

**Graduate Seminar on Global Political Economy**  
**Political Science (PSCI) 7073**  
**Spring 2013**

**Professor:**

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Office Hours: By appointment/availability

**Course Description:**

Day/Time: Tuesdays 1:35PM – 4:05PM  
Location: Ketchum 116  
Website: <http://nb.mit.edu/>

This is a PhD-level seminar on the study of international political economy. The course introduces students to the subfield by exposing students to some seminal and classical works as well more contemporary works on phenomena related to international trade, finance and migration. The course has three main objectives:

1. familiarize students with a portion of IPE concepts and literature for them to be able to engage scholarly works on the topic;
2. professionalize students to skillfully participate in seminar discussions and provide critical feedback; and
3. prepare students for the next step in the graduate program, by either devising a research proposal and answering comprehensive-exam type questions or writing a research paper.

Introduction to IR at the graduate level is required; basic level of quantitative analysis skills is assumed; some background in economics is helpful but not required.

**Course Requirements:**

1. Class participation (20% of your grade): This is a seminar class and your participation through offering insightful comments and asking probing questions is essential for your and other students learning. You are expected to attend and actively participate *every* class. Part of the participation will be through an online system for collaborative reading, “NB.” For *each* assigned reading, students should annotate *at least* once with a question or a comment. You will need to create an account on NB (<http://nb.mit.edu/>) and accept the invitation to join the class on NB. We will go over the logistics during the first class.
2. Response papers (30% of your grade): Between week 2 and week 15, each student is required to write *three* brief papers that analyze the readings for the week. Writing these papers will help you think critically about the readings and prepare for active discussion in class. The format for these papers is discussed at the end of the syllabus. The papers are to be 750–1,000 words. The papers are due to me via e-mail by 5PM the day before the class for which you write the paper. Please attach the papers as a PDF document, named with *your own last name* and the number of your response paper, e.g. Smith1.pdf, Smith2.pdf, etc.

3. Research project and exam (50% of your grade): You may choose one of the following two options:

- Research Proposal *and* Final Exam: Throughout the semester, you will work on drafting a proposal for a potential research project of your interest. The proposal will identify a research question, review the relevant literature, offer a potential answer/argument and propose a research design to carry out. The written proposal (about 12-15 pages) is due at the beginning of the class on April 16 (week 13). In addition, on the last day of the seminar (April 30), I will distribute two comprehensive-exam-style questions on topics/issues relevant to those covered in the course. You will answer *both* questions (about 7-10 pages per question) and turn in your answers on the last day of classes (May 3) by 5PM via e-mail as a PDF document.
- Research Paper: In addition to the research proposal described in the option above, students choosing this option will complete the empirical analysis and write a full paper (about 25-30 pages). You will turn in your paper on the last day of classes (May 3) by 5PM via e-mail as a PDF document.

### Readings:

- Gilpin, Robert (2001) *Global Political Economy: Understanding the International Economic Order*. Princeton: Princeton University Press.
- All other readings will be available online at CULearn.colorado.edu.

### References:

These are optional book that you may consult for basic terms and concepts, undergraduate-level treatment of IPE and theories and applications of international economics, respectively:

- Epping, Randy Charles (2001) *A Beginner's Guide to the World Economy*. New York, NY: Vintage Books.
- Oatley, Thomas H. (2012) *International Political Economy*. 5th edition. New York, NY: Longman.
- Krugman, Paul R., Maurice Obstfeld, and Marc J. Melitz (2012) *International Economics: Theory and Policy*. 9th edition. Boston, MA: Addison Wesley.

### Schedule of Readings:

#### Part I: Introduction and Preliminaries

*Week 1: Seminar Overview and Introductory Discussion* (January 15)

- Gilpin, Chapters 1–6. [Read these as background introduction. We will not discuss them *per se* other than in the context of other discussions.]

## Part II: International Trade

### *Week 2: Preferences over Trade Policies I* (January 22)

- Alt, J. E. et al. (1996) The Political Economy of International Trade—Enduring Puzzles and an Agenda for Inquiry. *Comparative Political Studies*. 29(6), 689–717.
- Bernard, Andrew B. et al. (2007) Firms in International Trade. *Journal of Economic Perspectives*. 21(3)Summer, 105–130.
- Melitz, Marc J. and Daniel Trefler (2012) Gains from Trade when Firms Matter. *Journal of Economic Perspectives*. 26(2)Spring, 91–118.
- Baccini, Leonardo, Giammario Impullitti, and Edmund J. Malesky (2012) *Trade Liberalization, Heterogeneous Firms, and Lobbying Power: Evidence from Vietnam's Accession to the WTO*. . Presented at the 2012 Annual Meeting of the IPE Society.
- Gilpin, Chapter 8.

