



**Undergraduate Affiliate Programme in Political Science 2016-2017**

**POLS7015A**

**International Political Economy**

<b>Lecturer:</b>	Dr Michael Plouffe
<b>Office Hours:</b>	Thursdays, 11:00-12:00 and by appointment
<b>Teaching:</b>	10 hours of lectures, 10 hours of seminars
<b>Credits:</b>	0.5 Course Units/ 4 US Credits/ 7.5 ECTS Credits
<b>Assessment:</b>	Two 2,000 word essays (Essay 1: 40%; Essay 2: 60%)
<b>Essay Deadlines:</b>	Essay 1: 15 November 2016 Essay 2: 13 December 2016
<b>Attendance:</b>	Attendance is compulsory at all lectures and seminars for which students are timetabled. Attendance will be monitored and no student will be entered for assessment unless they have attended and pursued the module to the satisfaction of the department.

**USEFUL LINKS**

**Lecture and Seminar Times:**

Online Timetable at [www.ucl.ac.uk/timetable](http://www.ucl.ac.uk/timetable)

**Extenuating Circumstances**

<http://www.ucl.ac.uk/spp/intranet/ug/assessment/extenuating-circumstances>

**Penalties for Late Submission and Overlength Essays**

<http://www.ucl.ac.uk/spp/intranet/ug/assessment/essays>

**Essay Submission Information**

<http://www.ucl.ac.uk/spp/intranet/ug/assessment/essays>

**Essay Writing, Plagiarism and TurnItIn**

<http://www.ucl.ac.uk/spp/intranet/ug/assessment/essays>

<http://www.ucl.ac.uk/current-students/guidelines/plagiarism>

<http://www.ucl.ac.uk/Library/CitationPlagiarism.doc>

## **Course Description**

This module provides an introduction to the study of International Political Economy (IPE). IPE is a field of research that combines the study of politics and economics, exploring both international and domestic factors that impact preferences, behaviors, and policies. Topics include the politics and policies relating to international trade, investment, finance, and migration, and the ways in which these are influenced by both domestic and international institutions. Students will be able to explore both theoretical and empirical work across all of these domains.

By the end of the term, students will have a firm understanding of IPE as a discipline, including what it can tell us about a wide variety of policy outcomes. While this module does not have any prerequisites, some prior coursework in comparative political institutions, international relations, or economics is highly recommended.

By the end of the course students will have a firm understanding of IPE as a discipline. Additionally, students will be able to answer several questions:

- How well do IPE theories explain observable patterns in the global economy?
- What are the limits of the current IPE research?
- Which areas require further investigation?

## **Organization of Teaching**

The course is taught through weekly lectures and seminars. Each weekly session will involve a lecture of about 50 minutes and a seminar of comparable length. Attendance at both sessions is required.

The lectures will introduce broad theories and concepts, providing historical overviews of each week's topic. They will look at relevant data and raise questions for further discussion in the seminars. The lectures are designed to provide sufficient background for more detailed and fruitful group discussions.

The seminars will explore an aspect of each week's topic in greater depth. The object of the seminar is to facilitate student participation and interaction as well as broaden students' understandings of the issues and debates introduced in the lectures. Students will be expected to demonstrate an understanding of the relevant theories and concepts, apply these theories to particular policy domains, and to identify the problems or shortcomings in the literature. Each student will be expected to contribute to all seminar sessions.

## Reading

Each week, all students are expected to read the required readings prior to lecture; familiarity with additional readings, while not necessary, will improve the seminar and lecture experience. Students should expect to be prepared to answer questions about their understanding of the required readings in seminar. It is expected that students do substantial reading beyond the required readings for their essays.

The readings for most weeks are divided into three sections. *Required readings* indicate those with which all students are expected to demonstrate strong familiarity. *Background readings* are provided as an introduction to underlying economic models that will be referenced during a particular week's lecture and seminars. Students unsure of their familiarity with a particular topic may want to reference these first. Finally, the *recommended readings* provide a sampling of the best research on each week's topic.

### **Two books are recommended for this module:**

Oatley, Thomas. 2010. *International Political Economy* (5<sup>th</sup> Edition, International). New York: Longman.

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. New York: WW Norton.

The Oatley textbook provides the foundation for the material covered in this course, introducing key concepts and theories in international political economy. This is highly recommended for students without any related prior coursework, as Oatley provides a clearly written introduction to many of the topics covered here.

