

Government and Politics 761 International Political Economy

Contact Information:

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Course Information:

University of Maryland
Fall 2019
Tydings 1136
Tue: 12:30-3:15pm

Course Description and Objectives:

This course is a Ph.D. seminar, intended primarily for doctoral students in Government and Politics, which explores recent research in international political economy (IPE). Students are expected to be familiar with international relations theory, and some knowledge of quantitative methods is essential. No background in economics is required or assumed, although students should have a capacity to engage in analytical reasoning.

We begin by investigating international trade from various micro perspectives, before then considering domestic and global trade institutions. During the second half of the course we explore various topics related to cross-border financial flows, including debt, investment, aid, and migration. Across all substantive issue areas, emphasis is placed on understanding the range of factors (voters, organized interests, parties, political institutions, and global forces) that influence foreign economic policy choices as well as the effects of those choices on a range of domestic and international outcomes. Because IPE is a broad and rapidly-evolving field, we will focus on contemporary scholarship (*i.e.*, within the past 10-15 years) that is contained in academic journals. Nearly all of the readings are taken from political science journals, although a few are taken from journals in economics.

Policies and Requirements:

Your final grade will be based on three requirements, which are detailed below. All written assignments are expected to be completed on time, and any work that is turned in late will be penalized one-half of a letter grade for each day that it is late. All requirements for the course should be completed by the end of the semester; incomplete grades will not be given except in exceptional circumstances.

1) Class Participation: (30%) - This is a Ph.D. level seminar, so you are expected to complete all required readings before class and to come to class prepared to comment on all of the readings. In addition, it is recommended that you think about the readings collectively and come to class with well-formulated thoughts about: i) the strengths and weakness of the literature for that week, ii) suggestions on how to improve the literature, and iii) a list of one or more new, researchable, questions on that week's topic. You will be given a grade for class participation that reflects the quantity and quality of your in-class comments, as well as your general attitude and effort toward the course.

2) Weekly “Research Extension” Papers: (30%) – Three times during the course of the semester you will be required to write a short paper in which you articulate your ideas for extending the research presented in one or more of the assigned readings for that week. In short, you should lay out a proposal for your own research that follows up on something we read for the week. Your paper should be no longer than 1000 words.

What do you need to do in the paper?

- *Briefly recap the relevant literature.* You should not provide an exhaustive review, but rather should identify the most important elements of past work in order to “set the stage” for what you propose to do. You should engage whichever assigned article(s) is serving as the springboard for your proposed research, as well as mention any other research that is relevant (which may or may not be cited in the assigned article/s). You are likely to be identifying some problem, limitation, or “gap” in existing studies, and you should take a professional and collegial tone in doing so. Please keep your “lit review” discussion as brief as possible, taking care only to engage the elements of past research that are directly relevant to what you plan to do.

- *Identify what you propose to do – and justify the importance of doing so.* Tell us what your research extension is going to be – whether that is asking an entirely new question, providing a new explanation for an existing question, utilizing a new dependent or independent variable, or enhancing the empirics (data, sample, and/or methodology). It also is crucial to justify what you are planning to do by telling us why it is important and what we might learn from your endeavor.

- *Lay out your theory and primary hypothesis.* It is important that you specify your primary hypothesis (hypotheses) as clearly as you can and articulate the cause-and-effect logic that underlies it (them).

- *Discuss how you will conduct any empirical tests.* Provide any relevant details about your case selection (units of analysis and time period), measurement of important concepts, and your proposed methodology.

Note that some of the above components will be shorter or longer depending on the nature of what you are doing; that is, whether you are primarily focused on improving the empirics of current studies as compared to asking a brand new question or putting forward an entirely new explanation (for an existing question).

We will allocate the weeks to which you are assigned at the beginning of the semester. You should email your research extension paper to *me and the rest of the class* no later than **5:00pm on Monday**. All members of the class are expected to read the paper(s) before the next day’s class meeting. The papers not only will be graded; they also will be referenced during class as a means to spark discussion. Therefore, if you have written a paper for that week, you should be prepared to talk about the ideas that you engaged in your paper.

3) Research Design paper (40%) – Your final project for this class is a detailed research design, which is a comprehensive plan for executing a paper on an IPE-related topic of interest. Completing a research design this semester will allow you to fully develop an idea that you may want to present, publish, or complete in the near future (as a conference paper, journal article, or even a dissertation topic). For a handful of you, it may make sense to write a complete paper (with data analysis) or to finish an already in-progress design (please discuss this with me).

