

**PSCI 6309 Course Syllabus**  
**24 August 2016 version**

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**International Political Economy**  
**Fall 2016 in GR 4.208**  
**Wednesdays 4:00-6:45pm**

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**Professor Contact Information**

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Green Hall 2.804  
Office Hours Mon 1-3pm and by appointment

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**Course Pre-requisites, Co-requisites, and/or Other Restrictions**

All students in this course should have already taken PSCI 6300 – Proseminar in Comparative Politics and International Relations or should have instructor permission. Additionally, those who have had or are currently taking a research design course will be much better positioned for the research paper requirement.

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**Course Description**

More than probably any other substantive field in comparative politics or international relations, IPE requires the integration of a substantial amount of knowledge from multiple literatures. This course is designed to serve as a high-level introduction to current research topics, which means that historically important work is treated superficially.

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**Student Learning Objectives/Outcomes**

This graduate seminar is designed to equip participants to read, understand, and critique the political economic analysis of globalization. Since this is a graduate seminar, the primary purpose is to train students to contribute to research programs related to economic globalization, including both its causes and its effects. This includes regional approaches that historically have been classified more as comparative political economy. The required readings convey a sense of the state of work on a given research question; through individual writing assignments and class discussions, students should develop critical perspectives on these literatures, and should begin to find opportunities for new contributions of original research. Additionally, weekly discussions require all students to restate major findings and to communicate critical ideas in conference-style presentations and to develop better academic writing skills through class assignments.

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### Required Textbooks and Materials

If you haven't had much international economics before, you may want to consider buying the textbook for my undergraduate class (Oatley's *International Political Economy*, 5<sup>th</sup> edition). If you want a more precise economic treatment of international economics, the classic textbook is Krugman and Obstfeld's *International Economics*. Older editions of either can be had for cheap and would be good reference material for the foreseeable future.

Most of our reading material is available electronically through the library's electronic journals website. Those unavailable are marked with an asterisk and are in university reserves instead.

- Davis, Christina. 2012. *Why Adjudicate? Enforcing Trade Rules in the WTO*. ISBN 978-0-691-15276-9.
- Pop-Eleches, Grigor. 2009. *From Economic Crisis to Reform: IMF Programs in Latin America and Eastern Europe*. Princeton, NJ: Princeton University Press. ISBN 978-0-691-13952-4.

### Assignments & Academic Calendar

Note: A few journals are abbreviated due to their proliferation in the following list. IO=International Organization; ISQ=International Studies Quarterly; AJPS=American Journal of Political Science; APSR=American Political Science Review. Any article preceded by # should be available via library reserves.

#### Week One: Introductions and Background – August 24

#### Last Day to Add/Swap Courses – August 29

#### Week Two: Domestic Political Cleavages and Individual Attitudes toward Trade– August 31

Rogowski, Ronald. 1987. Political Cleavages and Changing Exposure to Trade. *APSR* 81(4): 1121-37.

Schonhardt-Bailey, Cheryl. 1991. Specific Factors, Capital Markets, Portfolio Diversification, and Free Trade: Domestic Determinants of the Repeal of the Corn Laws. *World Politics* 43(4): 545-69.

Alt, James E., Jeffrey. A. Frieden, Michael J. Gilligan, Dani Rodrik, and Ronald Rogowski. 1996. The Political Economy of International Trade. *Comparative Political Studies* 29 (6):689-717.

Scheve, Kenneth, and Matthew J. Slaughter. 2001. What Determines Individual Trade-Policy Preferences? *Journal of International Economics* 54(3): 267-92.

Mansfield, Edward D., and Diana C. Mutz. 2009. Support for Free Trade: Self-Interest, Sociotropic Politics, and out-Group Anxiety. *IO* 63(03): 425-57.

Fordham, Benjamin O., and Katja B. Kleinberg. 2012. How Can Economic Interests Influence Support for Free Trade? *IO* 66 (2):311-28.