### *Week 3: Preferences over Trade Policies II* (January 29)

- Scheve, Kenneth F. and Matthew J. Slaughter (2001) What Determines Individual Trade-Policy Preferences? *Journal of International Economics*. 54(2)August, 267–292.
- Mansfield, Edward D. and Diana C. Mutz (2009) Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety. *International Organization*. 63(3)Summer, 425–457.
- Lu, Xiaobo, Kenneth Scheve, and Matthew J. Slaughter (2012) Inequity Aversion and the International Distribution of Trade Protection. *American Journal of Political Science*. 56(3)July, 638–654
- Fordham, Benjamin O. and Katja B. Kleinberg (2012) How Can Economic Interests Influence Support for Free Trade? *International Organization*. 66(2)Spring, 311–328

### *Week 4: Domestic Influences on Trade Policies I* (February 5)

- Rogowski, Ronald (1987) Political Cleavages and Changing Exposure to Trade. *American Political Science Review*. 81(4)December, 1121–1137.
- Grossman, Gene M. and Elhanan Helpman (1994) Protection for Sale. *American Economic Review*. 84(4)September, 833–850.
- Gawande, Kishore and Bernard Hoekman (2006) Lobbying and Agricultural Trade Policy in the United States. *International Organization*. 60(3)Summer, 527–561.
- Devault, James M. (2010) CAFTA, Campaign Contributions, and the Role of Special Interests. *Economics and Politics*. 22(3)November, 282–297.

### *Week 5: Domestic Influences on Trade Policies II* (February 12)

- Alt, James E. and Michael J. Gilligan (1994) The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions. *Journal of Political Philosophy*. 2(2), 165–192.
- Rogowski, Ronald (1987) Trade and the Variety of Democratic Institutions. *International Organization*. 41(2)Spring, 203–223.

- Milner, Helen and Keiko Kubota (2005) Why the Move to Free Trade? Democracy and Trade Policy in the Developing Countries. *International Organization*. 59(1), 107–143.
- Bailey, Michael, Judith Goldstein, and Barry R. Weingast (1997) The Institutional Roots of American Trade Policy. *World Politics*. 49(3), 309–308.

*Week 6: International Influences on Trade Policies I* (February 19)

- Krasner, Stephen D. (1976) State Power and the Structure of International Trade. *World Politics*. 28(3)April, 317–347.
- Gowa, Joanne and Edward D. Mansfield (2004) Alliances, Imperfect Markets, and Major-Power Trade. *International Organization*. 58(4)Fall, 775–805.
- Davis, Christina L. and Sophie Meunier (2011) Business as Usual? Economic Responses to Political Tensions. *American Journal of Political Science*. 55(3)July, 628–646.
- Kono, Daniel Y. (2012) Alliances, Trade Discrimination, and the Global Trade Regime. *International Interactions*. 38(5), 647–669.

*Week 7: International Influences on Trade Policies II* (February 26)

- Mansfield, Edward D. and Eric Reinhardt (2008) International Institutions and the Volatility of International Trade. *International Organization*. 62(4)Fall, 621–652.
- Tomz, Michael, Judith L. Goldstein, and Douglas Rivers (2007) Do We Really Know That the WTO Increases Trade? Comment. *American Economic Review*. 97(5)December, 2005–2018.
- Rose, Andrew K. (2007) Do We Really Know That the WTO Increases Trade? Reply. *American Economic Review*. 97(5)December, 2019–2025.
- Allee, Todd L. and Jamie E. Scalera (2012) The Divergent Effects of Joining International Organizations: Trade Gains and the Rigors of WTO Accession. *International Organization*. 66(2)Spring, 243–276.

*Week 8: Regionalism and PTAs in Trade* (March 5)

- Chase, Kerry A. (2003) Economic Interests and Regional Trading Arrangements: The Case of NAFTA. *International Organization*. 57(1), 137–174.
- Mansfield, Edward D., Helen V. Milner, and Jon C. Pevehouse (2007) Vetoing Cooperation: The Impact of Veto Players on International Trade Agreements. *British Journal of Political Science*. 37(3)July, 403–432.
- Manger, Mark S. (2012) Vertical Trade Specialization and the Formation of North-South PTAs. *World Politics*. 64(4)October, 622–658.
- Gray, Julia and Jonathan B. Slapin (2012) How Effective are Preferential Trade Agreements? Ask the Experts. *Review of International Organizations*. 7(3)September, 309–333.
- Gilpin, Chapter 13.
- Mid-term course/instructor feedback

### Part III: International Financial Flows

#### *Week 9: Capital Mobility and Capital Controls* (March 12)

- Neely, Christopher (1999) An Introduction to Capital Controls. *Federal Reserve Bank of St. Louis Review*. 81(6), 13–30.
- 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)October, 50–82.
- Quinn, Dennis P. and Maria Toyoda (2007) Ideology and Voter Preferences as Determinants of Financial Globalization. *American Journal of Political Science*. 51(2)April, 344–363.
- 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.
- Gilpin, Chapter 10.

