

University of Georgia
International Affairs 8240, Spring 2005
International Political Economy (Graduate)

Prof. Maurits van der Veen

Class

Tuesday 11 am – 1:45 pm
Location: 117 Candler Hall
Office hours: Wed. 2-4pm & by appt.

Office

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Course description

This course is an introductory graduate seminar in international political economy. As such, it covers different ways of analyzing the politics of international economic relations. It is rather more theoretically oriented than an undergraduate course on the same topic would be.

The course is organized by approach rather than by topic. After the first few introductory sessions, the course is divided into two sections: one focusing on the determinants of foreign economic policy, and one focusing on the determinants of international cooperation in economic policy. Within each section, I have grouped the readings according to the explanatory factors they privilege: economic factor endowments, domestic politics, ideas, etc. This means we will often discuss simultaneously works that investigate very different policies within the broader rubric of IPE, such as trade, finance, monetary policy, investment, etc. This approach is intended to show the generalizability of particular explanatory frameworks across different issue areas.

The literature on international political economy, while mostly produced by political scientists, draws upon other disciplines as well. Thus the theories we shall examine draw in roughly equal amounts from economics and political science, but certain insights from sociology and psychology will also turn out to be valuable in various instances.

The field of international political economy is very broad, and no survey course can hope to cover all the important works, theories, or topics. The syllabus is designed so as to give you a fairly broad understanding of the central concepts and approaches in IPE, which should equip you to investigate other issues on your own. In particular, it is worth noting that this course does not cover in any detail the political economy of development, which is sometimes covered in IPE courses.

Course policies & requirements

Since this is a seminar, I expect you to have done all the reading prior to class, and to arrive prepared to contribute intelligently to the class discussion. Part of your grade is based on class participation, which will be judged in terms of the quality, not the quantity, of your contributions.

The remainder of your grade is tied to your written work, which has two components. First, each of you will write three short response papers, analyzing the readings for a particular week. These should be in a format similar to book reviews in academic journals. This means they should achieve the following tasks: briefly summarize the argument(s), highlight the strengths and weaknesses, and suggest improvements or further research. Each of these response papers should be 4-6 pages (double-spaced) in length. These response papers must be turned in Monday, the day before the class in question, by 12 noon. I will use your papers as the basis for class discussions, so you should be prepared to elaborate upon your various criticisms and suggestions.

In addition, as the final product for the course, each of you will produce a research design addressing a particular question of your choosing in the field of international political economy. This research design, which should be about 15 pages in length, should present a theoretical or empirical puzzle, review the relevant literature on the subject, develop some hypotheses, and lay out a methodology for testing those hypotheses. You do not need to perform the actual research necessary to do the hypothesis-testing. The hope is that you will be able to use the research design you develop here in a later project, such as the master's thesis. (If you have not taken Dr. Crepaz's research methods course and would like basic guidance on setting up a research project, Keohane, King and Verba's *Designing Qualitative Inquiry* is a good source, as is the *APSR* round-table discussion of that book.)

In order to make sure you do not postpone the research design until the very end of the semester, you will need to submit a 3-5 page first concept (basic puzzle, some idea of the relevant literature) *before* the beginning of Spring Break.

Handouts providing more details on the response papers and the research design will be provided during the first few weeks of class.

The overall grade breakdown is as follows:

- Participation: 20%
- Response papers: 10% each
- Research design concept: 5%
- Research design: 45%

Office hours &c

My office hours are Wednesdays, 2-4pm and by appointment. Please do come see me if you have any questions on or problems with the reading material, the writing assignments, or the course in general. If you need to reach me to make an appointment, I am most easily reached by e-mail.

Readings

The following 6 books are required for purchase, and ought to be available at the University Bookstore. They are also readily available through Amazon.com or Barnes&Noble (bn.com), and you may also be able to get a used copy through Amazon.

- Abdelal, Rawi. 2001. *National Purpose in the World Economy*. Ithaca, NY: Cornell University Press.
- Hiscox, Michael J. 2001. *International Trade and Political Conflict: Commerce, Coalitions, and Mobility*. Princeton, NJ: Princeton University Press.
- Kirshner, Jonathan. 1995. *Currency and Coercion: The Political Economy of International Monetary Power*. Princeton: Princeton University Press.
- Gilpin, Robert. 2001. *Global Political Economy*. Princeton, NJ: Princeton University Press.
- Milner, Helen V. 1997. *Interests, Institutions and Information: Domestic Politics and International Relations*. Princeton: Princeton University Press.
- Mosley, Layna. 2002. *Global Capital and National Governments*. New York, NY: Cambridge University Press.

All additional readings are available online through UGA's electronic journals subscriptions, or at the URLs indicated.

If you have no background at all in international economics, you may find it useful also to acquire a basic international economics textbook. Good texts are Krugman and Obstfeld's *International Economics* or Caves, Frankel, and Jones' *World Trade and Payments*.

Calendar

I. Introduction & Basic Approaches

Tue. Jan. 11 *Introduction; overview of course*

Gilpin, chapters 1-3.

Tue. Jan. 18 *Political economy and economic approaches*

Gilpin, chapters 4-6.

