

**POLI 7946: Seminar in the Politics of International Economic Relations**  
**Mondays 1:30-4:20 Spring 2022**  
**210 Stubbs Hall**

**Instructor**

- Daniel C. Tirone
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- Phone: (225) 578-2531
- Office Hours: Online via Zoom Tuesdays from 1:30-3:30pm, or by appointment. Zoom Meeting ID and password will be posted to the course Moodle site.

**Course Description:** This course is a seminar in the international political economy subfield of international relations. The goal for the course is to familiarize students with prominent scholarship in many of the subject areas within IPE, including issues relating to the politics of monetary systems, trade, and foreign aid. There are no prerequisites for the course, but students who have taken the graduate proseminar in international relations or who have studied economics at the undergraduate or graduate level will find themselves utilizing material they have studied in these courses. Students who have not taken these courses will still be able to access the material, as each of the major economic and theoretical concepts will be discussed in-class.

**General Statement on Academic Integrity:** Louisiana State University adopted the Commitment to Community in 1995 to set forth guidelines for student behavior both inside and outside of the classroom. The Commitment to Community charges students to maintain high standards of academic and personal integrity. All students are expected to read and be familiar with the LSU Code of Student Conduct and Commitment to Community, found online at [www.lsu.edu/saa](http://www.lsu.edu/saa). It is your responsibility as a student at LSU to know and understand the academic standards for our community.

Students who are suspected of violating the Code of Conduct will be referred to the Office of Student Advocacy and Accountability. For undergraduate students, a first academic violation could result in a zero grade on the assignment or failing the class and disciplinary probation until graduation. For a second academic violation, the result could be suspension from LSU. For graduate students, suspension is the appropriate outcome for the first offense.

**Plagiarism and Citation Method:** As a student at LSU, it is your responsibility to refrain from plagiarizing the academic property of another and to utilize appropriate citation method for all coursework. Ignorance of the citation method is not an excuse for academic misconduct. Remember there is a difference between paraphrasing and quoting and how to properly cite each respectively. If you have questions regarding what is appropriate, please consult with the library's tutorials on avoiding plagiarism and proper citation formats (links are also provided on the course *Moodle* page).

**Group work and unauthorized assistance:** All work must be completed without assistance unless explicit permission for group or partner work is given by the faculty member. This is critical so that the professor can assess your performance on each assignment. If a group/partner project is assigned, the student may still have individual work to complete. Read the syllabus and assignment directions carefully. You might have a project with group work and a follow up report that is independently written. When in doubt, e-mail the faculty member or ask during a class session. Seeking clarification is your responsibility as a student. Assuming group/partner work is okay without permission constitutes a violation of the LSU Code of Student Conduct.

**Students requiring special accommodation:** Louisiana State University is committed to providing reasonable accommodations for all persons with disabilities. Any student with a documented disability needing academic adjustments is requested to speak with the Disability Services and the instructor, as early in the semester as possible. All discussions will remain confidential. This publication/material is available in alternative formats upon request. Please contact the Disability Services, 115 Johnston Hall, (225) 578-5919.

### Course Expectations:

A few notes on participation:

1. All students are expected to participate in class discussions. Students are therefore expected to come to class prepared, having read all of the assigned material for that week.
2. Many of the issues and approaches utilized in international relations are subject to debate. Students are therefore encouraged to question the material in a thoughtful and respectful manner. No student will be penalized for presenting an argument which questions the material presented; all perspectives are welcome, although they are also fair game for class discussion and debate.
3. In order to facilitate class discussion and preserve an environment in which all students are encouraged to participate, please keep your class contributions directed at the material and arguments presented and not at fellow class members. Comments of a personal nature directed against fellow students will not be tolerated.

**COVID-19 Statement:** We remain under pandemic conditions and expect to be in this state for the entire semester. In order to consistently provide the highest quality LSU education, all students should follow current LSU guidelines. These include the following:

1. If you have any signs of illness, do not come to class.
2. In order to protect all campus community members, the University requires everyone to wear facemasks/cloths on campus. Failure to do so is a violation of the code of student conduct.
3. Wash hands with soap and water or clean with sanitizer frequently, and refrain from touching your face.

4. If you have to cough or sneeze unexpectedly, please be mindful of others nearby and cough or sneeze into your elbow or shield yourself the best you can.
5. If you have been exposed to others who have tested positive for COVID-19, follow [LSU guidelines](#) for reporting and quarantining.

**Daily Symptom Checker:** You are required to respond to a daily symptom check request sent via email or text message each morning. Completing the symptom checker will take approximately one to two minutes. Once you have provided information about your symptoms, you will be given feedback on whether or not you are certified to return to campus and attend your classes. Additionally, if you test positive for COVID-19, you are required to report it in your daily symptom checker application.