The Frieden book is a history of globalization. It provides an excellent context of the developments of the global economy over the past two-hundred years, and in doing so, introduces a number of important foundational concepts in an intuitive and engaging manner.

Changes to the reading list may be made during the term. However, sufficient notice will always be given.

For students seeking a general supporting text on international economics, following is recommended:

Krugman, Paul, Maurice Obstfeld and Marc Melitz. 2014. *International Economics, 10/E*. New York: Pearson.

## **Assessment**

Assessment is based on a 2,000-word analytical essay and a 2,000-word policy brief. The essay counts for 40% and the policy brief for 60% of the student's mark. Further guidance detailing the writing assignments and expectations will be made available during the term.

Both essays must be handed into reception by 2:00pm on their respective due dates, which may be found on the coversheet of this module outline. Students must submit two hard copies, and one electronic. For precise submission guidelines visit the SPP website at [www.ucl.ac.uk/spp](http://www.ucl.ac.uk/spp).

While students may choose their preferred style for referencing, styles must be consistent within the essay and all references must be appropriately cited. Essays must also be double spaced, have page numbers, and include a cover page with the following information: course title, essay title, essay number and submission date. To ensure essays are marked anonymously, students should omit their names from their essays.

*A note on plagiarism.* Cheating and plagiarism are unacceptable. Students caught committing either of these breaches of conduct will be subject to the disciplinary procedures detailed in the University Handbook. Students should consult the Handbook and SPP student intranet for a comprehensive description of academic dishonesty. Students with any questions should seek clarification prior to submission of work.

## Course Outline and Reading List

Week 1:	Introduction and Trade Preferences
Week 2:	International Trade Policy
Week 3:	International Institutions and Trade
Week 4:	International Migration
Week 5:	International Investment
Week 6:	International Trade, Institutions and Externalities
Week 7:	International Finance and Monetary Policy
Week 8:	The Domestic Politics of Monetary Policy
Week 9:	Globalization and Development
Week 10:	Putting the Pieces Together

### Week I: Introduction & Trade Preferences

*In our first week, we explore the scope of IPE as a field of inquiry. We then turn to the basis of the policies that dictate international trade. Trade models underline a large portion of research on the redistributive effects of globalization. We discuss the two canonical models of trade-policy preferences before moving to modern approaches to understanding demands for trade policy.*

#### Required:

Milner, H. V. 1999. 'The Political Economy of International Trade.' *Annual Review of Political Science* 2.1.

Plouffe, Michael. 2015. 'Heterogeneous Firms and Trade-Policy Preferences,' in Lisa Martin (ed.) *The Oxford Handbook on the Political Economy of International Trade*. Oxford: Oxford University Press.

#### Background:

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Prologue, Chapter 1.

Oatley, Thomas. 2010. *International Political Economy*. Pages 46-53, 69-80.

#### Optional:

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.

Blonigen, Bruce. 2011. 'Revising the Evidence on Trade Policy Preferences.' *Journal of International Economics* 85.1.

Guisinger, Alexandra. 2009. 'Determining Trade Policy: Do Voters Hold Politicians Accountable?' *International Organization* 63.3.

Hiscox, Michael. 2001. 'Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade.' *International Organization* 55.1.

Hiscox, Michael. 2002. 'Commerce, Coalitions, and Factor Mobility: Evidence from Congressional Votes on Trade Legislation.' *American Political Science Review* 96.3.

Mansfield, Edward D and Diana C Mutz. 2009. 'Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety.' *International Organization* 63.3.

Mayda, Anna Maria and Dani Rodrik. 2005. 'Why Are Some People (and Countries) More Protectionist Than Others?' *European Economic Review* 49.

Milner, Helen. 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.

Naoi, Megumi and Ikuo Kume. 2011. 'Explaining Mass Support for Agricultural Protectionism: Evidence from a Survey Experiment during the Great Recession.' *International Organization* 65.4.

Rogowski, Ronald. 1987. 'Political Cleavages and Changing Exposure to Trade.' *American Political Science Review* 81.4.

Schaffer, Lena and Gabriele Spilker. 2015. 'Adding Another Level: Individual Responses to Globalization and Government Welfare Policies.' *Political Science & Research Methods*.

Scheve, Kenneth and Matthew Slaughter. 2001. 'What Determines Individual Trade-Policy Preferences?' *Journal of International Economics* 54.2.

