Purpose:

PS 213 is a seminar on the theories of international political economy. We will systematically examine theoretical answers to questions such as: Why do countries open their markets to international trade and why in some products more than others? Why do governments sometime use tariffs but at other times non-tariff barriers to protect domestic producers? Why have many—but not all—countries removed restriction on capital in- and outflows in recent years? Why do some governments pay their debts, but not others and with what consequence? What explains the allocation of foreign direct investment and foreign aid? What are the consequences of economic globalization, especially increased financial openness? Does such openness boost or reduce economic growth, human development, political rights, gender equality?

We will also examine more general questions, such as: What is the role of domestic and/or international political institutions in explaining inter- or transnational conflict and cooperation? What is the relationship between public and private authority in the international political economy? And what defines IPE as a field?

The main focus of the seminar will be the analysis of the works we read as theory: What are the assumptions? Do the hypotheses logically follow from those assumptions? Are they compelling? What is the stipulated causal mechanism? What exactly is the explanandum? What alternative explanations might there be? Etc. As part of our discussions, we will also consider how well the various theoretical arguments are supported empirically by the authors’ own empirical research or otherwise—and how the research design might be improved to allow more systematic assessments of competing claims.

Prior familiarity with the central concepts and basic models of international economics, such as the notion of comparative advantage and the Ricardian and specific factors models of trade, is highly recommended. PS213 also assumes basic empirical knowledge about current political-economic issues and the history of the international political economy, including the major institutions of trade and finance, such as the GATT/WTO, IMF, and the World Bank. Students who would like to brush up on these issues should consult the recommended readings listed below the required readings for the introductory meeting of the course. PS213 is geared primarily toward PhD students in Political Science, but is open to others, including qualified undergraduates, with permission of the instructor.

Requirements

Active and thoughtful participation in the discussion—including the ability to listen—are an essential part of this seminar and will count for 30% of the grade. Students will post weekly at least one question for discussion (no later than 10pm on Sunday preceding class) and may lead the seminar discussion for part of one or two sessions. In the interest of fairness, I may also call on students who seem not to have had an opportunity to participate equally in the discussion.

Students will write three short papers, each counting for 10% of the grade, during the course of the semester. One of the short papers should be a careful theoretical critique of a single major work based on a close reading, keeping in mind Imre Lakatos dictum that "the first stage of any serious criticism of a
scientific theory is to reconstruct, improve its logical deductive articulation." One of the short papers should address a broader issue or debate, drawing on all pertinent required readings (usually primarily from a single week). Each student may choose his or her own topic for this paper, but the chosen topics should focus mainly on the issues and required readings for this course. Finally, one paper must answer a prelim-type question, from a list that I will provide via the course website. The papers are due at the beginning of class for which the discussed readings are assigned (prelim-type essays at the beginning of the last class of the issue-specific section to which it applies). Each student may choose the order of the three papers, but they must be written for different weeks. At least one paper must be written by week 5 and another at the latest for week 9. The papers should be 5-8 double-spaced pages in length, following standard formatting and referencing guidelines (maximum length is 2,000 words of text incl. footnotes and 10 pages max. incl. references). Each essay should be paginated and stapled, contain an un-numbered title page (which should be the only place where your name appears), repeat the title at the top of the first page of text, and report the word count (incl. notes) at the end of the essay.

In addition, there will be a written exercise at the end of the course (40% of the grade), consisting of two broad questions from the IPE section of past qualifying exams. Possible questions will be distributed in advance; two of those questions will be chosen at random 24 hours before the essays are due. Essays should be 4-6 double-spaced pages per question. Graduate students who want to fulfill the seminar paper requirement based on this course may write a seminar paper instead of the final written exercise (only), with permission of the instructor. Those who intend to exercise this option should submit a paper proposal no later than Oct. 12. All written work must be done individually, but you may discuss each paper's topic and your ideas in advance with your peers, as long as they are individually acknowledged in the papers.