**Resources for Students:** Your health and safety are LSU's top priority. If you are feeling ill or overwhelmed with anxiety, please contact the [LSU Student Health Center](#) for medical advice and mental health support. General health care and mental health support are available for all enrolled students through telehealth appointments.

**Unexpected Changes to Courses:** Due to the unpredictable nature of the current situation, the format of the course and/or requirements may be forced to change, and if this is the case that students will be given appropriate notification.

**Grading Policy:** The grading breakdown is as follows:

Class participation: 5%  
 Weekly reading questions 10%  
 Leadership of class discussions: 25%  
 Research paper proposal: 10%  
 Research paper, final draft: 50%

A+: 97-100	B+: 87-89	C+: 77-79	D: 67-69	F: 59 or below
A: 93-96	B: 83-86	C: 73-76	D: 63-66	
A-: 90-92	B-: 80-82	C-: 70-72	D-: 60-62	

One student each week (depending on enrollment some weeks may have two students) will be responsible for leading the class discussion of the assigned materials. This student should prepare notes including summaries of the research question under analysis; the main argument of each reading; the empirical approach, including methods and measures (if applicable); and finally, the author's primary finding and conclusion. The student must email these notes to all other class members by 9am the day of class, and will be responsible for presenting these notes and leading the class discussion during that day's seminar. Submissions will be evaluated on timeliness of submission, thoroughness and accuracy of the material covered, and overall presentation (including basic editing and grammatical style). Each student will serve as a discussant leader twice during the semester.

Students who are not leading the discussion that week must themselves prepare a brief series of reading questions and responses to the assigned readings. These question and responses can be potential research topics drawn from the readings, methodological or theoretical questions which particularly struck the student as he or she read the article, or criticisms of the theory and/or research methods. Each student must submit these questions to Moodle by no later than 9am on the day of class. Assignments will be evaluated on timeliness of submission, thoughtfulness and creativity, and general execution.

Class participation will be evaluated on a combination of the frequency and quality of a student's contribution to the in-class discussion, promptness (points may be deducted for arriving late or leaving early) and ability to answer instructor questions.

Each student will turn in a research paper by the end of the semester at the time noted on the syllabus. The paper must focus on an issue related to international political economy, including but not limited to the topics included in class. I highly recommend that you meet with me prior to submitting your paper proposal by the time and dated noted in the syllabus. The proposal need only be one or two pages, and should focus on identifying the research question under analysis; which subfield of international political economy the question relates to; the theory and hypotheses to be examined; and how these relate to the current literature on the topic. These proposals will be largely evaluated for grading purposes on whether the assignment meets the guidelines and was submitted on time. However, I will provide feedback encouraging you to proceed as planned, or suggesting that we meet to discuss how the project could be improved. The final project should follow the general journal format, meaning the paper must include the following elements: Introduction; Literature Review; Theory (including hypotheses to be tested); Research Design and Results; and Conclusion. If you have any questions at all about the assignment please do not hesitate to see me.

## Course Outline & Reading Schedule

Week 1: No Class, Semester Begins Tuesday January 18

Week 2: January 24 – Course Introduction - What is IPE?

- Rodrik, Dani. 2015. *Economics Rules. The Rights and Wrongs of the Dismal Science*. W.W. Norton & Company: New York.

## Part I: International Political Economy and Domestic Politics

### Week 3: January 31 – Societal Preferences and Economic Policy Outcomes

- Rogowski, Ronald. 1987. "Political Cleavages and Changing Exposure to Trade." *American Political Science Review* 81(4): 1121-1137.
- Frieden, Jeffrey A. 1991. "Invested Interests: The Politics of National Economic Policies in a World of Global Finance." *International Organization* 45(4): 425-451.
- Garrett, Geoffrey and Peter Lange. 1995. "Internationalization, Institutions, and Political Change." *International Organization* 49(4): 627-655.
- Hiscox, Michael J. 2001. "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade." *International Organization* 55(1): 1-46
- Frieden, Jeffrey A. 2002. "Real sources of European Currency Policy: Sectoral Interests and European Monetary Integration." *International Organization* 56(4): 831-860.
- Bearce, David H. 2003. "Societal Preferences, Partisan Agents, and Monetary Policy Outcomes." *International Organization* 57: 373-410.