## Week II: International Trade Policy

*How are preferences over free trade translated into policy? We will consider this question at two levels of analysis. First, we discuss how domestic political institutions affect the ability of interest groups to secure their preferred policies. Second, we look at whether different types of regimes exhibit systematic variation in the economic policies they pursue.*

### Required:

Evans, Carolyn L. 2009. 'A Protectionist Bias in Majoritarian Politics.' *Economics and Politics* 21.

Rogowski, Ronald. 1987. 'Trade and the Variety of Democratic Institutions.' *International Organization* 41.2.

### Background:

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Chapters 3 and 5.

Oatley, Thomas. 2010. *International Political Economy*. Pages 53-62, 79-88.

### Optional:

Ehrlich, Sean D. 2007. 'Access to Protection: Domestic Institutions and Trade Policy in Democracies.' *International Organization* 61.

Goldstein, Judith. 1988. 'Ideas, Institutions, and American Trade Policy.' *International Organization* 42.1.

Grossman, Gene and Elhanan Helpman. 1994. 'Protection for Sale.' *American Economic Review*.

Hiscox, Michael. 1999. 'The Magic Bullet? The RTAA, Institutional Reform, and Trade Liberalization.' *International Organization* 53.4.

Kono, Daniel. 2006. 'Optimal Obfuscation: Democracy and Trade Policy Transparency.' *American Political Science Review* 100.3.

Milner, Helen and Keiko Kubota. 2005. 'Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries.' *International Organization* 59.1.

Nielson, Daniel. 2003. 'Supplying Trade Reform: Political Institutions and Liberalization in Middle-Income Presidential Democracies.' *American Journal of Political Science* 47.3.

Park, Jong Hee, and Nathan Jensen. 2007. 'Electoral Competition and Agricultural Support in OECD Countries.' *American Journal of Political Science* 51.2.

Plouffe, Michael. 2012. 'Liberalization for Sale: Heterogeneous Firms and Lobbying over FTAs.' Manuscript prepared for APSA annual meeting.

Rickard, Stephanie J. 2012. 'A Non-Tariff Protectionist Bias in Majoritarian Politics: Government Subsidies and Electoral Institutions.' *International Studies Quarterly* 56.

Rickard, Stephanie J. 2012. 'Electoral Systems, Voters' Interests and Geographic Dispersion.' *British Journal of Political Science* 42.

Rogowski, Ronald and Mark A Kayser. 2002. 'Majoritarian Electoral Systems and Consumer Power: Price-level Evidence from the OECD Countries.' *American Journal of Political Science* 46.

Rudra, Nita. 2005. 'Globalization and the Strengthening of Democracy in the Developing World.' *American Journal of Political Science* 49.4.



## Week III: International Institutions and Trade

*Institutions governing trade flows have proliferated since the end of the Second World War. We will discuss some of the features of these institutions and the ways in which they impact international trade flows.*

### Required:

Deardorff, A. and Stern, R. 2002. 'What You Should Know about Globalization and the World Trade Organization.' *Review of International Economics* 10.3.

Mansfield, Edward D, Helen V Milner, and Jon C Pevehouse. 2007. 'Vetoing Co-operation: The Impact of Veto Players on Preferential Trading Agreements.' *British Journal of Political Science* 37.3.

### Background:

Cowley, Meredith. 2003. 'An Introduction to the WTO and GATT.' *Economic Perspectives*.

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Chapters 11 and 12.

Oatley, Thomas. 2010. *International Political Economy*. Pages 21-44.

### Optional:

Bown, Chad. 2004. 'Trade Policy Under the GATT/WTO: Empirical Evidence of the Equal Treatment Rule.' *The Canadian Journal of Economics* 37.3.

Chang, Pao-Li, and Myoung-Jae Lee. 2011. 'The WTO Trade Effect.' *Journal of International Economics* 85.1.

Eckhardt, Jappe, Dirk De Bievre. 2015. 'Boomerangs over Lac Leman: Transnational Lobbying and Foreign Venue Shopping in WTO Dispute Settlement.' *World Trade Review*.

Eicher, Theo S, and Christian Henn. 2011. 'In Search of WTO Trade Effects: Preferential Trade Agreements Promote Trade Strongly, but Unevenly.' *Journal of International Economics* 83.2.

Goldstein, Judith L., Douglas 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.

Gowa, Joanne and Soo Yeon Kim. 2005. 'An Exclusive Country Club: The Effects of the GATT on Trade, 1950-94.' *World Politics* 57.4.

