

POSC 278 – The International Political Economy of Developing Nations... a Research Seminar

Tuesday 4-6:30
Room: Wehr Physics 209
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Office Hours: T 12:30-3:00, Th 1:30-4,
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Course Description:

This graduate research seminar introduces students to some of the major areas in the international political economy sub-field. However, it strives to place these approaches beyond just the general discussion and into the context of understanding and using IPE in developing nations specifically. The course will concentrate particularly on trade and monetary policies, investment, economic reform, development and aid (recognizing explicitly that we cannot possibly address all of the major IPE areas).

Since this is a graduate seminar, there is no formal text for the class, but a basic understanding of the international political economy subfield and international economics (broadly conceived) will be very helpful. I personally think Thomas Oatley's *International Political Economy: Interests and Institutions* is one of the best all-around texts (for advanced undergraduates) because he is pretty thoughtful and even-handed in his treatment of the key concepts. One of the "seminal" textbooks (if there is such a thing!) is Robert Gilpin's *Political Economy of Economic Relations* (2001), though the "sub-text" of the text has a pretty strong realist bent. For more technical aspects of international economics (e.g. What is a fixed exchange rate?), I generally refer students to Paul Krugman and Maurice Obstfeld's *International Economics*. It's in its 34th edition (just kidding) and is rather expensive, but you can pick up the penultimate edition pretty cheaply, and it's not terribly different than the latest \$100+ version. If you have no international economics background, I strongly suggest that you get a copy of this book to look up some of the technical terms that are tossed around presumptively in the literature.

Course Requirements:

- 1) Thought Papers (20%) – By 8am each Tuesday, I expect the electronic delivery to me of a "thought" paper on the week's readings (~2 pages single-spaced). Naturally, I am looking forward to high caliber reflection and discussion. For the sake of simplicity, you will be evaluated simply by Very Good, Satisfactory or Unsatisfactory. I expect mostly Very Good, but do understand that occasionally students are time- or energy-constrained. Furthermore, you will be given two "passes" over the semester for family emergencies or the retirement of a sports hero (and it must be a major sports figure). I encourage students to take this exercise very seriously as the thought papers can contribute meaningfully to a foundation for comprehensive exam study.

- 2) Participation (20%) – Like any graduate seminar, this class relies heavily on the participation of the students. Quite simply, there can be no passive participants in the classroom. With the exception of Week 2 when I will facilitate discussion, two students each week will “present” the readings (that works out to three discussion leads). By “present,” I mean a very brief summary of the readings’ main ideas, arguments, evidence, methods, etc., and more importantly, a set of thoughtful and provocative questions/concerns about the readings in order to help guide the discussion of the class. Introducing the optional reading from the week (if any) is always a good idea! Of course, I will contribute appropriately in an effort to take the discussion to other new and interesting places.
- 3) Research Paper – (60%) – Being a research seminar, your major assignment will be to write an original research paper that explores one of the major issue areas that we examine in the course in a developing nation or a set of developing countries. You will need to clear your topic with me before our fall break (there will be a 10% assignment penalty for those who dismiss this obligation). I expect the contribution to be original (i.e. no lengthy literature reviews) but very strongly theoretically driven, with a well developed research design. I strongly encourage data-driven papers, though I am aware of students’ quantitative limitations. We will also take time in the last 3 or 4 weeks to share our research projects with each other. Again, in a bit of a departure from the usual student presentations, you will actually “present” one of your peer’s papers. The presenter is in charge of discussing their colleague’s work including a brief summary of the argument, the research design, and of course, some gentle suggestions for improvement. Students who fail to participate meaningfully in this exercise on either “end” (paper writer or presenter) will be penalized one grade point on the assignment (10%).

Schedule:

Week 1 – August 26th – Introduction to the class, you, me, IPE, and the study of developing nations...

Week 2 – September 2nd – Broad thinking in IPE...

Frieden, Jeffrey and Ronald Rogowski, “The Impact of the International Economy on National Policies: An Analytical Overview” from *Internationalization and Domestic Politics*

Garrett, Geoffrey and Peter Lange. 1996. “Internationalization, Institutions and Political Change” from *Internationalization and Domestic Politics*.

Putman, Robert. 1988. Diplomacy and Domestic Politics: The Logic of Two-Level Games. *International Organization* 42 (Summer 1988): 427-60.

Milner, Helen. 1997. Introduction and Chapter 1 from *Interests, Institutions, and Information: Domestic Politics and International Relations*, 3-64. Princeton: Princeton University Press.

Strange, Susan. 1996. Excerpt from *Retreat of the State: The Diffusion of Power in the World*.

Optional:

Ruggie, John. 1998. What makes the World Hang Together? *International Organization* 52, 4 (Autumn): 855-85.

Moravcsik, Andrew. 1998. A Liberal Theory of International Politics, *International Organization*, 51 (4).