#### Week Three: Domestic Institutions and the Formation of Trade Policy– Sept. 7

Mansfield, Edward, Helen V. Milner, and Peter Rosendorff. 2000. Free to Trade: Democracies, Autocracies, and International Trade. *APSR* 94(2): 305-21.

Kono, Daniel Y. 2006. Optimal Obfuscation: Democracy and Trade Policy Transparency. *APSR* 100(3): 369-84.

Milner, H. and K. Kubota. 2005. Why the Move to Free Trade? Democracy and Trade Policy in Developing Countries. *IO* 59(1): 107-144.

Hiscox, Michael J. 1999. The Magic Bullet? The RTAA, Institutional Reform and Trade Liberalization. *IO* 53(4): 669-98. [more, next page]

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- Nielson, Daniel L. 2003. Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies. *AJPS* 47 (3):470-91.
- Goldstein, Judith, and Robert Gulotty. 2014. America and Trade Liberalization: The Limits of Institutional Reform. *IO* 68(2): 263-295.

**Week Four: The World Trade Organization – Sept. 14**

- Davis, Christina L. 2012. *Why Adjudicate? Enforcing Trade Rules in the WTO*. Princeton, NJ: Princeton University Press.

**Week Five: Foreign Direct Investment and Multi-National Corporations – Sept. 21**

- Li, Quan, and Adam Resnick. 2003. Reversal of Fortunes: Democracy, Property Rights and Foreign Direct Investment Inflows in Developing Countries. *IO* 57(1): 1-37.
- Jensen, Nathan. 2003. Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment. *IO* 57(3): 587-616.
- Büthe, T. and H.V. Milner. 2008. The politics of foreign direct investment into developing countries: increasing FDI through international trade agreements? *AJPS*, 52(4), pp.741-762.
- Pandya, Sonal. 2014. Democratization and Foreign Direct Investment Liberalization, 1970–2000. *ISQ* 58 (3): 475-488.
- Moon, C., 2015. Foreign direct investment, commitment institutions, and time horizon: How some autocrats do better than others. *ISQ*, 59(2), pp.344-356.
- Arel-Bundock, V., 2016. The political determinants of foreign direct investment: a firm-level analysis. *International Interactions*, (just-accepted).

**Week Six: BITs and Investor-State Dispute Settlement – Sept. 28**

- Elkins, Zachary, Andrew Guzman, and Beth A. Simmons. 2006. Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1959-2000. *IO* 60(4): 811-46.
- Jandhyala, Srividya, Witold J. Henisz, and Edward Mansfield. 2011. Three Waves of BITs: The Global Diffusion of Foreign Investment Policy. *Journal of Conflict Resolution* 55 (6):1047-73.
- Allee, Todd, and Clint Peinhardt. 2011. Contingent Credibility: The Impact of Investment Treaty Violations on Foreign Direct Investment. *IO* 65 (3):401-32.
- Poulsen, Lauge, and Emma Aisbett. 2013. When the claim hits: Bilateral investment treaties and bounded rational learning. *World Politics* 65(2): 273-313.
- Wellhausen, Rachel. 2015. Investor-state disputes: when can governments break contracts? *Journal of Conflict Resolution* 59(2): 239-261.
- Kerner, Andrew, and Jane Lawrence. 2014. What's the risk? Bilateral investment treaties, political risk, and fixed capital accumulation. *British Journal of Political Science* 44(1): 107-121.

**Week Seven: The Impossible Trinity and the Rise of Capital Mobility - Oct. 5**

- Lukauskas, A. and S. Minushkin. 2000. Explaining styles of financial market opening in Chile, Mexico, South Korea, and Turkey. *ISQ* 44: 695-723.
- Mosley, Layna. 2000. Room to Move: International Financial Markets and National Welfare States. *IO* 54 (4):737-73.
- Simmons, B., and Z. Elkins. 2004. The Globalization of Liberalization: Policy Diffusion in the International Political Economy. *APSR* 98(1): 171-90.
- Brooks, Sarah M., and Marcus J. Kurtz. 2007. Capital, Trade, and the Political Economies of Reform. *American Journal of Political Science* 51(4): 703-20.
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Mukherjee, Bumba, and David Andrew Singer. 2010. International Institutions and Domestic Compensation: The IMF and the Politics of Capital Account Liberalization. *AJPS* 54 (1):45-60.