Kucik, Jeffrey. 2012. 'The Domestic Politics of Institutional Design: Producer Preferences over Trade Agreement Rules.' *Economics & Politics* 24.

Kucik, Jeffrey and Eric Reinhardt. 2008. 'Does Flexibility Promote Cooperation? An Application to the Global Trade Regime.' *International Organization* 62.

Mansfield, Edward D and Eric Reinhardt. 2003. 'Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Agreements.' *International Organization* 57.4.

Mansfield, Edward and Eric Reinhardt. 2008. 'International Institutions and the Volatility of International Trade.' *International Organization*.

Milner, Helen V. and B. Peter Rosendorff. 1997. 'Democratic Politics and International Trade Negotiations: Elections and Divided Government as Constraints on Trade Liberalization.' *Journal of Conflict Resolution* 41.1.

Rosendorff, Peter. 2005. 'Stability and Rigidity: Politics and the Design of the WTO's Dispute Settlement Procedure.' *American Political Science Review* 99.3.

Roy, Jayjit. 2011. 'Is the WTO Mystery Really Solved?' *Economics Letters* 113.2.

Subramanian, Arvind and Shang-Jin Wei. 2007. 'The WTO Promotes Trade: Strongly But Unevenly.' *Journal of International Economics* 72.1.

Yu, Shu, Sjoerd Beugelsdijk, Jakob de Haan. 2015. 'Trade, Trust and the Rule of Law.' *European Journal of Political Economy* 37.

## **Week IV: International Migration**

*The migration of people across international borders has sparked more political controversy than even international trade. What drives these political cleavages, and under what conditions do they become salient?*

### **Required:**

Dancygier, RM and MJ Donnelly. 2013. 'Sectoral Economies, Economic Contexts, and Attitudes toward Immigration.' *Journal of Politics*.

Mayda, Anna M. 2006. 'Who is Against Immigration? A Cross-Country Investigation of Individual Attitudes toward Immigrants.' *Review of Economics and Statistics* 88.3.

### **Background:**

Cornelius, Wayne, and Marc Rosenblum. 2005. 'Immigration and Politics.' *Annual Review of Political Science* 8.1.

Freeman, Richard. 2006. 'People Flows in Globalization.' *The Journal of Economic Perspectives* 20.2.

### **Optional:**

Ahmed, Faisal. 2012. 'The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival.' *American Political Science Review* 106.1.

Bertoli, Simone, Frederic Docquier. 2015. 'International Migration and Inequality Across Nations.' *The World Economy*.

Dustmann, Christian, Joseph-Simon Goerlach. 2015. 'The Economics of Temporary Migrations.' CESifo WPS 5188.

Esteves, Rui, and David Khoudour-Casteras. 2011. 'Remittances, Capital Flows and Financial Development During the Mass Migration Period, 1870-1913.' *European Review of Economic History* 15.3.

Facchini, Giovanni, and Anna Maria Mayda, 2012. 'Individual Attitudes Towards Skilled Migration: An Empirical Analysis Across Countries.' *The World Economy* 35.2.

Facchini, Giovanni and Max Friedrich Steinhardt. 2011. 'What Drives US Immigration Policy? Evidence from Congressional Roll Call Votes.' IZA Discussion Paper No. 5561.

Facchini, Giovanni, and Gerald Willmann. 2005. 'The Political Economy of International Factor Mobility.' *Journal of International Economics* 67.1

Gaston, Noel and Gulasekaran Rajaguru. 2013. 'International Migration and the Welfare State Revisited.' *European Journal of Political Economy* 29.

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.

Hanson, Gordon, Kenneth F. Scheve, and Matthew J. Slaughter. 2007. 'Public Finance and Individual Preferences over Globalization Strategies.' *Economics and Politics* 19.1.

Hatton, Timothy J. and Jeffrey G. Williamson. 2006. 'A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labor-Scarce Economies?' IZA Discussion Paper No. 2146.

Le Goff, Maëlan, Sara Salomone. 2015. 'Remittances and the Changing Composition of Migration.' *The World Economy*.

Meseguer, Covadonga, and Katrina Burgess. 2014. 'International Migration and Home Country Politics.' *Studies in Comparative International Development* 49.1.

Scheve, Kenneth F. and Matthew J. Slaughter. 2001. 'Labor Market Competition and Individual Preferences over Immigration Policy.' *Review of Economics and Statistics* 83.1.

