 10: NEW TOPICS

Cerrato, Andrea, Federico Maria Ferrara, and Francesco Ruggieri. 2018. [“Why Does Import Competition Favor Republicans? Localized Trade Shocks, Voting Behavior, and Scapegoating in the U.S.”](#) Working Paper.

Collantone, Italo and Piero Stanig. 2018. [“The Economic Determinants of the “Cultural Backlash”: Globalization and Attitudes in Western Europe.”](#) Working Paper, August 2, 2018.

Thiemo Fetzer and Carlo Schwarz. 2019. [“Tariffs and Politics: Evidence from Trump’s Trade Wars.”](#) Working Paper.

Alesina, Alberto, Armando Miano, and Stefanie Stantcheva. 2019. [“Immigration and Redistribution.”](#) *NBER Working Paper No. 24733*.

Gidron, Noam and Peter A. Hall. 2019. [“Populism as a Problem of Social Integration.”](#) Forthcoming, *Comparative Political Studies*.

Broz, J. Lawrence, Jeffrey Frieden, and Stephen Weymouth. 2019. [“Populism in Place: The Economic Geography of the Globalization Backlash.”](#) Prepared for a special issue of *International Organization*.

Broz, J. Lawrence, Zhiwen Zhang, and Gaoyang Wang. 2019. [“Explaining Foreign Interest in China's Global Economic Leadership: The Belt and Road Initiative.”](#) R&R, *International Organization*.

"Original Idea" paper due by 5:00pm on Wednesday of finals week.