

International Political Economy

POL-UA 795 - 003 Spring 2016

Professor Peter Rosendorff, Professor of Politics, NYU

Class time: Monday 12:30 – 3pm, SILV Rm 407
Office hours: 3 - 5pm Mondays and by appointment
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The purpose of this course is to familiarize students with current issues and debates in the field of international political economy. Students will engage with the current scholarship regarding the relationship between power and wealth; the politics and institutions of international trade, money and exchange rates; the political aspects of financial crises; international courts and issues in human rights.

Students who complete this course will be able to:

- Define and analyze a variety of theoretical issues in conflict and cooperation: bargaining, enforcement, compliance, for example
- Develop a set of analytic tools to evaluate arguments based on **logic and evidence** rather than personal opinion or partisan preferences.
- Argue a perspective that is not historical or descriptive, but rather analytical and scientific.
- Apply theoretical foundations to current problems of International political economy., such as trade, finance, law and human rights.
- Develop tools for writing and presenting social science arguments, papers and discussions.
- Learn and apply the essential elements of social science research methods.

This is an upper-level course and is designed for students who have already taken introductory courses in international relations.

Requirements

The course will include a midterm, final exam, and several assignments throughout the semester. The graded assignments will count as 25 percent of the final grade. The midterm will count as 25 percent of the grade and the final exam will count as 50 percent. Attendance in class, for the midterm and exam are required; participation in class is actively encouraged.

Classroom sessions will involve a mixture of lectures, discussions, joint problem solving exercises. Applications of the material include the WTO, the IMF, the ICC, the European debt crisis, the UN Convention Against Torture and other topical issues.

There are four written assignments required. Each should be two to four pages, double-spaced and ask you to apply the theories and ideas discussed in class to a problem or a context. These are not opinion pieces; they must be well-reasoned arguments offering both theory and evidence to support a specific claim. The assignment topics can be found below. Due dates will be assigned.

Course Schedule and Readings

I. Theories

Week 1, January 25: Introduction: What is IPE? Information, Interests and Institutions. Domestic politics and international cooperation.

Feb 1: No lecture

II. Trade

Week 2, Feb 8: Political Economy of International Trade: Trade policy, and the case for free trade

The Ricardian, Heckscher-Ohlin and Specific Factor Models of Trade. Gains from Trade. Trade and Redistribution.

Milner, Helen (2013), [International Trade](#), In Walter Carlsnaes, Thomas Risse, and Beth A. Simmons, eds. *Handbook of International Relations*. 2nd Ed. Thousand Oaks, CA: SAGE Publications, 2013, pp. 720-745. On class website

Eichengreen, Barry. (2000) "The Political Economy of the Smoot-Hawley Tariff". In Frieden and Lake, eds. *International Political Economy*, Bedford/St. Martin's, Boston, 4th ed. On class website.

Steven Magee, Brock and Young (1989), *Black Hole Tariffs and Endogenous Policy Theory*, Cambridge: Cambridge University Press. Chapter 7: "Three Simple Tests of the Stolper-Samuelson Theorem". On class website.

Hiscox, Michael J. (2001) "Class Versus Industry Cleavages: Inter-Industry Factor Mobility and the Politics of Trade" *International Organization*, 55, 1, Winter 2001, pp. 1-46

Optional: Krugman, Obstfeld and Melitz (2012), *International Economics: Theory and Policy* (10th Edition) Chapters 3,4,5. On reserve at Bobst.

Feb 15: Presidents Day: No Classes

Week 3, Feb 22: Reputation and Cooperation

McGillivray, Fiona, and Alastair Smith. (2000) "Trust and Cooperation through Agent Specific Punishments." *International Organization*. 54(4): 809-824.

Milgrom, Paul R., Douglass C. North, and Barry R. Weingast. (1990) "The Role of Institutions in the Revival of Trade: The Law Merchant, Private Judges, and the Champagne Fairs." *Economics and Politics*. 2 (1): 1-23

Downs, George W., and Michael A. Jones. (2002) "Reputation, Compliance, and International Law." *Journal of Legal Studies*. 31: S98-S114.

Week 4, Feb 29: Bargaining and enforcement

Fearon, James (1998) "Bargaining, Enforcement, and International Cooperation" *International Organization*. 52(Spring): 269-305

Blaydes, Lisa. (2004) "Rewarding Impatience: A Bargaining and Enforcement Model of OPEC." *International Organization*. 58 (Spring): 213-237. – **pages 213-222; skim pages 228-236**

Thompson, Alexander. (2006) "Coercion Through IOs: The Security Council and the Logic of Information Transmission." *International Organization*. 60 (Winter): 1-34. --- **pages 1-4 and 6-26 only**

Voeten, Erik. (2001) "Outside Options and the Logic of Security Council Action." *American Political Science Review*. 95: 845-858. --- **pages 845-853 and 855-856 only**

Week 5, March 7: Compliance

Downs, George W., David M. Rocke and Peter N. Barsoom. 1996. "[Is the Good News about Compliance Good News about Cooperation?](#)" *International Organization* 50(3):379-406

Simmons, Beth A. (1998) "Compliance with International Agreements." *Annual Review of Political Science*. 1: 75-93.

Chayes, Abram and Antonia Handler Chayes. (1993) "On Compliance." *International Organization*. 47: 175-205.

Gilligan, Michael J. (2004) "Is There a Broader-Deeper Trade-off in International Multilateral Agreements?" *International Organization*. 58 (Summer): 459-484. – **pages 459-461 and 475-477 only**

March 14: Spring Break

Week 6, March 21: Domestic Politics/Regime Type

Edward D. Mansfield, Helen V. Milner, and B. Peter Rosendorff, "[Why Democracies Cooperate More: Electoral Control and International Trade Agreements](#)," *International Organization* 56(3) (Summer 2002), 477-513.