Soroka, Stuart N, Richard Johnston, Anthony Kevins, Keith Banting, Will Kymlicka. 2015. 'Migration and Welfare State Spending.' *European Political Science Review*.

## **Week V: International Investment**

*Among the most prominent actors in the contemporary global economy are multinational corporations (MNCs). In this week we will examine at the political determinants of MNC behaviour, focusing in particular on foreign direct investment. Additionally, we will study the variations in political demand for policies regulating the flow of capital across international borders.*

### **Required:**

Jensen, Nathan. 2008. 'Political Regimes and Political Risk: Democratic Institutions and Expropriation Risk for Multinational Investors.' *Journal of Politics* 70.4.

Markusen, James. 1995. 'The Boundaries of Multinational Enterprises and the Theory of International Trade.' *Journal of Economic Perspectives* 9.2.

### **Background:**

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Chapter 17.

Oatley, Thomas. 2010. *International Political Economy*. Pages 158-201.

### **Optional:**

Frieden, Jeffrey A. 1991. 'Invested Interests: The Politics of National Economic Policies in a World of Global Finance.' *International Organization* 45.4.

Henisz, Witold. 2000. 'The Institutional Environment for Multinational Investment.' *Journal of Law, Economics and Organization* 16.2.

Jensen, Nathan. 2003. 'Democratic Governance and Multinational Corporations: Political Regimes and Inflows of Foreign Direct Investment.' *International Organization* 57.2.

Li, Quan and Adam Resnick. 2003. 'Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries.' *International Organization* 57.1.

Poulsen, Lauge. 2014. 'Bounded Rationality and the Diffusion of Modern Investment Treaties.' *International Studies Quarterly* 58.1.

Poulsen, Lauge and Emma Aisbett. 2013. 'When the Claim Hits: Bilateral Investment Treaties and Bounded Rational Learning.' *World Politics*.

Quinn, Dennis and Carla Inclan. 1997. 'The Origins of Financial Openness: A Study of Current and Capital Account Liberalization.' *American Journal of Political Science* 41.3.

Stasavage, David. 2002. 'Private Investment and Political Institutions.' *Economics and Politics* 14.1.

Wisniewski, Tomasz P, Saima K Pathan. 2014. 'Political Environment and FDI: Evidence from OECD Countries.' *European Journal of Political Economy* 36.

## Week VI: International Trade, Institutions, and Externalities

*Economic globalization is often criticized for its negative effects on other concerns, such as the environment and human rights. The WTO in particular has come under attack for decisions that appear to favour freer trade explicitly at the cost of the environment. This week, we explore the complex relationship between trade and these related issues.*

### Required:

Prakash, Aseem and Matthew Potoski. 2006. 'Racing to the Bottom? Trade, Environmental Governance, and ISO 14001.' *American Journal of Political Science*.

Young, Alasdair. 2007. 'Trade Politics Ain't What They Used to Be: The European Union in the Doha Round.' *Journal of Common Market Studies*.

### Background:

Abbott, Kenneth, and Duncan Snidal. 2000. 'Hard and Soft Law in International Governance.' *International Organization* 54(3): 421-456.

Hafner-Burton, Emilie. 2005. 'Trading Human Rights: How Preferential Trading Agreements Influence Government Repression.' *International Organization* 59.

### Optional:

Bechtel, Michael M, Thomas Bernauer, and Reto Meyer. 2012. 'The Green Side of Protectionism: Environmental Concerns and Three Facets of Trade Policy Preferences.' *Review of International Political Economy*.

Bernhagen, P. 2008. 'Business and International Environmental Agreements: Business Influence Over Participation and Compliance.' *Global Environmental Politics* 8.

Cao, Xun and Aseem Prakash. 2010. 'Trade Competition and Domestic Pollution: A Panel Study, 1980-2003.' *International Organization*.

Cao, Xun and Aseem Prakash. 2012. 'Trade Competition and Environmental Regulations: Domestic Political Constraints and Issue Visibility.' *Journal of Politics*.

Levinson, Arik. 2010. 'Offshoring Pollution: Is the US Increasingly Importing Polluting Goods?' *Review of Environmental Economics and Policy* 4.1.

Potoski, Matthew and Aseem Prakash. 2005. 'Green Clubs and Voluntary Governance: ISO 14001 and Firms' Regulatory Compliance.' *American Journal of Political Science*.