### Week 4: February 7 – Citizens, Markets and the State

- Polanyi, Karl. 1944. *The Great Transformation*. Beacon Press.
- Ruggie, John Gerard. "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order". *International Organization* 36(2): 379-415.
- Rodrik, Dani. 1998. "Why Do More Open Economies Have Bigger Governments?" *Journal of Political Economy* 106(5): 997-1032

### Week 5: February 14 – Globalization and State Policies

- Kono, Daniel Y. 2006. "Optimal Obfuscation: Democracy and Trade Policy Transparency" *American Political Science Review* 100(3): 369-384.
- Kim, So Young. 2007. "Openness, External Risk, and Volatility: Implications for the Compensation Hypothesis." *International Organization* 61(1): 181-216
- Rudra, Nita. 2007. "Welfare States in Developing Countries: Unique or Universal" *The Journal of Politics* 69(2): 378-396.
- Dean, Adam. 2018. "NAFTA's Army: Free Trade and US Military Enlistment." *International Studies Quarterly*, 62(4): 845-856.
- Konczal, Mike. 2021. *Freedom From the Market*. The New Press: New York.

## Part II: International Trade and Foreign Investment

### Week 6: February 21 – Trade, Globalization and Conflict

- Oneal, John R. and Bruce M. Russett. 1997. "The Classic Liberals Were Right: Democracy, Interdependence and Conflict, 1950-1985." *International Studies Quarterly* 41(2): 267-293.
- Mansfield, Edward D. and Brian M. Pollins. 2001. "The Study of Interdependence and Conflict: Recent Advances, Open Questions and Direction for Future Research" *Journal of Conflict Resolution* 45(6): 834-859.
- Gartzke, Erik and Quan Li. 2003. "Measure for Measure: Concept Operationalization and the Trade Interdependence-Conflict Debate." *Journal of Peace Research* 40(5): 553-571.
- Maoz, Zeev. 9/2009. "The Effects of Strategic and Economic Interdependence on International Conflict Across Levels of Analysis." *American Journal of Political Science* 53(1): 223-240.
- Kinne, Brandon J. 2012. "Multilateral Trade and Militarized Conflict: Centrality, Openness, and Asymmetry in the Global Trade Network". *The Journal of Politics* 74(1): 308-322.
- Farrell, Henry and Abraham L. Newman. 2019. "Weaponized Interdependence." *International Security* 44(1): 42-79.

### Week 7 – February 28 – No Class Due to Mardi Gras Break

### Week 8: March 7 – Foreign Investment

*Research paper proposal must be uploaded in .pdf format to Moodle by 1:30pm*

- Ahlquist, John S. 2006. "Economic Policy, Institutions, and Capital Flows: Portfolio and Direct Investment Flows in Developing Countries." *International Studies Quarterly* 50: 687-710.
- Kosack, Stephen and Jennifer Tobin. 2006. "Funding Self-Sustaining Development: The Role of Aid, FDI and Government in Economic Success". *International Organization* 60: 205-243.
- Blanton, Shannon Lindsey and Robert G. Blanton. 2007. "What Attracts Foreign Investors? An Examination of Human Rights and Foreign Direct Investment". *Journal of Politics* 69(1): 143-155.
- Büthe, Tim and Helen V. Milner. 2008. "The Politics of Foreign Direct Investment into Developing Countries: Increasing FDI through International Trade Agreements?" *American Journal of Political Science* 52(4): 741-762.
- Malesky, Edmund J. 2008. "Straight Ahead on Red: How Foreign Direct Investment Empowers Subnational Leaders" *The Journal of Politics* 70(1): 97-119
- Gray, Julia. 2009. "International Organization as a Seal of Approval: European Union Accession and Investor Risk." *American Journal of Political Science* 53(4): 931-949.

### Week 9: March 14 – No Class Due to Spring Break

### Part III: Foreign Aid

#### Week 10: March 21– Who, Why, and Does it Work?

- Rodrik, Dani. 1995. Why is there Multilateral Lending? NBER Working Paper No. 5160.
- Alesina, Alberto and David Dollar. 2000. "Who Gives Foreign Aid to Whom and Why?" *Journal of Economic Growth* 5: 33-63.
- Burnside, Craig, and David Dollar. 2000. "Aid, Policies, and Growth". *American Economic Review* 90: 847-68.
- Clemens, Michael A., Steven Radelet, Rikhil R. Bhavnani, and Samuel Bazzi. 2004. "Counting Chickens When They Hatch: Timing and the Effects of Aid on Growth". Center for Global Development Working Paper 44.
- Bueno de Mesquita, Bruce and Alastair Smith. 2009. "A Political Economy of Aid" *International Organization* 63: 309-40.
- Bermeo, Sarah Blodgett. 2021. *Foreign Aid*. In Jon C.W. Pevehouse and Leonard Seabrooke (Eds.) *The Oxford Handbook of International Political Economy*. Oxford Handbooks Online. DOI: [10.1093/oxfordhb/9780198793519.013.17](https://doi.org/10.1093/oxfordhb/9780198793519.013.17)