Karcher, Sebastian, and David A. Steinberg. 2013. Assessing the Causes of Capital Account Liberalization: How Measurement Matters. *ISQ* 57(1): 128-137.

**Week Eight: Globalization, Risk, and Compensation – Oct. 12**

Ruggie, John Gerard. 1982. International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order. *IO* 36 (2):379-415.

Rodrik, Dani. 1998. Why do more open economies have bigger government? *Journal of Political Economy* 106:997-1032.

Rudra, Nita. 2002. Globalization and the Decline of the Welfare State in Less-Developed Countries. *IO* 56 (2):411-45.

Hays, Jude C., Sean D. Ehrlich, and Clint Peinhardt. 2005. Government Spending and Public Support for Trade in the OECD. *IO* 59 (2):473-94.

Wibbels, Erik. 2006. Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World. *IO* 60 (2):433-68.

Margalit, Yotam. 2011. Costly Jobs: Trade-related Layoffs, Government Compensation, and Voting in U.S. Elections. *APSR* 105(1): 166-188.

**Week Nine: Exchange Rate Regimes and Currency Crises – Oct. 19**

Broz, J. Lawrence, and Jeffry. A. Frieden. 2006. The Political Economy of Exchange Rates. In *The Oxford Handbook of Political Economy*, edited by Barry R. Weingast and Donald Wittman, 587-97. Oxford: Oxford University Press.

Leblang, D, and W Bernhard. 2000. The Politics of Speculative Attacks in Industrial Democracies. *IO* 54 (2): 291-324

Leblang, David A., and Shanker Satyanath. 2006. Institutions, Expectations, and Currency Crises. *IO* 60(1): 245-62.

Singer, David Andrew. 2010. Migrant Remittances and Exchange Rate Regimes in the Developing World. *American Political Science Review* 104 (2):307-23.

Dreher, Axel, and Stefanie Walter. 2010. Does the IMF Help or Hurt? The Effect of IMF Programs on the Likelihood and Outcome of Currency Crises. *World Development* 38(1): 1-18.

**Week Ten: Sovereign Debt and Financial Crises – Oct. 26**

Panizza, Ugo, Federico Sturzenegger, and Jeromin Zettelmeyer. 2009. The Economics and Law of Sovereign Debt and Default. *Journal of Economic Literature* 47 (3):651-98.

# Tomz, Michael. 2007. Reputation and International Cooperation: Sovereign Debt across Three Centuries. Princeton: Princeton University Press. Chapters 2 & 3.

Schultz, Kenneth, and Barry R. Weingast. 2003. The Democratic Advantage: Institutional Foundations of Financial Power in International Competition. *IO* 57(1): 3-42.

Beaulieu, E., Cox, G.W. and Saiegh, S., 2012. Sovereign debt and regime type: Reconsidering the democratic advantage. *IO*, 66(04), pp.709-738.

Ballard-Rosa, C., 2016. Hungry for change: Urban bias and autocratic sovereign default. *IO*, 70(02), pp.313-346.

**Week Eleven: The International Monetary Fund – Nov. 2**

Pop-Eleches, Grigor. 2009. *From Economic Crisis to Reform: IMF Programs in Latin America and Eastern Europe*. Princeton, NJ: Princeton University Press.