Spilker, Gabriele. 2012. 'Helpful Organizations: IGO Membership and Environmental Quality in Developing Countries.' *British Journal of Political Science* 42.

Spilker, Gabriele and Tobias Böhmelt. 2013. 'The Impact of Preferential Trade Agreements on Governmental Repression Revisited.' *Review of International Organizations* 8.



## Week VII: International Finance and Monetary Policy

*Financial markets are more politically salient than ever in the wake of a series of global crises. What determines how states regulate the flow of international capital? And what do these decisions mean for each state's vulnerability to global economic shocks?*

### Required:

Berdiev, Aziz N, Yoonbai Kim, Chun Ping Chang. 2012. 'The Political Economy of Exchange-Rate Regimes in Developed and Developing Countries.' *European Journal of Political Economy*.

Obstfeld, Maurice, Jay C Shambaugh, and Alan M Taylor. 2005. 'The Trilemma in History: Tradeoffs Among Exchange Rates, Monetary Policies, and Capital Mobility.' *Review of Economics and Statistics* 87.3.

### Background:

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Chapters 8 and 15.

Oatley, Thomas. 2010. *International Political Economy*. Pages 202-212, 212-224, 249-297.

### Optional:

Bernhard, William and David Leblang. 1999. 'Democratic Institutions and Exchange Rate Commitments.' *International Organization* 53.1.

Bodea, Cristina, Raymond Hicks. 2015. 'International Finance and CBI: Institutional Diffusion and the Flow and Cost of Capital.' *Journal of Politics*.

Broz, J. Lawrence. 2002. 'Political System Transparency and Monetary Commitment Regimes.' *International Organization* 56.4.

Chinn, Menzie D, Shang-Jin Wei. 2008. 'A Faith-based Initiative: Does a Flexible ERR Really Facilitate CA Adjustment?' NBER WB 14420.

Edwards, Sebastian. 2015. 'Monetary Policy Independence under Flexible Exchange Rates: An Illusion?' *The World Economy*.

Meissner, Christopher. 2005. 'A New World Order: Explaining the International Diffusion of the Gold Standard: 1870-1913.' *Journal of International Economics* 66.2.

Obstfeld, Maurice. 2015. 'Trilemmas and Trade-Offs: Living with Financial Globalization.' BIS Working Paper 480.

## Week VIII: The Domestic Politics of Monetary Policy

*A government's choice of exchange-rate mechanism in international markets greatly influences its ability to use related policy instruments domestically. How do monetary-policy decisions impact domestic actors? How do policy-makers respond to the political incentives of these political effects?*

### Required:

Bearce, David. 2003. 'Societal Preferences, Partisan Agents, and Monetary Policy Outcomes.' *International Organization* 57.2.

Broz, J. Lawrence and Michael Plouffe. 2010. 'The Effectiveness of Monetary Policy Anchors: Firm-Level Evidence.' *International Organization* 64.3.

### Background:

Broz, J Lawrence, Jeffrey Frieden, Stephen Weymouth. 2008. 'Exchange Rate Policy Attitudes: Direct Evidence from Survey Data.' *IMF Staff Papers*.

Frankel, Jeffrey A. 1999. 'No Single Currency Regime is Right for All Countries or At All Times.' NBER Working Paper No 7338.

### Optional:

Blomberg, Stephen, Jeffrey Frieden, Ernesto Stein. 2005. 'Sustaining Fixed Rates: The Political Economy of Currency Pegs in Latin America.' *Journal of Applied Economics*.

Bluhm, Marcel. 2015. 'Investigating the Monetary Policy of Central Banks with Assessment Indicators.' *European Journal of Political Economy*.

Broz, J Lawrence. 2015. 'The Federal Reserve's Coalition in Congress.' UC San Diego Working Paper.

Fernandez-Albertos, Jose. 2015. 'The Politics of Central Bank Independence.' *Annual Review of Political Science*.

Klomp, Jeroen and Jakob de Haan. 2009. 'Central Bank Independence and Financial Instability.' *Journal of Financial Stability* 5.4.

Leblang, David, and Bumba Mukherjee. 2005. 'Government Partisanship, Elections, and the Stock Market: Examining American and British Stock Returns, 1930-2000.' *American Journal of Political Science* 49.4.

Scheve, Kenneth. 2004. 'Public Inflation Aversion and the Political Economy of Macroeconomic Policymaking.' *International Organization* 58.1.