#### *Week 10: Currencies and Exchange Rate Policies* (March 19)

- Broz, J. Lawrence and Jeffry A. Frieden (2001) The Political Economy of International Monetary Relations. *Annual Review of Political Science*. 4, 317–343.
- Broz, J. Lawrence (2002) Political System Transparency and Monetary Commitment Regimes. *International Organization*. 56(4)Autumn, 861–887.
- Leblang, David (2003) To Devalue or to Defend? The Political Economy of Exchange Rate Policy. *International Studies Quarterly*. 47(4)December, 533–559.
- Bearce, David (2008) Not Complements, But Substitutes: Fixed Exchange Rate Commitments, Central Bank Independence, and External Currency Stability. *International Studies Quarterly*. 52(4)December, 807–824.
- Gilpin, Chapter 9.

#### *Spring Break: No Class* (March 26)

#### *Week 11: Foreign Direct Investment and Investment Treaties* (April 2)

- 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.
- Elkins, Zachary, Andrew T. Guzman, and Beth A. Simmons (2006) Competing for Capital: The Diffusion of Bilateral Investment Treaties, 1960–2000. *International Organization*. 60(4)October, 811–846.
- Tobin, Jennifer L. and Susan Rose-Ackerman (2011) When BITs Have Some Bite: The Political-Economic Environment for Bilateral Investment Treaties. *Review of International Organizations*. 6(1), 1–32.

- Gilpin, Chapter 11.

#### Part IV: International Migration

##### *Week 12: Preferences over Immigration Policies (April 9)*

- Scheve, Kenneth F. and Matthew J. Slaughter (2001) Labor Market Competition and Individual Preferences Over Immigration Policy. *Review of Economics and Statistics*. 83(1)February, 133–145.
- Hainmueller, Jens and Michael J. Hiscox (2010) Attitudes toward Highly Skilled and Low-Skilled Immigration: Evidence from a Survey Experiment. *American Political Science Review*. 104(1)February, 61–84.
- Mayda, Anna Maria (2008) Why are People More Pro-Trade than Pro-Migration? *Economics Letters*. 101(3)December, 160–163.
- Hopkins, Daniel J. (2010) Politicized Places: Explaining Where and When Immigrants Provoke Local Opposition. *American Political Science Review*. 104(1)February, 40–60.

##### *Week 13: Politics of Immigration Policies and Consequences (April 16)*

- Xenogiani, Theodora (2006) *Migration Policy and Its Interactions with Aid, Trade and Foreign Direct Investment Policies: A Background Paper*. Paris, France: OECD Development Centre Working Paper 249.
- Money, Jeannette (1997) No Vacancy: The Political Geography of Immigration Control in Advanced Industrial Countries. *International Organization*. 51(4)Autumn, 685–720.
- Hatton, Timothy J. and Jeffrey G. Williamson (2004) *International Migration in the Long-Run: Positive Selection, Negative Selection and Policy*. Cambridge, MA: National Bureau of Economic Research NBER Working Paper 10529.
- Adams, Richard H. and John Page (2005) Do International Migration and Remittances Reduce Poverty in Developing Countries? *World Development*. 33(10), 1645–1669.

#### Part V: The State and the Future of IPE

##### *Week 14: Frontiers of the Field (April 23)*

- 4 papers from IPES 2012 to be selected by the class.
- Gilpin, Chapter 14.
- Course evaluations (FCQs) at the end of the class

##### *Week 15: American IPE vs. IPE (April 30)*

- Cohen, Benjamin J. (2007) The Transatlantic Divide: Why are American and British IPE So Different? *Review of International Political Economy*. 14(2)May, 197–219.
- Keohane, Robert O. (2009) The Old IPE and the New. *Review of International Political Economy*. 16(1)February, 34–46.
- Lake, David A. (2009) Open Economy Politics: A Critical Overview. *Review of International Organizations*. 4(3)September, 219–244.

- Oatley, Thomas (2011) The Reductionist Gamble: Open Economy Politics in the Global Economy. *International Organization*. 65(2)Spring, 311–341.
- Gilpin, Chapter 15.

**Response Paper Template:**

Being able to provide a succinct and argumentative summary of readings is a critical skill for graduate students to develop. The best way to approach this assignment is to pretend that you are the discussant on a conference panel that consists of papers assigned for a class. Below is a general template for the papers and presentations. As you begin to feel more comfortable, you may choose to deviate from this format. However, keep in mind that the main objective is to provide an argumentative summary of the readings.

1. Your paper should cover *all* of the assigned readings for the week, even if you focus more on a subset of the readings for #7.
2. What is the research question that authors pose in their research? (There may be more than one related questions.) What is the phenomenon of interest (i.e. the dependent variable)?
3. Why do we/should we care about this question? The reasons we care may be normative as well as positive.
4. What are the answers to the research question that the authors advance? What is their argument? i.e. What are their explanatory or independent variable?
5. What is the methodology they use to examine their argument?
6. What is the theme or connection across the works that you are addressing?
7. (The most critical component) Given what the authors do, what are your assessments of the works? What do they do well and what do they do not so well? How would you do it—make the argument, carry out the analysis, etc.—differently?

Despite the short length, the response papers should be written in a paper format—with an introduction summarizing your argument, a body that addresses the questions above, and a conclusion. On the days for which a student writes a response paper, that student will actively share his/her arguments and assessments in the seminar.