The final research design paper should be approximately 12-18 pages long (not including bibliography and any supporting materials). It should include a description of your question, the motivation for choosing this question, a brief synthesis of existing scholarship (and how your research fits with this scholarship), a thorough development of your theory and hypotheses, and a detailed course of action (case selection, data collection, data analysis) for testing your hypotheses. *In effect, the design should read like a polished, peer-reviewed journal article, but with the empirical findings “chopped off.”*

There are two primary requirements for the research design assignment:

a) First, you are asked to submit a 2-4 page memo that contains: a brief description of your topic and question, a statement of your primary hypothesis/hypotheses (dependent and independent variable[s]), some initial sense of the methodology you intend to pursue, and a bibliography that lists at least five sources that are directly relevant to your paper. The purpose of the report is to get you started on the project before the very end of the semester and to allow me to provide everyone with some systematic feedback on his/her idea. The report must be given or e-mailed to me no later than **Wednesday, November 20th** (by 9pm).

b) The second and primary requirement is the final research design paper. As noted above, you should strive to write a paper that reads like a polished journal article, but with most of the second-half of the paper (*i.e.*, the results and most of the conclusion) omitted. I would encourage you to speak with me about your topic and design throughout the semester. You are welcome to choose any topic you wish provided that it plausibly fits under the broad umbrella of “international political economy” and that your dependent variable or a primary independent variable is political-economic in nature. We will discuss the elements and requirements of the research design on an ongoing basis throughout the semester. The final research design is due to me by email (or you can give me a hardcopy in person) no later than **Monday, December 16th** by 7pm.

Readings:

All of the assigned readings in the course are articles from academic journals, and are available by searching via World Cat on the university library website. If you have problems locating an assigned reading, please let me know.

Course Outline

August 27: The Current State of IPE

Oatley, Thomas. 2017. “Open Economy Politics and Trade Policy,” *Review of International Political Economy* 24(4): 699-717.

Cohen, Benjamin. 2017. “The IPE of Money Revisited,” *Review of International Political Economy* 24(4): 657-680.

September 3: Trade Preferences – foundational studies

Scheve, Kenneth, and Matthew Slaughter. 2001. "What Determines Individual Trade-Policy Preferences?" *Journal of International Economics* 54(2): 267-292.

Mayda, Anna-Maria and Dani Rodrik. 2005. "Why are Some People (and Countries) More Protectionist than Others?" *European Economic Review* 49(6): 1393-1430.

Hainmueller, Jens, and Michael J. Hiscox. 2006. "Learning to Love Globalization: Education and Individual Attitudes toward International Trade." *International Organization* 60(2): 469-498.

Mansfield, Edward D., and Diana C. Mutz. 2009. "Support for Free Trade: Self-Interest, Sociotropic Voting, and Out-Group Anxiety." *International Organization* 63(3): 425-457.

Hiscox, Michael J. 2006. "Through a Looking Glass and Darkly: Attitudes Toward International Trade and the Curious Effects of Issue Framing." *International Organization* 60(3): 755-780.

September 10: Trade Preferences – recent approaches

Owen, Erica and Noel P. Johnston. 2017. "Occupation and the Political Economy of Trade: Job Routineness, Offshorability, and Protectionist Sentiment." *International Organization* 71(4): 665-699.

Naoi, Megumi and Ikuo Kume. 2015. "Workers or Consumers: A Survey Experiment on the Duality of Citizens' Interests in the Politics of Trade." *Comparative Political Studies* 48(10): 1293-1317.

Mutz, Diana C. and Eunji Kim. 2017. "The Impact of In-group Favoritism on Trade Preferences." *International Organization* 71(4): 827-850.

Rho, Sungmin and Michael Tomz. 2017. "Why Don't Trade Preferences Reflect Economic Self-Interest?" *International Organization* 71(SI): S85-S108.

Guisinger, Alexandra. 2009. "Determining Trade Policy: Do Voters Hold Politicians Accountable?" *International Organization* 63(3): 533-557.

September 17: Domestic Trade Interests and Institutions

Milner, Helen V. 1988. "Trading Places: Industries for Free Trade." *World Politics* 40(3): 350-376.

Busch, Marc L. and Eric Reinhardt. 1999. "Industrial Location and Protection: The Political and Economic Geography of U.S. Nontariff Barriers." *American Journal of Political Science* 43(4): 1028-1050.