**Last day to withdraw from course with automatic “W” – Nov. 7**

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**Week Twelve: Foreign Aid and Growth – Nov. 9**

- Wright, Joseph, and Matthew S. Winters. 2010. The Politics of Effective Foreign Aid. *Annual Review of Political Science* 13(): 61-80.
- Fleck, Robert K., and Christopher P. Kilby. 2010. Changing Aid Regimes? U.S. Foreign Aid from the Cold War to the War on Terror. *Journal of Development Economics* 91:185-97.
- Rajan RG, Subramanian A. 2008. Aid and growth: What does the cross-country evidence really show? *Rev. Econ. Stat.* 90(4):643–65
- Winters, Matthew S. 2013. Targeting, Accountability, and Capture in Development Projects. *ISQ* 58(2): 393-404.
- Milner, H.V. and Tingley, D., 2013. The choice for multilateralism: Foreign aid and American foreign policy. *The Review of International Organizations*, 8(3), pp.313-341.
- Bermeo, S.B., 2016. Aid Is Not Oil: Donor Utility, Heterogeneous Aid, and the Aid-Democratization Relationship. *IO*, 70(01), pp.1-32.

**Week Thirteen: Banks, Regulation, and Financial Crises – Nov. 16**

- Simmons, Beth A. 2001, The International Politics of Harmonization: The Case of Capital Market Regulation, *IO* 55(3): 589–620.
- Singer, David A. 2004. Capital Rules: The Domestic Politics of International Regulatory Harmonization. *IO* 58(3): 531-565.
- Oatley, Thomas, W. Kindred Winecoff, Andrew Pennock, and Sarah Bauerle Danzman. 2013, The Political Economy of Global Finance: A Network Model, *Perspectives on Politics* 11(1): 133-153.
- Young, K.L., 2012. Transnational regulatory capture? An empirical examination of the transnational lobbying of the Basel Committee on Banking Supervision. *Review of International Political Economy* 19(4): 663-688.
- Kindred Winecoff, W., 2014. Bank regulation, macroeconomic management, and monetary incentives in OECD economies. *ISQ* 58(3): 448-461.

**Week Fourteen: Current Trends in IPE Scholarship – Nov. 30**

#Most Readings TBA – will be a selection from the fall IPES meeting, but also:

- Lake, David. 2009. Open Economy Politics: A Critical Review. *Review of International Organizations* 4 (3):219-44.
- Oatley, Thomas. 2011. Reductionist Gamble: Open Economy Politics in the Global Economy. *IO* 65:311-41.
- Farrell, Henry, and Abraham L. Newman. 2014. Domestic institutions beyond the nation-state: charting the new interdependence approach. *World Politics* 66(2): 331-363.

**Week Fifteen: Presentations – Dec. 7**

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**Grading Policy**

Devoted class participation is essential for this course's success; as such, students' final grades will depend in large part (25%) on their preparation, participation in class discussion, and general contribution to the course's intellectual climate.

Additionally, 40% of each student's grade will be based on weekly reviews of our weekly readings. Each student will write a total of nine reviews, each of which will cover one article

and should be preferably two but no more than three pages (doublespaced, 12 point font, 1 inch margins). Students will find a sample reviewer questionnaire on eLearning that addresses the questions to be answered. Two of the reviews will cover each of the required books, so everyone will write during those weeks. The other seven reviews will be assigned so that every article is covered. Reviews should be uploaded to eLearning folders by 12:01 am the day of the class.

The remainder of the course (35%) grade will be comprised of the composition and presentation of a final paper. For fast-track and Master's students, the final paper will be a bibliographic essay, with more information to follow. Ph.D. students can choose between writing a research design or a replication. Whatever the final project, students will present their work to the class during the final class period in a simulated conference environment.

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### **Course & Instructor Policies**

Attendance is expected at all classes. Students who are unable to attend due to illness or any other reason, should contact the professor prior to the class to receive an excused absence.

Each class will begin with a brief summary from each student of his or her thoughts and impressions of the week's readings. Following these initial remarks, the floor will be opened to all students again. Where necessary or requested, the instructor will provide contextual and/or supplementary material in class, but generally the bulk of time in class will be spent discussing the readings for the week with the goal of understanding strengths and weaknesses of each reading and each literature. As such, students are expected to demonstrate knowledge of the readings and should be able to summarize strengths and weaknesses of each.

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### **UT Dallas Syllabus Policies and Procedures**

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus. Please go to <http://go.utdallas.edu/syllabus-policies> for these policies.

***These descriptions and timelines are subject to change at the discretion of the Professor.***