Readings

Many of the required readings are journal articles, which should be available to you online via Duke's electronic journal holdings or bibliographic databases (online); some other readings are on electronic reserves (e-res), and a few (mostly unpublished manuscripts) are accessible via the course website (cws) with access restricted to students enrolled in the class. All books from which we read any chapters have been placed on reserve at Perkins library; some of these books have additionally been ordered at Duke's Textbook Store (indicated by an asterisk below). I highly recommend those books, but buy only those you want.

Intro: Alternative Approaches to IPE (Aug. 24)


**Recommended: What is IPE?**

**Recommended: Economic Theory**

**Recommended: Economic History and Empirics**

I also highly recommend a subscription to the *Financial Times* (at greatly reduced rates for students from http://news.ft.com/Education/Portal/) to keep up with current international political and economic affairs.

1. **Trade I & Assessment of IPE Scholarship** (Aug. 31)

**Trade I: The Politics of Foreign Economic Policy**


1a. Standards of Assessment for IPE Scholarship
*  King, Gary, Robert O. Keohane, and Sidney Verba. In *Designing Social Inquiry: Scientific Inference in Qualitative Research.* Princeton: Princeton University Press, 1994: esp. sections 1.1, 1.2.0–1.2.3, 1.3.3, 1.3.4; 2.1.2, 2.2, 2.6, 2.7; 3 (all); 4.1, 4.3, and 4.4.  [pp. 3-27, 31-33; 42f, 46-49, 55-71; 75-95, 99-114; 118-121, 122f, 128-149].

Recommended

2. Trade II: International Trade Agreements and the Domestic Politics of Trade (Sep. 7)
online  Rose, Andrew. "Do We Really Know That the WTO Increases Trade?" *American Economic Review* vol.94 no.1 (March 2004): 98-114.


**Recommended (Trade):**


3. Trade III: The Politics of Non-Tariff Barriers (Sep. 14)


Recommended:


Hummels, David. *Time as a Trade Barrier.* Unpublished Manuscript, Purdue University, July 2001. [available from David Hummels' website].


4. International Finance I: Financial Liberalization (Sep. 21)


**Advanced Industrialized Countries**


**Developing Countries**


**Recommended:**


5. International Finance II: Exchange Rates; Lending & Debt (Sep. 28)


**Recommended:**


NOTE: No class on Monday, Oct. 5, 2009 (Fall Break).


**online** Li, Quan and Adam Resnick. "Reversal of Fortunes: Democratic Institutions and Foreign Direct Investment Inflows to Developing Countries." *International Organization* vol.57 no.1 (Winter 2003): 175-211.


**Recommended:**


Neumayer, Eric, and Laura Spess. "Do Bilateral Investment Treaties Increase Foreign Direct Investment to Developing Countries?" *World Development* vol.33 no.10 (October 2005): 1567-1585.


**7. International Institutions & International Law** (Oct. 19)


Recommended:

8. Private Authority in the Global Economy (Oct. 26)


**Recommended:**


### 9. The Politics of Economic Development (Nov. 2)


**Recommended:**


### 10. Foreign Aid (Nov. 9)


**online** Smillie, Ian.  "NGOs and Development Assistance: A Change in Mind-Set?"  *Third World Quarterly* vol.18 no.3 (September 1997): 563-577.


**Recommended:**


### 11. Globalization and Its Consequences (Nov.16)

**Consequences of Globalization in Developed Countries**


**Consequences of Globalization in Developing Countries**


**Recommended, Developed Countries:**


**Recommended, Developing Countries:**


12. Research Frontiers in IPE (Nov.23)
There are numerous research frontiers in IPE. We have devoted entire weeks to some of them, such as the politics of setting standards and regulations or private governance. In other weeks, we have read works at the frontier of IPE research along with some of the classics. The readings this week seek to familiarize you with some of the research frontiers not covered elsewhere in the syllabus.

**Gender**

**Recommended:**

**Diffusion/Convergence**

**Migration and Its Consequences**

**The Nature of IPE**

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**Final Written Exercise:**
*Dec 2-3 or Dec 10-11, 9am (each)*