#### Week 11 – March 28 – How Can Aid be Improved – And Should It?

- Sachs, Jeffrey. 2005. *The End of Poverty: Economic Possibilities for Our Time*. Penguin Books.
- Easterly, William. 2006. *The White Man's Burden: why the West's efforts to aid the rest have so much ill and so little good*. Penguin Books.
- Easterly, William. 2014. *The Tyranny of Experts: Economists, Dictators and the Forgotten Rights of the Poor*. Basic Books.
- Moyo, Dambisa. 2009. *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa*. Farrar, Straus and Giroux.

#### Week 12: April 4 – Aid Externalities: What Else Does Aid Do Besides Promote Economic Growth?

- Finkel, Steven E., Aníbal Pérez-Liñán, and Mitchell A. Seligson. 2007. "The Effects of U.S. Foreign Assistance on Democracy Building, 1990-2003." *World Politics* 59(3): 404-439.
- Kono, Daniel Yuichi and Gabriella R. Montinola. 2009. "Does Foreign Aid Support Autocrats, Democrats, or Both?" *The Journal of Politics* 71(2): 704-718.
- Wright, Joseph. 2009. "How Foreign Aid Can Foster Democratization in Authoritarian Regimes". *American Journal of Political Science* 53(3): 552-571.
- Ahmed, Faisal Z. 2012. "The Perils of Unearned Foreign Income: Aid, Remittances, and Government Survival". *American Political Science Review* 106(1): 146-165.
- Girod, Desha M. 2012. "Effective Foreign Aid Following Civil War: the Nonstrategic-Desperation Hypothesis." *American Journal of Political Science* 56(1): 188-201.
- Savun, Burcu and Daniel C. Tirone. 2012. "Exogenous Shocks, Foreign Aid and Civil War." *International Organization* 66(3): 363-393.

## Part IV: International Financial Institutions

### Week 13: April 11- Development and roles of the IFI's

- Cohen, Benjamin J. 1982. "Balance of Payments Financing: Evolution of a Regime". *International Organization* 36(2): 457-478.
- Frieden, Jeff. 1993. "The Dynamics of International Monetary Systems: International and Domestic Factors in the Rise, Reign, and Demise of the Classical Gold Standard." In *Coping with Complexity in the International System*, eds. Jack Snyder and Robert Jervis. Westview Press.
- Fischer, Stan. 2003. "Financial crises and reform of the international financial system." *Review of World Economics* 139(1): 1-37.
- Eichengreen, Barry. 2004. "Global Imbalances and the Lessons of Bretton Woods". NBER Working Paper 10497.
- Meissner, Christopher M. 2005. "A New World Order: Explaining the International Diffusion of the Gold Standard, 1870-1913." *Journal of International Economics* 66: 385-406.

## Part V: Capital, Monetary Policy and Central Bank Independence

### Week 14: April 18 – International Capital Mobility and the Impossible Trinity

- Quinn, Dennis P. and Carla Inclan. 1997. "The Origins of Financial Openness: A Study of Current and Capital Account Liberalization." *American Journal of Political Science* 41(3): 771-813.
- Simmons, Beth A. 1999. "The Internationalization of Capital," in *Continuity and Change in Contemporary Capitalism*
- Clark, William Roberts and Mark Hallerberg. 2000. "Mobile Capital, Domestic Institutions, and Electorally Induced Monetary and Fiscal Policy." *American Political Science Review* 94(2) 323-346.
- Bearce, David H. 2002. "Monetary Divergence: Domestic Political Institutions and Monetary Autonomy-Exchange Rate Stability Tradeoff." *Comparative Political Studies* 35(2): 194-220.
- Obstfeld, Maurice, Jay C. Shambaugh and Alan M. Taylor. 2005. "The Trilemma in History: Tradeoffs Among Exchange Rates, Monetary Policies, and Capital Mobility" *The Review of Economics and Statistics* 87(3): 423-438

### Week 15: April 25 - Central Bank Independence

- Cukierman, Alex, Steven B. Webb and Bilin Neyapti. 1992. "Measuring the Independence of Central Banks and Its Effect on Policy Outcomes." *World Bank Economic Review*.
- Simmons, Beth A. 1996. "Rules of the Game: Central Bank Independence during the Interwar Years." *International Organization* 50(3): 407-443.
- Bernhard, William T. 1998. "A Political Explanation of Variations in Central Bank Independence." *American Political Science Review* 92: 311-28.
- Broz, J. Lawrence. 2002. "Political System Transparency and Monetary Commitment Regimes." *International Organization* 56(4): 861-887.