Becker, Gary. 1992. "The Economic Way of Looking at Life." Nobel Lecture.

<http://nobelprize.org/economics/laureates/1992/becker-lecture.html>.

Moe, Terry. 1984. "The New Economics of Organization." *American Journal of Political Science* 28: 739-777. JSTOR.

Eichengreen, Barry. 1998. "Dental Hygiene and Nuclear War: How International Relations Looks from Economics." *International Organization* 52(4):993-1012. JSTOR.

Tue. Jan. 25 ***IFE in an era of globalization***

Frieden, Jeffrey. 1999. "Actors and Preferences in International Relations." Pp. 39-76 in *Strategic Choice and International Relations*, eds. David A. Lake and Robert Powell. Princeton, NJ: Princeton University Press.

Frieden, Jeffrey, and Lisa Martin. 2001. "International Political Economy: The State of the Sub-Discipline." In Katznelson, Ira, and Helen Milner, eds. *Political Science: The State of the Discipline*.
<http://www.people.fas.harvard.edu/~jfrieden/internationalpoliticaleconomy.pdf>

Gilpin, chapter 14

Frankel, Jeffrey. 2000. "Globalization of the Economy." pp. 45-71 in Joseph S. Nye and John D. Donahue, eds., *Governance in a Globalizing World*.
http://weber.ucsd.edu/~jlbroz/Courses/PS245/syllabus/Frankel_glob.pdf

Garrett, Geoffrey. 2000. "The Causes of Globalization." *Comparative Political Studies*, 33(6/7):941-992. EBSCO

Recommended

Gilpin, chapter 15

Broz, J. Lawrence and Jeffrey Frieden. 2001. "The Political Economy of International Monetary Relations," *Annual Review of Political Science* 4. www.annualreviews.org

II. The Making of Foreign Economic Policy

Tue. Feb. 1 ***Basics: factor endowments, domestic coalitions***

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

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

Alt, James E., Jeffrey Frieden, Michael J. Gilligan, Dani Rodrik, and Ronald Rogowski. 1996. "The Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry," *Comparative Political Studies* 29(6):689-717.
http://weber.ucsd.edu/~jlbroz/Courses/PS245/syllabus/alt_enduring.pdf

Hathaway, Oona. 1998. "Positive Feedback: The Impact of Trade Liberalization on Industry Demands for Protection," *International Organization* 52(3):575-612.

Recommended

Rogowski, Ronald. 1989. *Commerce and Coalitions*. Princeton, NJ: Princeton University Press.

Frieden, Jeffrey A. and Ronald Rogowski. 1996. "The Impact of the International Economy on National Policies: An Analytical Overview." In *Internationalization and Domestic Politics*, edited by Robert O. Keohane and Helen V. Milner (New York: Cambridge University Press):25-47.

Tue. Feb. 8 ***Factor specificity and mobility***

Hiscox book (entire book).

Recommended

Alt, James E. and Michael Gilligan. 1994. "The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions," *Journal of Political Philosophy* 2(2):165-92.

Tue. Feb. 15 ***Varieties of capitalism & regime type***

Gilpin, chapter 7.

Hall, Peter A., and David Soskice. 2001. "An Introduction to Varieties of Capitalism."pp.1-68 in *Varieties of Capitalism*, eds. Hall and Soskice. New York: Oxford University Press. www.oup.co.uk/pdf/0-19-924774-9.pdf

Schultz, Kenneth A., and Barry R. Weingast. 2003. "The Democratic Advantage: Institutional Foundations of Financial Power in International Competition" *International Organization* 57(1): 3-42. Cambridge Univ. Press online.

Recommended

Gilpin, chapter 12

Mansfield, Edward D., Helen V. Milner, and B. Peter Rosendorff. 2000. "Free to Trade: Democracies, Autocracies, and International Trade." *American Political Science Review* 94(2):305-321.

Tue. Feb. 22 ***Partisan politics vs. market constraints***

Boix, Carles. 2000. "Partisan Government, International Economy and Macro-economic Policies." *World Politics* 53(1): 38-73.

Mosley book (chapters 1-4, 8, and 1 out of 5-7).

Recommended

Simmons, Beth A. 1994. *Who Adjusts? Domestic Sources of Foreign Economic Policy during the Interwar Years*. Princeton: Princeton University Press.

Garrett, Geoffrey. 1995. "Capital Mobility, Trade, and the Domestic Politics of Economic Policy," *International Organization* 49(4):657-687. JSTOR

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 (July 1997):771-813. JSTOR

Bearce, David H. 2003. “Societal Preferences, Partisan Agents, and Monetary Policy Outcomes.” *International Organization* 57(2):373-410.

Tue. Mar. 1 ***Ideas and foreign economic policy***

Goldstein, Judith. 1988. “Ideas, Institutions, and American Trade Policy. *International Organization*, 42(1):179-217. JSTOR

McNamara, Kathleen. 2002. “Rational Fictions: Central Bank Independence and the Social Logic of Delegation.” *West European Politics* 25(1):47-76.