Bailey, Michael. 2001. "Quiet Influence: The Representation of Diffuse Interests on Trade Policy, 1983-1994." *Legislative Studies Quarterly* 26(1): 45-80.

Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency." *American Political Science Review* 100(3): 369-384.

Miler, Kristina and Todd Allee. 2018. "When Free Traders Become Protectionists: Constituent Advocacy at the International Trade Commission." *Legislative Studies Quarterly* 43(3): 377-407.

September 24: Trade Interests – Firms

Osgood, Iain, Dustin Tingley, Thomas Bernauer, In Song Kim, Helen V. Milner, and Gabriele Spilker. 2017. "The Charmed Life of Superstar Exporters: Survey Evidence on Firms and Trade Policy." *Journal of Politics* 79(1): 133-152.

Plouffe, Michael. 2017. "Firm Heterogeneity and Trade-Policy Stances: Evidence from a Survey of Japanese Producers." *Business and Politics* 19(1): 1-40.

Osgood, Iain. 2017. "The Breakdown of Industrial Opposition to Trade: Firms, Product Variety and Reciprocal Liberalization." *World Politics* 69(1): 184-231.

Kim, In Song. 2017. "Political Cleavages Within Industry: Firm-Level Lobbying for Trade Liberalization." *American Political Science Review* 111(1): 1-20.

October 1: Preferential Trade Agreements

Spilker, Gabriele, Thomas Bernauer, and Victor Umaña. 2016. "Selecting Partner Countries for Preferential Trade Agreements: Experimental Evidence From Costa Rica, Nicaragua, and Vietnam." *International Studies Quarterly* 60: 706-718.

Young, Alasdair R. 2016. "Not Your Parents' Trade Politics: the Transatlantic Trade and Investment Partnership Negotiations." *Review of International Political Economy* 23(3): 345-378.

Owen, Erica. 2017. "Exposure to Offshoring and the Politics of Trade Liberalization: Debates and Votes on Free Trade Agreements in the US House of Representatives." *International Studies Quarterly* 61: 297-311.

Baccini, Leonardo and Johannes Urpelainen. 2014. "International Institutions and Domestic Politics: Can Preferential Trading Agreements Help Leaders Promote Economic Reform?" *Journal of Politics* 76(1): 195-214.

Dean, Adam. 2018. "NAFTA's Army: Free Trade and US Military Enlistment." *International Studies Quarterly* 62: 845-856.

October 8: IPE and Conflict

Kastner, Scott L. 2016. "Buying Influence? Assessing the Political Effects of China's International Trade." *Journal of Conflict Resolution* 60(6): 980-1007.

Kleinberg, Katja and Benjamin Fordham. 2013. "The Domestic Politics of Trade and Conflict." *International Studies Quarterly* 57 (3): 605-619.

Chatagnier, J. Tyson and Kerim Kavakli. 2017. "From Economic Competition to Military Combat: Export Similarity and International Conflict." *Journal of Conflict Resolution* 61(7): 1510-1536.

Savun, Burcu and Daniel C. Tirone. 2018. "Foreign Aid as a Counterterrorism Tool: More Liberty, Less Terror?" *Journal of Conflict Resolution* 62(8): 1607-1635.

McLean, Elena V. and Mitchell T. Radtke. 2018. "Political Relations, Leader Stability, and Economic Coercion." *International Studies Quarterly* 62: 357-370.

October 15: Foreign Direct Investment

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

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.

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

Chalmers, Adam William and Susanna Theresia Mocker. 2017. "The End of Exceptionalism? Explaining Chinese National Oil Companies' Overseas Investments." *Review of International Political Economy* 24(1): 119-143.

Gertz, Geoffrey. 2018. "Commercial Diplomacy and Political Risk." *International Studies Quarterly* 62(1): 94-107.

October 22: Exchange Rates and Borrowing

Leblang, David and Shanker Satyanath. 2006. "Institutions, Expectations, and Currency Crises." *International Organization* 60(1): 245-262.

Guisinger, Alexandra and David Andrew Singer. 2010. "Exchange Rate Proclamations and Inflation-Fighting Credibility." *International Organization* 64(2): 313-337.

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.

Brooks, Sarah M., Raphael Cunha, and Layna Mosley. 2015. "Categories, Creditworthiness, and Contagion: How Investors' Shortcuts Affect Sovereign Debt Markets." *International Studies Quarterly* 59: 587-601.