Week 3 – September 9th – Broad Approaches to Understanding International Trade

Alt, James and Michael Gilligan, “The Political Economy of Trading States: Factor Specificity, Collective Action Problems, and Domestic Political Institutions” from *Journal of Political Philosophy*

Krasner, Stephen. 1976. State Power and the Structure of International Trade. *World Politics*, 28, 3 (April): 317-43.

Rogowski, Ronald. 1987. “Trade and the Variety of Democratic Institutions”. *International Organization* 41, 2: 203-223.

Goldstein, Judith. 1996. International Law and Domestic Institutions: Reconciling North American ‘Unfair’ Trade Laws. *International Organization* 50 (4): 541-564.

Hansen, Wendy and Kee Ok Park. 1995. “The Nation-state and Pluralistic Decision Making in Trade Policy” *International Studies Quarterly*.

Optional:

Keohane, Robert. 1997. Problematic Lucidity: Stephen Krasner's "State Power and the Structure of International Trade," *World Politics*, 50 (1):150-70.

Snidal, Duncan. "The Limits of Hegemonic Stability Theory," *International Organization* 39 (Autumn 1985): 579-614.

Week 4 – September 16th – Trade in Developing Countries

Baker, Andy. 2003. “Why is Trade Reform so Popular in Latin America?” *World Politics* 55, 3: 423-55.

Hankla, Charles. 2006. “Party strength and international trade: a cross-national analysis.” *Comparative Political Studies* 39, 9: 1133-56.

Busch, Marc and Eric Reinhardt, “Developing Countries and General Agreement on Tariffs and Trade/World Trade Organization Dispute Settlement.” *Journal of World Trade*.

Milner, Helen with Keiko Kubota. 2005. “Why the move to free trade? Democracy and Trade Policy in the Developing Countries.” *International Organization* 59: 107-43.

Drope, Jeffrey. 2007. “The political economy of nontariff trade barriers in emerging economies.” *Political Research Quarterly*.

Week 5 – September 23rd – Regionalism

Frieden, Jeffrey. 2002. Real Sources of European Currency Policy. *International Organization* 56, 4 (Autumn): 831-60.

Hurrell, Andrew. 1995. "Explaining the Resurgence of Regionalism in World Politics." *Review of International Studies*.

Mansfield, Edward and Helen Milner. "The New Wave of Regionalism" *International Organization*.

Rodrik, Dani. "How Far Will International Economic Integration Go?" from *Journal of Economic Perspectives*.

Solingen, Etel. 2001. "Mapping Internationalization: Domestic and Regional Impacts." *International Studies Quarterly* 45, 4.

Optional:

Mansfield, E. and E. Reinhardt. 2003. Multilateral Determinants of Regionalism. *International Organization* 57, 4 (Fall): 829-62.

Week 6 – September 30th – Democracy and Trade

Allee, Todd L. and Paul K. Huth. 2006. "Legitimizing Dispute Settlement: International Legal Rulings as Domestic Political Cover." *American Political Science Review* 100, 2: 219-34.

Bliss, Harry and Bruce Russett. 1998. "Democratic Trading Partners." *Journal of Politics* 60, 4.

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

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: 305-21.

Morrow, James D., Randolph M. Siverson and Tressa E. Tabares. 1998. "The Political Determinants of International Trade: The Major Powers, 1907-90." *American Political Science Review* 92, 3: 649-61.

Optional:

Morrow, James D., Randolph M. Siverson and Tressa E. Tabares. 1999. "Correction to "The Political Determinants of International Trade"." *American Political Science Review* 93, 4: 931-33.

Zeng, Ka. 2002. "Trade Structure and the Effectiveness of America's "Aggressively Unilateral" Trade Policy." *International Studies Quarterly* 46, 1: 93-115.

Week 7 – October 7th – Monetary Policy

Broz, Lawrence & Jeffrey Freiden, "The Political Economy of International Monetary Relations" *Annual Review of Political Science*.

Franzese, Robert. "Partially independent central banks, politically responsive governments, and inflation" *American Journal of Political Science*.

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

Bernhard, William and David LeBlang. 1999. Democratic Institutions and Exchange Rate Commitments. *International Organization* 53, 1 (Winter): 71-97.

Bernhard, W., J. Broz, and W. Clark. 2002. The Political Economy of Monetary Institutions. *International Organization* 56, 4 (Autumn): 693-723.

Optional:

Cukierman, Alex, S. Webb and A. Neyapti. 1992. "Measuring the Independence of Central Banks and Its Effect on Policy Outcomes." *World Bank Economic Review* 6, 3.

Week 8 – October 14th – Monetary Policy in Developing Nations

* Research Paper Topics to be cleared with me by this day.

Brooks, Sarah Marie. 2004. Explaining Capital Account Liberalization in Latin America: A Transitional Cost Approach. *World Politics* 56 (4): 389-430.

Fischer, Stanley. 2001. "Exchange Rate Regimes: Is the Bipolar View Correct?" *Journal of Economic Perspectives* 15, 2 (3-24) (*Note: I have posted a slightly different version.)

Maxfield, Sylvia. Excerpt from *Gatekeepers of Growth: The International Political Economy of Central Banking in Developing Countries* (1997).