Weymouth, Stephen. 2010. 'Political Institutions and Property Rights: Veto Players and Foreign Exchange Commitments in 127 Countries.' *Comparative Political Studies*.

## Week IX: Globalization & Development

*What has been the relationship between globalization and economic development? Why have some countries that have engaged the world economy managed to significantly increase the welfare of their populations while others have stagnated?*

### Required:

Acemoglu, Daron, Simon Johnson, and James A Robinson. 2002. 'Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution.' *Quarterly Journal of Economics* 117.4.

Sokoloff, Kenneth L., and Stanley L. Engerman. 2000. 'History Lessons: Institutions, Factor Endowments, and Paths of Development in the New World.' *Journal of Economic Perspectives* 14.3.

### Background:

Frieden, Jeffrey A. 2007. *Global Capitalism: Its Rise and Fall in the Twentieth Century*. Chapters 3 and 4, 13, 18 and 19.

Oatley, Thomas. 2010. *International Political Economy*. Chapters 6 and 7.

### Optional:

Acemoglu, Daron and James A Robinson. 2000. 'Why Did the West Extend the Franchise? Democracy, Inequality, and Growth in Historical Perspective.' *Quarterly Journal of Economics* 115.4.

Bergh, Andreas and Therese Nilsson. 2010. 'Do Liberalization and Globalization Increase Income Inequality?' *European Journal of Political Economy* 26.4.

Bown, Chad P and Meredith A Crowley. 2014. 'Emerging Economies, Trade Policy, and Macroeconomic Shocks.' *Journal of Development Economics*.

Chang, Ha-Joon. 2003. 'Kicking Away the Ladder: Infant Industry Promotion in Historical Perspective.' *Oxford Development Studies* 31.1.

Engerman Stanley L and Kenneth L Sokoloff. 2002. 'Factor Endowments, Inequality, and Paths of Development Among New World Economics.' NBER Working Paper 9259.

Goldberg, Pinelopi K and Nina Pavcnik. 2007. 'Distributional Effects of Globalization in Developing Countries.' NBER Working Paper No 12885.

Mosley, Layna. 2000. 'Room to Move: International Financial Markets and National Welfare States.' *International Organization* 54.4.

Mosley, Layna and Saika Uno. 2007. 'Racing to the Bottom or Climbing to the Top? Economic Globalization and Collective Labor Rights.' *Comparative Political Studies* 40.8.

Rudra, Nita. 2002. 'Globalization and the Decline of the Welfare State in Developing Countries.' *International Organization* 56.2.

Rudra, Nita. 2004. 'Openness, Welfare Spending, and Inequality in the Developing World.' *International Studies Quarterly* 48.3.

Rudra, Nita. 2005. 'Globalization and the Strengthening of Democracy in the Developing World.' *American Journal of Political Science* 49.4.

Rudra, Nita and Stephan Haggard. 2005. 'Globalization, Democracy, and Effective Welfare Spending in the Developing World.' *Comparative Political Studies* 38.9.

Rudra, Nita. 2007. 'Welfare States in Developing Countries: Unique or Universal.' *Journal of Politics* 69.2.

Taylor, Alan M. 1998. 'On the Costs of Inward-Looking Development: Price Distortions, Growth, and Divergence in Latin America.' *Journal of Economic History* 58.1.

Villaverde, José and Adolfo Maza. 2011. 'Globalization, Growth and Convergence.' *The World Economy* 34.6.

Wade, Robert H. 2004. 'Is Globalization Reducing Poverty and Inequality?' *World Development* 32.4.

## Week X: Putting the Pieces Together

*In our concluding week, we survey the development of the international political economy, with particular emphasis on the recovery from the Great Recession. We also assess the impact of global political and economic forces on a particular industry's dynamics from a more general standpoint, to explore the interactions between global flows, institutions, and policies.*

### Optional:

Bagwell, Kyle and Robert W Staiger. 2003. 'Protection and the Business Cycle.' *Advances in Economic Analysis and Policy* 3.1.

Bown, Chad P and Meredith A Crowley. 2013. 'Import Protection, Business Cycles, and Exchange Rates: Evidence from the Great Recession.' *Journal of International Economics* 90.1.

Garrett, Geoffrey. 1998. 'Global Markets and National Politics: Collision Course of Virtuous Circle.' *International Organization* 52.4.

Kim, So Young. 2007. 'Openness, External Risk, and Volatility: Implications for the Compensation Hypothesis.' *International Organization* 61.1.

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