- Copelovitch, Mark S. and David Andrew Singer. 2008. "Financial Regulation, Monetary Policy, and Inflation in the Industrialized World." *The Journal of Politics* 70(3): 663-680.
- Copelovitch, Mark. This Time Should Have Been Different. Working Paper.

#### Week 16: May 2 – Monetary Policy and Sovereign Debt

- Reinhart, Carmen M. and Kenneth S. Rogoff. 2010. "Growth in a Time of Debt". *American Economic Review: Papers & Proceedings*, 100(2): 573-578.
- Herndon, Thomas, Michael Ash and Robert Pollin. (2014). "Does high public debt consistently stifle economic growth? A critique of Reinhart and Rogoff." *Cambridge journal of economics*, 38(2), 257-279.
- Heimberger, Philipp. (2021). Do Higher Public Debt Levels Reduce Economic Growth? (No. 211). The Vienna Institute for International Economic Studies, wiiw.
- Blanchard, Olivier J. (2019). *Public debt: Fiscal and welfare costs in a time of low interest rates* (No. PB19-2).
- Kelton, Stephanie. 2020. *The Deficit Myth: Modern Monetary Theory and How to Build a Better Economy*. PublicAffairs: New York.

#### Week 17: Final Exam Week, No Class

*Final draft of research papers must be uploaded to Moodle in .pdf format by Friday, May 13 at 5:00pm*

## Additional Topics Of Interest

### Exchange Rate Regimes

- Bernhard, William T. and David Leblang. 1999. "Democratic Institutions and Exchange-Rate Commitments." *International Organization* 53(1): 71-97.
- Simmons, Beth and Jens Hainmueller. "Can Domestic Institutions Explain Exchange rate Regime Choice? The Political Economy of Monetary Institutions Reconsidered." Working Paper.
- Alesina, Alberto and Alexander Wagner. "Choosing (and Reneging on) Exchange Rate Regimes". Working paper.
- Reinhart, Carmen M, and Kenneth S. Rogoff. 2004. "The Modern History of Exchange Rate Arrangements: A Reinterpretation." *Quarterly Review of Economics* 119(1): 1-48.
- Levy-Yeyati, Eduardo, and Federico Sturzenegger. 2005. "Classifying Exchange Rate Regimes: Deeds vs. Words." *European Economic Review* 49: 1603-35.
- Plümper, Thomas and Vera E. Troeger. 2008. "Fear of Floating and the External Effects of Currency Unions." *American Journal of Political Science* 52(3): 656-676.

### International Monetary Fund

- Thacker, Strom C. 1999. "The High Politics of IMF Lending" *World Politics* 51(1): 38-75.
- Gould, Erica R. 2003. "Money Talks: Supplementary Financiers and International Monetary Fund Conditionality." *International Organization* 57: 551-586.
- Vreeland, James R. 2003. Chapters 1, 4-7 from *The IMF and Economic Development*.
- Oatley, Thomas and Jason Yackee. 2004. "American Interests and IMF Lending." *International Politics* 41: 415-429.
- Nooruddin, Irfan and Joel W. Simmons. 2006. "The Politics of Hard Choices: IMF Programs and Government Spending". *International Organization* 60: 1001-1033
- Mukherjee, Bumba and David Andrew Singer. 2010. "International Institutions and Domestic Compensation: The IMF and the Politics of Capital Account Liberalization." *American Journal of Political Science* 54(1): 45-60.

### PTAs and Trade Organizations

- Lipson, Charles. 1982. "The Transformation of Trade: The Sources and Effects of Regime Change." *International Organization* 36(2): 417-455.
- Goldstein, Judith and Lisa L. Martin. 2000. "Legalization, Trade Liberalization and Domestic Politics: A Cautionary Note." *International Organization* 54(3): 603-632.
- Mansfield, Edward D and Eric Reinhardt. 2003. "Multilateral Determinants of Regionalism: The Effects of GATT/WTO on the Formation of Preferential Trading Agreements" *International Organization* 57: 829-62.
- Rose, Andrew K. 2004. "Do We Really Know that the WTO Increases Trade?" *American Economic Review* 94: 98-114.
- Davis, Christina L. and Sarah Blodgett Bermeo. 2009. "Who Files? Developing Country Participation in GATT/WTO Adjudication." *The Journal of Politics* 71(3): 1033-1049.