Keefer, Philip, and David Stasavage. 2003. The Limits of Delegation: Veto Players, Central Bank Independence, and the Credibility of Monetary Policy. *American Political Science Review* 97 (3): 407-423.

Week 9 – October 21st – Reforming from Without

Kahler, Miles. "External Influence, Conditionality, and the Politics of Adjustment" from *The Politics of Economic Adjustment*

Remmer, Karen. "The politics of neoliberal economic reform in South America, 1980-1994." *Studies in Comparative International Development* 33, 2: 3-29.

Simmons, Beth, and Zachary Elkins. 2004. The Globalization of Liberalization: Policy Diffusion in the International Political Economy. *American Political Science Review* 98 (1): 171-189.

Stone, Randall. 2004. The Political Economy of IMF Lending in Africa. *American Political Science Review* 98 (4): 577-592.

Week 10 – October 28th – The Path to Development?

Cardoso, Fernando and Enzo Faletto 1979. Preface and introduction *Dependency and Development in Latin America*, vii-xxv and pp. 1-28. Berkeley: University of California Press.

Frank, Andre Gunder. 1966. The Development of Underdevelopment. *Monthly Review* 18 (reprinted in 41 (June 1989)): 37-51.

Grieco, Joseph. 1982. Between Dependency and Autonomy: India's Experience with the International Computer Industry. *International Organization* 36, 3 (Summer): 609-32

Wade, Robert. 1996. "Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective." *New Left Review* Vol. A.

Week 11 – November 4th – The Path “not out”...

- Friman, H. Richard and P. Andreas. 1999. Introduction: International Relations and the Illicit Global Economy. In H. Friman and P. Andreas, eds., *State Power and the Illicit Global Economy*, 1-23. Boulder: Rowman & Littlefield.
- Manzetti, Luigi. 2003. Political Manipulations and Market Reforms Failures. *World Politics* 55, 3 (2003): 315-60.
- Ross, Michael. 1999. “The Political Economy of the Resource Curse.” *World Politics* 51, 2: 297-322.
- Snyder, Richard. 2006. “Does Lootable Wealth Breed Disorder? A Political Economy of Extraction Framework.” *Comparative Political Studies* 39, 8: 943-68.

Week 12 – 11th – The Politics of Aid

- Remmer, Karen. 2004. “Does Foreign Aid Promote the Expansion of Government?” *American Journal of Political Science* 48, 1: 77-92.
- Easterly, William. 2003. “Can Foreign Aid Buy Growth?” *Journal of Economic Perspectives* 17, 3: 23-48.
- Goldsmith, A. 2001. Foreign Aid and Statehood in Africa. *International Organization* 55, 1: 123-48.
- Kosack, Stephen, and Jennifer Tobin. 2006. Funding Self-Sustaining Development: The Role of Aid, FDI and Government in Economic Success. *International Organization* 60 (1): 205-243.

Week 13 – November 18th – Globalization

- Garrett, Geoffrey. 1998. Global Markets and National Politics: Collision Course or Virtuous Cycle? *International Organization* 52, 4 (Autumn): 787-824.
- Mittelman, James. 1996. Dynamics of Globalization. In J. Mittleman, ed., *Globalization: Critical Reflections*, 1-20. Boulder: Lynne Rienner.
- Rudra, Nita. 2002. Globalization and the Decline of the Welfare State in Less Developed Countries. *International Organization* 56 (2): 411-446.
- Ruggie, John. 2004. Reconstituting the Global Public Domain—Issues, Actors, and Practices. *European Journal of International Relations* 10, 4: 499-531
- Wade, Robert. 2004. “Is Globalization Reducing Poverty?” *World Development*.

Optional:

Stiglitz, Joseph. 2002. *Globalization and Its Discontents*. New York: W.W. Norton: See especially chapters 1,4-5,8.

Week 14 – November 25th – Readers’ Choices – In a departure from the norm, I want each student immediately after the November 18th class to distribute electronically to the entire class an article or book chapter that they found particularly helpful in their research. Preferably, I would like the research to have broad implications for the study of IPE in developing nations (theoretical and/or empirical). Each student is compelled to read at least 4 (their choice) of their colleagues’ recommendations. Accordingly, thought

papers are absolutely MANDATORY this day. Each student will briefly present their reading, and titillating discussion will ensue. I will seek to tie all the readings together with brilliant, “synthetic” commentary.

Week 15 – December 2nd – Wrap-up and final paper discussions.

Alt, James and J. Frieden, M. Gilligan, D. Rodrik and R. Rogowski. 1996. “Political Economy of International Trade: Enduring Puzzles and an Agenda for Inquiry.” *Comparative Political Studies* 29, 6.

Frieden, Jeffrey and Lisa Martin. 2002. International Political Economy: Global and Domestic Interactions. In I. Katznelson and H. Milner, eds., *Political Science: The State of the Discipline*, 118-46. NY: WW Norton.

FINAL PAPER DUE IN MY OFFICE BY TUESDAY, DECEMBER 9th AT 5:30PM.