Purpose:

PS 213 is a seminar on the theories of international political economy. We will systematically examine theoretical explanations for why countries open their markets to international trade in some products, but not others; why governments sometime use tariffs but at other times non-tariff barriers to protect domestic producers; why many countries have removed restriction on capital in- and outflows in recent years; what the consequences are of economic globalization, especially increased financial openness; and whether it helps or hinders economic development. 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? (Note that, for lack of time, we will not discuss several issue that are part of IPE in a broader sense and constitute perfectly appropriate issues for preliminary exam questions, such as the international politics of the environment and human rights. Students interested in these issues may want to consult the syllabus for my course "Non-State Actors in World Politics.") As part of our discussions, we will 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. 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 for this phenomenon? Etc.

A central concern of international political economy is to understand why the world often appears not to work as basic neoclassical economic models suggest it should. Consequently, 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 presumes 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 for week 1. 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 seminar discussion—including the ability to listen—are an essential part of this course 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. I may also, in the interest of fairness, 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 short 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 and one paper must be written at the latest for 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 unnumbered 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 selected at random from the IPE section of past qualifying exams. Possible questions will be distributed in advance. The two questions for the actual essays will be selected 24 hours before the essays (4-6 double-spaced pages per question) are due. 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 Feb.26. All written work must be done individually, but you may discuss your topic and 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 unpublished manuscripts are accessible only 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.

1. Conceptualizing Alternative Approaches and Assessing Theoretical Work in IPE (Wed, Jan. 10)

**NOTE:** This class substitutes for Monday 1/15 (Martin Luther King Holiday).

*Alternative Approaches to IPE*


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Spring 2007

PS213: Theories of IPE (Prof. Büthe)

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**Assessing Theoretical Work in IPE**

* 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: Theory**


**Recommended: 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.

**2. Trade I: International and Transnational Explanations (1) (Jan. 22)**


**Recommended:**

3. Trade II: International and Transnational Explanations (2) (Jan. 29)
online Rose, Andrew. "Do We Really Know That the WTO Increases Trade?" *American Economic Review* vol.94 no.1 (March 2004): 98-114.

**Recommended:**

4. Trade III: Transnational and Domestic Explanations (Feb. 5)


Recommended:


5. Trade IV: The Politics of Non-Tariff Barriers (Feb. 12)


**Recommended:**


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


### 6. Institutions & Cooperation (Feb. 19)


**online** Simmons, Beth A. "International Law and State Behavior: Commitment and Compliance in International Monetary Affairs." *American Political Science Review* vol.94 no.4 (December 2000): 819-835.


Recommended: International Institutions, General Debate


Recommended: How Institutions Matter in World Politics


*Advanced Industrialized Countries*


*Developing Countries*


*Recommended:*


8. International Finance II: Exchange Rates; Lending & Debt (Mar. 5)


*Recommended:*


9. Foreign Direct Investment and Multinational Corporations (Mar. 19)

- **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:**

10. Economic Development (Mar. 26)

- **Online**


Recommended:


11a. Gender & Development (Apr. 2)


11b. Foreign Aid (Apr. 2)


online Smillie, Ian. "NGOs and Development Assistance." Third World Quarterly vol.18 no.3 (September 1997).


12. Globalization and Its Consequences in Advanced Industrialized Countries (Apr. 9)


Recommended:


13. Consequences of Globalization in Developing Countries (Apr. 16)


Recommended:

**Final Written Exercise:**
**April 23 - 24 or April 29 - 30, 9am**