Nelson, Stephen and David Steinberg. 2018. "Default Positions: What Shapes Public Attitudes about International Debt Disputes?" *International Studies Quarterly* 62: 520–533.

October 29: Financial Liberalization

Mosley, Layna. 2000. "Room to Move: International Financial Markets and National Welfare States." *International Organization* 54(4): 737-773.

Quinn, Dennis P. and A. Maria Toyoda. 2007. "Ideology and Voter Preferences as Determinants of Financial Globalization." *American Journal of Political Science* 51(2): 344-363.

Chwieroth, Jeffrey. 2007. "Neoliberal Economists and Capital Account Liberalization in Emerging Markets." *International Organization* 61(2): 443-463.

Walter, Stefanie. 2016. "Crisis Politics in Europe: Why Austerity Is Easier to Implement in Some Countries Than in Others." *Comparative Political Studies* 49(7): 841 –873.

Kaplan, Stephen B. 2016. "Banking Unconditionally: The Political Economy of Chinese Finance in Latin America." *Review of International Political Economy* 23(4): 643-676.

November 5: Globalization and Development

Rudra, Nita. 2002. "Globalization and the Decline of the Welfare State in Less-Developed Countries." *International Organization* 56(2): 411-445.

Wibbles, Erik. 2006. "Dependency Revisited: International Markets, Business Cycles, and Social Spending in the Developing World." *International Organization* 60(2): 433-468.

Soudis, Dimitrios. 2015. "Credit Rating Agencies and the IPE: Not as influential as thought?" *Review of International Political Economy* 22(4): 813-837.

Seelkopf, Laura, Hanna Lierse, and Carina Schmitt. 2016. "Trade Liberalization and the Global Expansion of Modern Taxes," *Review of International Political Economy* 23(2): 208-231.

Dreher, Axel, Andreas Fuchs, Brad Parks, Austin Strange, and Michael Tierney. 2018. "Apples and Dragon Fruits: The Determinants of Aid and Other Forms of State Financing from China to Africa." *International Studies Quarterly* 62: 182-194.

November 12: Foreign Aid

Dietrich, Simone. 2015. "Donor Political Economies and the Pursuit of Aid Effectiveness." *International Organization* 70(1): 65-102.

Findley, Michael G., Adam S. Harris, Helen V. Milner, and Daniel L. Nielson. 2017. "Who Controls Foreign Aid? Elite versus Public Perceptions of Donor Influence in Aid-Dependent Uganda." *International Organization* 71(4): 633-663.

Bermeo, Sarah Blodgett. 2017. "Aid Allocation and Targeted Development in an Increasingly Connected World." *International Organization* 71(4): 735-766.

Swedlung, Haley J. 2017. "Can Foreign Aid Donors Credibly Threaten to Suspend Aid? Evidence from a Cross-National Survey of Donor Officials." *Review of International Political Economy* 24(3): 454-496.

Snider, Erin. 2018. "US Democracy Aid and the Authoritarian State: Evidence from Egypt and Morocco." *International Studies Quarterly* 62: 795-808.

November 19: Migration

Hainmueller, Jens and Michael J. Hiscox. 2010. "Attitudes Towards Highly Skilled and Low Skilled Immigration: Evidence from a Survey Experiment." *American Political Science Review* 104(1): 61-84.

Fitzgerald, Jennifer, David Leblang, and Jessica C. Teets. 2014. "Defying the Law of Gravity: The Political Economy of International Migration." *World Politics* 66(3): 406-445.

Alarian, Hannah M. and Sara Wallace Goodman. 2017. "Dual Citizenship Allowance and Migration Flow: An Origin Story." *Comparative Political Studies* 50(1): 133-167.

Burgoon, Brian. 2014. "Immigration, Integration, and Support for Redistribution in Europe." *World Politics* 66(3): 365-405.

Leblang, David. 2010. "Familiarity Breeds Investment: Diaspora Networks and International Investment." *American Political Science Review* 104(3): 584-600.

November 26: NO CLASS

December 3: Emerging Topics and Readings

For this final week we will read 4-5 "to be determined" articles. These may be: i) articles that I realize fit your (collective) interests well; ii) papers that we come across during the course of the semester; iii) articles that are directly relevant to what some of you are doing in your final papers.

You may suggest articles to me throughout the semester, and I will compile a running list. I will make final decisions and let you know the list of readings more than a week in advance.