Rosendorff, B. Peter, "Do Democracies Trade More Freely?" in Robert Pahre ed. *Democratic Foreign Policy Making: Problems of Divided Government and International Cooperation*, London: Palgrave, 2006. Course Website

Hollyer, James and B. Peter Rosendorff, "Leadership Survival, Regime Type, Policy: Uncertainty and PTA Accession", *International Studies Quarterly*, 2012, 56(4):748-764.

Arias, Eric, James Hollyer and B. Peter Rosendorff, "Leadership Survival, Regime Type and Bilateral Investment Treaties". Class website

Chapter 11 of Kydd, Andrew, *International Relations Theory*, available on class website.

March 28: MIDTERM

Week 7, April 4: Design, GATT/WTO

Goldstein, Judith, Doug Rivers, and Michael Tomz. (2007) "Institutions in International Relations: Understanding the Effects of the GATT and the WTO on World Trade." *International Organization*. 61: 37-67. --- **pages 37-47 and 63-64 only**

Rosendorff, Peter (2005), [Stability and Rigidity: Politics and the Dispute Resolution Mechanism at the WTO](#), *American Political Science Review*, August 2005, 99(3):389-400.

Pelc, Krzysztof (2013), "[The Cost of Wiggle-Room: Considering the Welfare Effects of Flexibility in Tariff Rates at the WTO](#)". *International Studies Quarterly*, 57: 91-102.

III. Money and Investment

Week 8, April 11: IMF and Development

Przeworski, Adam and James Raymond Vreeland. 2000. [The Effects of IMF Programs on Economic Growth](#). *Journal of Development Economics* 62 (2): 385-421.

Vreeland (2008): Chapter 1: pages 5-11 and 20-25; Chapter 2: all; Chapter 3: pages 50-67; Chapter 4: pages 73-74 and 84-94

Casper, Brett Allan (2066) "IMF Programs and the Risk of a Coup d'etat," *Journal of Conflict Resolution*. [Download Paper](#)

IV: Courts

Week 9, April 18: International Courts and Tribunals: Are More Powerful Courts Good for International Cooperation?

Gilligan, Michael J., Leslie Johns, and B. Peter Rosendorff. (2010) "Strengthening International Courts and the Early Settlement of Disputes." *Journal of Conflict Resolution*.

Gilligan, Michael J. (2006) "Is Enforcement Necessary for Effectiveness? A Model of the International Criminal Regime." *International Organization*. 60: 935-967.

Gary J. Bass. (2003) "Milosevic in the Hague." *Foreign Affairs*. 82 (3).

Rosendorff, B. Peter and Alastair Smith, "Domestic Political Determinants of the Onset of WTO Disputes." Website.

V. Human Rights

Week 10, April 25: Human Rights, Torture and Autocratic Survival. Or, Is More Law Always Better?

Moravcsik, Andrew. (2000) "The Origins of Human Rights Regimes: Democratic Delegation in Postwar Europe." *International Organization*. 54 (2): 217-252.

Hollyer, James and B. Peter Rosendorff, "Why Do Authoritarian Regimes Sign the Convention Against Torture? Signaling, Domestic Politics and Non-Compliance", *Quarterly Journal of Political Science*, 2011, 6(3-4):275-327.

Simmons BA. [Mobilizing Human Rights: International Law in Domestic Politics](#). Cambridge University Press; 2009.

VI. Money and Exchange Rates

Week 11, May 2: Political Economy of Monetary Policy and Exchange Rates

Broz, Lawrence and Jeffrey Frieden (2006) "The Political Economy of Exchange Rates" In *The Oxford Handbook of Political Economy*. Edited by Barry R. Weingast and Donald Wittman. Oxford University Press.

Broz, Lawrence (2002), "Political System Transparency and Monetary Commitment Regimes". *International Organization* 56, 4 (Autumn 2002):863-889.

Week 12, May 9: Financial Crises: Europe and Latin America

Aklin, M. (2013). Information, transparency, and the contagion of financial crises. Working Paper, NYU – available on the website.

Other readings to be determined

Assignments

Assignment 1: Compare the factor- and the sector-based theories of the redistributive effects of international trade. Apply these theories to a country of your choice, and identify the gainers and losers from free trade.

Assignment 2: Pick an OPEC country. Analyze the country in the context of the Blaydes paper: Is it patient in that context? Does it prefer high prices or moderate oil prices and why? How do the OPEC allocations reflect these factors?

Bonus: With the emergence of cheaper and alternative fuels to oil, what is your prognosis for the survival of OPEC?

Assignment 3: Democracies are said to be more transparent than non-democracies in their policy-making process. Does transparency help to explain why democracies are less

likely to peg their exchange rates or have more independent central banks?

OR

"The IMF is bad for growth." Evaluate this claim.

Assignment 4: Trade and monetary agreements rely on reciprocity for compliance; explain why reciprocity is not operative in human rights agreements, and offer (and explain) some alternative mechanisms for compliance.

Notes on Writing Assignments

I. Introduction. A clear, concise statement of the puzzle/question you are addressing, and your proposed resolution.

II. The dependent variable, if appropriate. What you are trying to explain and why, as well as some sense of the range of variation in the dependent variable.

III. Synthetic literature review / your explanation. Develop an analytical summary of the existing attempts to explain your dependent variable or solve your puzzle. Do not catalog a "he said-she said" chronology; synthesize the existing literature.

IV. Implications. Explain what you expect the completed dissertation to add to our understanding of some broader set of analytical or empirical issues in Political Science.

V. Bibliography, in the correct, APSA format.