John Kurt Jacobsen (2003), Dueling Constructivisms: A Post-mortem on the Ideas Debate in Mainstream IR/IPE, *Review of International Studies* 29(1):39-60.

Gill, Stephen R. and David Law. 1989. “Global Hegemony and the Structural Power of Capital.” *International Studies Quarterly* 33(4): 475-499.

De Goede, Marieke. 2003. “Beyond Economism in International Political Economy.” *Review of International Studies* 29(1): 79-97.

Recommended

Ruggie, John G. 1998. “What Makes the World Hang Together? Neo-Utilitarianism and the Social Constructivist Challenge.” *International Organization* 52(4):855-886.

Tue. Mar. 8 ***Nationalism and national identity***

Helleiner, Eric. 2002. “Economic Nationalism as a Challenge to Economic Liberalism: Lessons from the 19th Century.” *International Studies Quarterly* 46(3): 307-329. Blackwell Synergy.

Abdelal book (chapters 1-3, 7-8, and 2 out of 4-6)

III. International Economic Cooperation & Institutions

Tue. Mar. 22 ***Regional Integration***

Gilpin, chapter 13.

Mansfield, Edward, and Helen Milner. 1999. "The New Wave of Regionalism,"
International Organization 53(3): 589-627.

Parsons, Craig. 2002. "Ideas as Causes: The Origins of the European Union."
International Organization, 56(1):47-84.

Schimmelfennig, Frank. 2001. "The Community Trap: Liberal Norms, Rhetorical Action,
and the Eastern Enlargement of the European Union." *International
Organization*, 55(1):47-80.

Recommended

Mattli, Walter. 1998. *The Logic of Regional Integration*. New York: Cambridge
University Press.

Tue. Mar. 29 ***Public goods, regimes, and compliance***

Krasner, Stephen. 1976. "State Power and the Structure of International Trade." *World
Politics* 28(3): 317-347.

Lake, David. 1993. "Leadership, Hegemony, and the International Economy."
International Studies Quarterly 37(4): 459-489. JSTOR

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

Simmons, Beth A. 2000. "International Law and State Behavior: Commitment and
Compliance in International Monetary Affairs." *American Political
Science Review* 94(4):819-835.

Beth Yarbrough and Robert Yarbrough (1992), International Institutions and the New
Economics of Organization, *International Organization* 44 (2): 235-59.
JSTOR.

Recommended

Gilpin, chapters 8-10

Keohane, Robert O. 1984. *After Hegemony: Cooperation and Discord in the World
Political Economy*. Princeton: Princeton University Press.

Tue. April 5 ***The design of international institutions***

Martin, Lisa L., and Beth Simmons. 1998. "Theories and Empirical Studies of
International Institutions." *International Organization* 52(4):729-759.
JSTOR

Garret, Geoffrey. 1992. "International Cooperation and Institutional Choice."
International Organization 46(2): 533-560.

- Fearon, James D. 1998. "Bargaining, Enforcement, and International Cooperation." *International Organization* 52(2):269-305. JSTOR
- Rosendorff, B. Peter, and Helen V. Milner. 2001. "The Optimal Design of International Trade Institutions: Uncertainty and Escape." *International Organization* 55(4):829-857.

Tue. April 12 ***The domestic politics of international cooperation***

Milner book (chapters 1-5, 8-9).

- Frieden, Jeffrey. 2002. "Real Sources of European Currency Policy: Sectoral Interests and European Monetary Integration." *International Organization* 56(4):831-860.

Recommended

- Gourevitch, Peter. 1996. "Squaring the Circle: Domestic Sources of International Cooperation." *International Organization* 50(2):349-373.
- Martin, Lisa L. 2000. *Democratic Commitments: Legislatures and International Cooperation*. Princeton, NJ: Princeton University Press.
- Leblang, David. 1999. "Democratic Political Institutions and Exchange Rate Commitments in the Developing World." *International Studies Quarterly*, 43(4):599-620.

Tue. April 19 ***Ideas and international cooperation***

- Ruggie, John G. 1982. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order." *International Organization* 36(2):379-416. JSTOR
- McNamara, Kathleen. 1999. "Consensus and Constraint: Ideas and Capital Mobility in European Monetary Integration." *Journal of Common Market Studies*, 37(3):455-476. Blackwell Synergy
- Albin, Cecilia. 2003. "Negotiating International Cooperation: Global Public Goods and Fairness." *Review of International Studies* 29(3): 365-385.
- Widmaier, Wesley W. 2003. "Constructing Monetary Crises: New Keynesian Understandings and Monetary Cooperation in the 1990s." *Review of International Studies* 29(1): 61-77.

Recommended

- McNamara, Kathleen. 1999. *The Currency of Ideas*. Princeton: Princeton University Press.

Tue. April 26 ***The international politics of international cooperation***

Frieden, Jeffry A. 1994. "International Investment and Colonial Control: A New Interpretation," *International Organization* 48(4):559-93. JSTOR

Kirshner book (chapters 1-4, 6-7)

Recommended

Gowa, Joanne. 1994. *Allies, Adversaries and International Trade*. Princeton: Princeton University Press. (Chapters TBA)