Purpose

In this seminar, we will read and examine some of the classics and much of the recent literature on core topics and the current research frontier in IPE. We will scrutinize answers to questions such as: Why do countries open their markets to international trade and why some markets more than others? Why do governments that seek to protect domestic producers sometime use tariffs but at other times non-tariff barriers? Why have most—but not all—countries removed restriction on capital in- and outflows during the last two to three decades? 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? How does economic openness affect economic growth, human development, political rights, gender equality, or the likelihood and severity of anticompetitive behavior?

We will also examine more general questions, such as: What is the role of domestic and/or international political institutions in explaining conflict and cooperation in inter- or transnational economic relations? What are the political consequences when the boundaries of markets no longer coincide with the borders of states; what are the political consequences of economic globalization? What is the nature of power and authority—both public and private—in the governance of 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 exactly is the explanandum? What are the assumptions? What exactly is the logic of the argument; what is the stipulated causal mechanism? Do the hypotheses follow? Are they compelling? 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. PS651 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 listed below the required readings for the introductory meeting of the course. PS651 is geared primarily toward graduate 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 the evening preceding class). 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 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 [and] improve its logical deductive articulation." One of the papers should address a broader issue or debate, drawing on all the pertinent required readings (usually primarily from a single week). Each student may choose his or her own topic for this paper, but the papers 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. Moreover, at least one paper must be written for one of the classes on trade (1-4), one on a topic from the weeks on finance, development or foreign aid (weeks 5-9). 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 including footnotes and 10 pages max. incl. references). Each paper should be paginated and report the word count (incl. notes) at the end of the essay. Please submit them electronically, ideally via the "dropbox" of the sakai course website.

In addition, there will be a written exercise at the end of the course (40% of the grade), consisting of two broad questions from past qualifying exams (or very similar). Possible questions will be distributed in advance; two of those questions will be chosen at random 24 hours before the essays are due. These essays should be 4-6 double-spaced pages per question. Graduate students may write a seminar paper in lieu of the final written exercise, with permission of the instructor. Those who intend to exercise this option should submit a paper proposal no later than mid-October (end of the week of fall break). 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 your written work.

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 (including some unpublished manuscripts) are accessible via the course website (cws) with access restricted to students enrolled in the class. All books from which we read such large selections that they cannot be placed on e-reserves have been placed on physical reserve at Perkins library (reserve); you might consider acquiring them.

Introduction: Alternative Approaches to IPE (Aug. 27)


Recommended: What is IPE?


---


Recommended: Economic Theory


Recommended: Economic History and Empirics


I also highly recommend keeping up with current international political and economic affairs, ideally by reading the *Financial Times*, alternatively by reading the *New York Times*.

1. Trade I (Sep. 3)

*The Politics of International Economic Relations: The Classics*

NB: You should have read large parts or all of these previously; these selections will remind you of some of the key argument


*The Politics and Economics of Trade: Interests and (Domestic) Institutions (I)*

NB: You should have read large parts or all of these previously; these selections will remind you of some of the key argument


2. Trade II & Assessment of IPE Scholarship (Sep. 10)

The Politics and Economics of Trade: Interests and (Domestic) Institutions (II)


*Standards of Assessment for IPE Scholarship*

King, Gary, Robert O. Keohane, and Sidney Verba. *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*


3. Trade III: International Institutions and the Politics of Trade (Sep. 17)

*General/Background*


*Debate over the Effect(iveness) of the WTO*

online Rose, Andrew. "Do We Really Know That the WTO Increases Trade?" *American Economic Review* vol.94 no.1 (March 2004): 98-114.


*Politics of International Trade and International Institutions*


*Recommended (Trade):*


### 4. Trade IV: The Politics of Non-Tariff Barriers (Sep. 24)

**General**


**Politics of Standards and Regulations in International Product Markets**


Recommended:


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


5. International Finance I: Financial Liberalization (Oct. 1)

Advanced Industrialized Countries


**NOTE:** No class on Tuesday, Oct. 15, 2013 (Fall Break).

### 7. International Finance III: Multinational Corporations and Foreign Direct Investment (Oct. 22)

**Background**


**Impact of Domestic Institutions on MNCs and FDI**

- 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.

**Impact of International Institutions on MNCs and FDI**


**Political Consequences of FDI**


**Recommended:**

8. The Politics of Economic Development (Oct. 29)


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.


**Recommended:**


### 9. Foreign Aid (Nov. 5)


**Recommended:**


# 10. Globalization and Its Consequences (Nov. 12)

**Consequences of Globalization in Developed Countries**


**Consequences of Globalization in Developing Countries**


**Recommended, Developed Countries:**


There are numerous research frontiers in IPE. We have devoted entire weeks to one of them, the politics of setting standards and regulations; in other weeks, we have read works at the frontier of IPE research along with some of the classics. During the last three weeks, we will explore some of the research frontiers not covered elsewhere in the syllabus.

Recommended Reading:

Recommended Reading:

There are numerous research frontiers in IPE. We have devoted entire weeks to one of them, the politics of setting standards and regulations; in other weeks, we have read works at the frontier of IPE research along with some of the classics. During the last three weeks, we will explore some of the research frontiers not covered elsewhere in the syllabus.

12. Research Frontiers in IPE: Gender, Migration, Antitrust, Diffusion (Nov. 26)

Gender


- **Chattopadhyay, Raghabendra, and Esther Duflo.** "Women as Policy Makers: Evidence from a Randomized Policy Experiment in India." *Econometrica* vol.72 no.5 (September 2004): 1409-1443.


Migration and Its Consequences

- **Kapur, Devesh, and John McHale.** "Cosmopolitanism and the 'Brain Drain'". *Ethics & International Affairs* vol.20 no.3 (Fall 2006): 305-320.


Anticompetitive Behavior in a Global Economy


- **Department of Justice.** "Statement of Assistant Attorney General Joel I. Klein Concerning the Filing of the Vitamins Case, U.S. v. F. Hoffmann-LaRoche Ltd, BASF Aktiengesellschaft, and Dr. Kuno..."


**Online**


**13. Research Frontiers in IPE III: Behavioral Economics** (Extra Session: Dec. 3)

*Behavioral Economics and its Implications for the Study of IPE*


**Final Written Exercise:**

*early December (details TBA)*